



# City of Shoreview Minnesota

## Comprehensive Annual Financial Report



For the  
Fiscal Year Ended  
December 31, 2017



**CITY OF SHOREVIEW, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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 30, 2018

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, 2017.

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, 2017. 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 26,366. 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 many national and regional companies that are leaders in their respective industries of banking and business systems, manufacturing, medical and computer technologies and robotics. A strong business community led by high profile companies such as Cummins Power Generation, Deluxe Corporation, Fiserv, Land O'Lakes, PaR Systems, Target Corporation, TSI, Wells Fargo, Hill-Rom, and Ally Financial Services 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 current low of 2.9 percent to a high of 6.5 percent in 2010. Unemployment is expected to remain at or below the regional average.

Over the past 10 years, general property taxes have increased in amount and decreased as a percentage of total governmental fund revenues, from 48.5 percent in 2008 to 46.9 percent in the current fiscal year (a 10-year decrease of 1.6 percent). Intergovernmental revenues have increased from 1.7 percent in 2008 to 6.4 percent of total revenues in the current fiscal year (a 10-year increase of 4.7 percent).

During the past 10-year period, governmental fund expenditures related to public safety have increased in amount and as a percentage of total current governmental fund expenditures from 17.3 percent (\$2,550,216) in 2008 to 25.2 percent (\$4,384,589) in the current fiscal year (a 10-year increase of 7.9 percent). The increase reflects a phase in of the duty crew program for paid on-call firefighters working different shifts at fire stations. 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 2.7 percent (\$436,578) in 2008 to 7.6 percent (\$1,765,451) in the current fiscal year (a 10-year increase of 4.9 percent).

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

Total General Fund balance (50.0 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2018 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2018 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 replacement 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 10, 2017 Standard & Poor's affirmed the 'AAA' rating on the City's GO debt.

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

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with "strong" financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the General Fund and at the total governmental fund level in fiscal 2016;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2016 of 43 percent of operating expenditures;
- Very strong liquidity, with total government available cash at 1.6x total governmental fund expenditures and 26.3x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability position, with debt service carrying at 6.3 percent of expenditures and net direct debt that is 179.4 percent of total governmental fund revenue, and
- Strong institutional framework score.

Projections for the next 5 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 5 years is estimated to average 0.6 percent per year, and user fees are projected to increase between 3.0 percent and 6.0 percent over the next five years. The use of capital revolving funds will result in stable property tax and user fee increases despite fluctuating capital expenditures.

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

The City utilizes various financial and budget policies to guide the City Council and staff when making financial decisions. These include formal Fund Balance, Debt, Budget, Comprehensive Infrastructure Replacement, Community Investment and Financial Investment policies. The primary objective of these policies is to guarantee effective delivery of City services to residents and businesses, and to ensure protection of the City's financial strength and flexibility through a revenue structure and long-term planning effort that is consistent with City Council goals and working capital targets. The overall revenue structure is established with a long-term view, and is designed to protect service delivery, ensure adequate resources in support of operations, protect asset function and condition by providing sufficient funding for repair and replacement cost when needed, and provide long-term stability and sustainability. The City's policies prohibit the use of one-time revenues to support ongoing operational expenses.

### ***Major Initiatives***

The City of Shoreview has a strong track record for supporting business growth to attract and retain quality companies consistent with our community values. Shoreview's partnership approach in developing and maintaining close relationships with our business community through our adopted Business Retention and Expansion Program has been recognized for our successful efforts.

Shoreview's economic development efforts to retain and expand business include several examples of key local high tech companies such as PaR Systems and TSI Incorporated, which have brought hundreds of new highly skilled jobs and additional tax base to the community. The City was also successful in attracting Ally Financial Services to relocate their regional operations to the Shoreview Corporate Center, which will eventually result in approximately 400 jobs.

The City has also supported retail development providing additional services and dining options for the community, including transforming the Red Fox Road area near Interstate 694 and Lexington Avenue with a new retail center anchored by a Trader Joe's specialty market. Most recently, a new Kowalski's Market opened in the former Rainbow Foods building at Hodgson Road and Highway 96. Kowalski's invested millions of dollars in redeveloping the property bringing quality grocery services and 225 jobs with their store and centralized Twin Cities operations moving to Shoreview.

Shoreview has also seen major private sector investment in the multi-family housing market with several high profile redevelopment projects that will provide new housing choices to the community. These projects all have involved the redevelopment of older



commercial properties including the completed Lakeview Terrace 108-unit market rate apartments, the McMillan mixed-used development of 134 upscale apartments, ground floor retail, and 14 townhomes all currently under construction, and the just approved 410-unit high end apartments by Greco Ridge adjacent to the Shoreview Corporate Center that will begin construction this summer. These multi-family residential projects will provide 650 new quality housing units and market values totaling nearly \$150 million.

Besides luxury apartment projects, the City has also seen continued growth in other housing construction. This includes the recent opening of a 31-unit market rate senior housing addition to the Shoreview Senior Living campus that previously built 105-units of mixed congregate, assisted living, and memory care apartments.

Higher end single family housing projects recently completed or currently under construction include the 25-unit subdivision of Autumn Meadows (sold out), 10-lot luxury home project Owasso Beach (under construction), 8-lot subdivision of Wabasso Shores (under construction), and 7-lot single-family project of Gramsie Woods (all lots sold).

The City strives to ensure that Shoreview maintains a strong, healthy, and positive business climate that promotes and fosters continued economic development, business growth and reinvestment in the community.

As a result of continued growth in recreation programs and strong demand for use of Community Center facilities, as well as a goal to maintain the Community Center as a vibrant community facility, the City Council and Park & Recreation Commission authorized a study of a possible expansion of the Community Center in 2014. The study was completed in 2016 and the City Council approved the construction contracts on October 2, 2017.

Construction started on October 23, 2017 and includes two distinct areas, an expansion of the Tropics Indoor Waterpark and a major two story addition adjacent to the gymnasium. The Waterpark project includes a renovation in the pool locker rooms, expanded family locker rooms, and a 7,000 square foot expansion to the Waterpark that includes a new zero depth shallow water splash pool and major aquatic play structure. The project adjacent to the gymnasium is a two-level, 15,000 square foot expansion and includes expanding the Tropical Adventure Indoor Playground, adding four group fitness studios on the lower level and adding four activity rooms on the upper level.

The estimated cost for this major expansion project is about \$15.6 million. The project is being financed through a combination of sources including the issuance of General Obligation Tax Abatement Bonds that will be paid over the next 20 years and through contributions from the City's capital project funds.

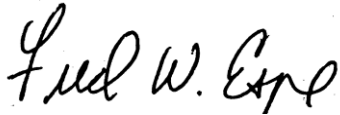
### *Awards and Acknowledgements*

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, 2016. This was the thirty-second 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



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, 2016**

*Christopher P. Morrill*

Executive Director/CEO

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**CITY OF SHOREVIEW, MINNESOTA**

Principal City Officials

December 31, 2017

**City Council**

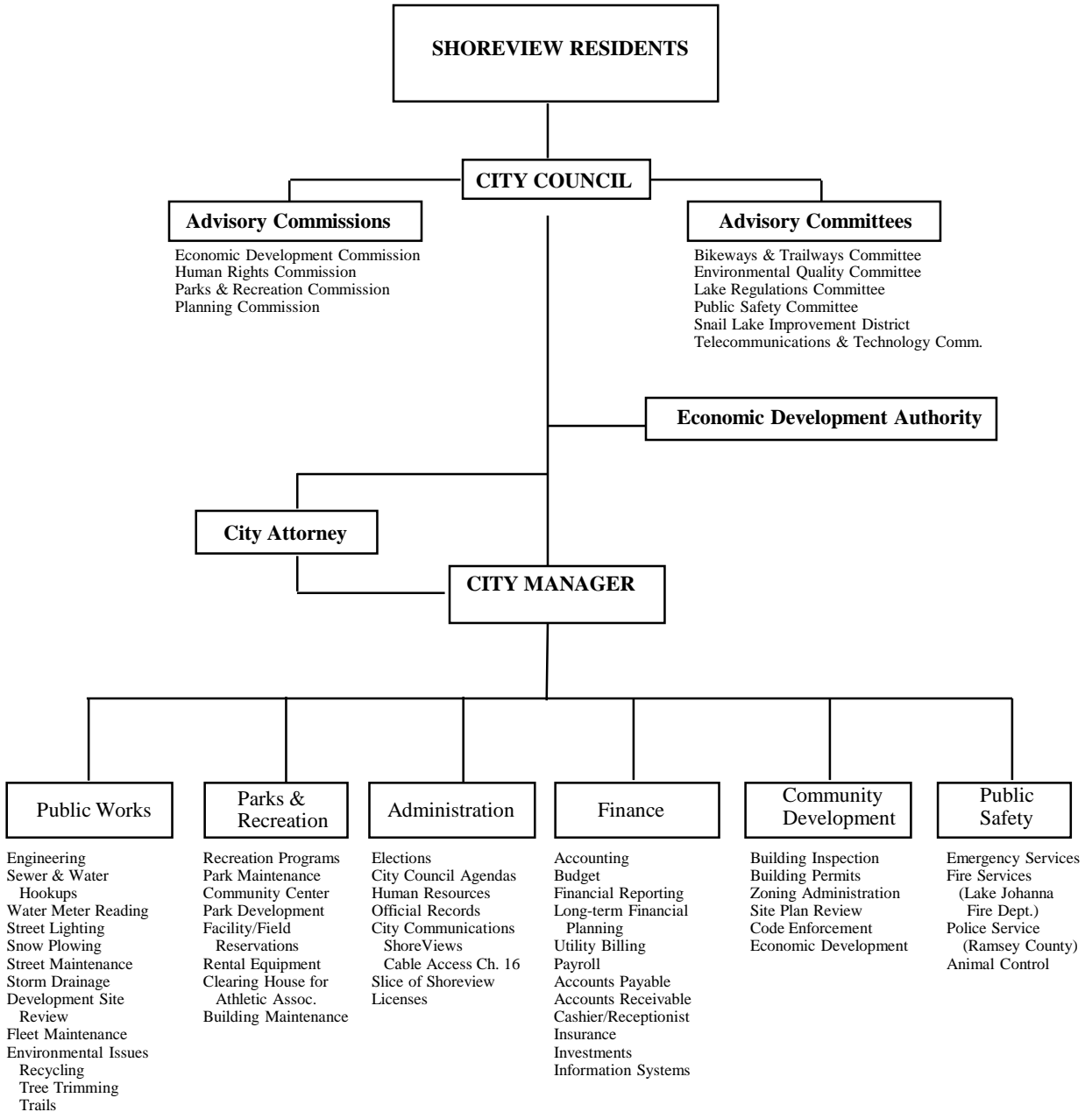
	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2018
Councilmembers Sue Denkinger	December 31, 2020
Emy Johnson	December 31, 2020
Terry Quigley	December 31, 2018
Cory Springhorn	December 31, 2018

**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, 2017



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



## **II. FINANCIAL SECTION**

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**PRINCIPALS**

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

**INDEPENDENT AUDITOR'S REPORT**

To the City Council and Management  
City of Shoreview, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2017, 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, 2017, 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 required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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, combining and individual nonmajor fund statements and schedules, 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 30, 2018

## 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, 2017. 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–viii of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$100,152,572 (net position). Of this amount, \$26,556,530 (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 \$4,351,466 as a result of a \$3,217,734 increase in net position for governmental activities and a \$1,133,732 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 \$35,476,765, an increase of \$13,677,726 in comparison with the prior year. Approximately 11.3 percent of this amount (\$4,010,451) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$4,915,075 or 48.9 percent of the total General Fund expenditures. Fund balance in the General Fund increased \$216,237 during the year.
- The City's total governmental activity bonded and certificate of participation debt increased by \$11,595,000 (excluding premiums) from the prior year. The City issued \$12,865,000 of general obligation tax abatement bonds to finance an expansion to the Community Center.
- During 2017 the City's business-type activity bonded debt decreased \$1,550,000 (excluding premiums) from the prior year. Net revenues of the Water, Sewer and Surface Water utilities are pledged for the debt service of the business-type debt.
- The City's capital assets increased \$2,027,504, or 3.3 percent for governmental activities, and decreased \$29,578, or 0.1 percent for business-type activities. A significant portion of the increase in the governmental-type activities is related to the Community Center expansion (\$2,514,101).

### 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 eight individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Center Operation Fund, Recreation Programs Fund, Municipal State Aid Fund, Street Renewal Fund, General Fixed Asset Replacement Fund, Community Investment Fund and Community Center Expansion 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 short-term disability self-insurance, liability claims, and central garage functions. Because each of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, 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 33-73 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 and individual fund statements and schedules in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 88-122 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,152,572 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$66,822,962 or 67 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.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
	Current and other assets	\$ 41,883,660	\$ 27,017,231	\$ 12,109,965	\$ 12,889,928	\$ 53,993,625
Capital assets	64,113,375	62,085,871	47,054,287	47,083,865	111,167,662	109,169,736
Total assets	<u>\$ 105,997,035</u>	<u>\$ 89,103,102</u>	<u>\$ 59,164,252</u>	<u>\$ 59,973,793</u>	<u>\$ 165,161,287</u>	<u>\$ 149,076,895</u>
Deferred outflows of resources	\$ 1,178,952	\$ 2,514,721	\$ 285,584	\$ 609,156	\$ 1,464,536	\$ 3,123,877
Long-term liabilities outstanding	\$ 35,865,033	\$ 24,941,544	\$ 22,998,468	\$ 25,080,974	\$ 58,863,501	\$ 50,022,518
Other liabilities	3,939,437	2,565,786	2,389,550	2,647,142	6,328,987	5,212,928
Total liabilities	<u>\$ 39,804,470</u>	<u>\$ 27,507,330</u>	<u>\$ 25,388,018</u>	<u>\$ 27,728,116</u>	<u>\$ 65,192,488</u>	<u>\$ 55,235,446</u>
Deferred inflows of resources	\$ 1,032,975	\$ 989,685	\$ 247,788	\$ 174,535	\$ 1,280,763	\$ 1,164,220
Net position						
Net investment in capital assets	\$ 42,933,016	\$ 42,222,816	\$ 23,889,946	\$ 22,950,528	\$ 66,822,962	\$ 65,173,344
Restricted	6,692,255	6,620,922	80,825	13,267	6,773,080	6,634,189
Unrestricted	16,713,271	14,277,070	9,843,259	9,716,503	26,556,530	23,993,573
Total net position	<u>\$ 66,338,542</u>	<u>\$ 63,120,808</u>	<u>\$ 33,814,030</u>	<u>\$ 32,680,298</u>	<u>\$ 100,152,572</u>	<u>\$ 95,801,106</u>

An additional portion of the City's net position (\$6,773,080 or 7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$26,556,530 or 26 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 \$4,351,466 (4.5 percent) from \$95,801,106 at December 31, 2016 to \$100,152,572 at December 31, 2017. Governmental activities increased \$3,217,734 (5.1 percent) from the prior year while the business-type activities increased \$1,133,732 (3.5 percent) during the same period.

As previously mentioned, the City issued tax abatement bonds for the community center expansion project. These new bonds and the related unspent proceeds at year-end contributed to the change in "current and other assets" and in "long-term liabilities outstanding" in the table above.

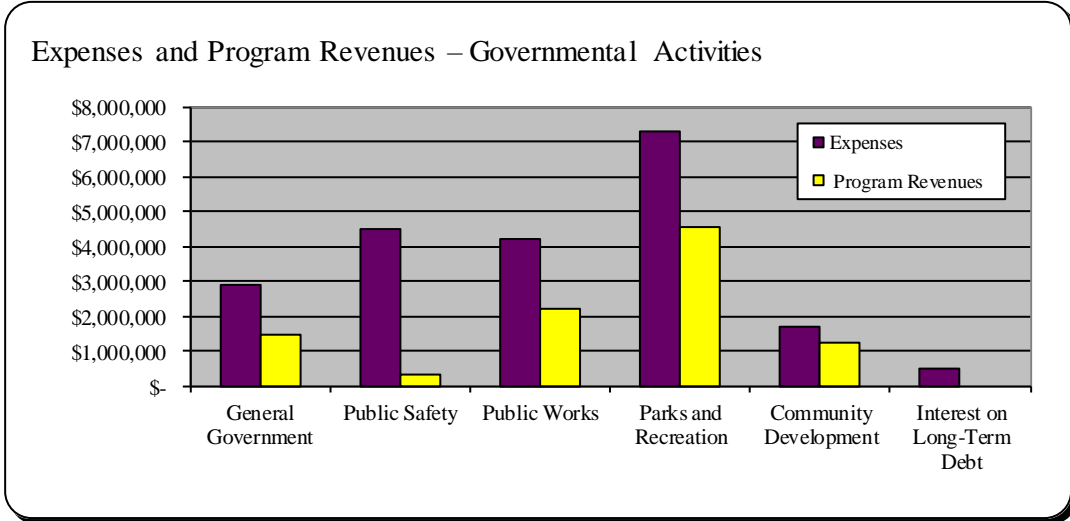
**Governmental activities.** Governmental activities increased the City's net position by \$3,217,734. Key elements of this increase are as follows:

City of Shoreview's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 7,690,990	\$ 7,121,066	\$ 9,948,276	\$ 9,099,681	\$ 17,639,266	\$ 16,220,747
Operating grants and contributions	797,103	985,665	406	22,715	797,509	1,008,380
Capital grants and contributions	1,300,509	1,112,367	40,561	417,907	1,341,070	1,530,274
General revenues						
Property taxes	11,088,974	10,903,874	-	-	11,088,974	10,903,874
Tax increment collections	861,608	753,738	-	-	861,608	753,738
Franchise tax	1,275,995	1,278,643	-	-	1,275,995	1,278,643
Grants and contributions not restricted to specific programs	34,541	58,743	-	-	34,541	58,743
Unrestricted investment earnings	328,996	208,622	105,764	80,404	434,760	289,026
Gain on disposal of capital assets	91,798	43,147	-	-	91,798	43,147
Total revenues	<u>23,470,514</u>	<u>22,465,865</u>	<u>10,095,007</u>	<u>9,620,707</u>	<u>33,565,521</u>	<u>32,086,572</u>
<b>Expenses</b>						
General government	2,889,824	2,779,242	-	-	2,889,824	2,779,242
Public safety	4,469,412	3,836,127	-	-	4,469,412	3,836,127
Public works	4,191,821	4,591,903	-	-	4,191,821	4,591,903
Parks and recreation	7,265,886	7,247,189	-	-	7,265,886	7,247,189
Community development	1,658,775	3,047,976	-	-	1,658,775	3,047,976
Interest on long-term debt	479,563	342,529	-	-	479,563	342,529
Water	-	-	2,867,238	2,736,575	2,867,238	2,736,575
Sewer	-	-	3,813,241	3,721,041	3,813,241	3,721,041
Surface water	-	-	1,273,020	1,275,433	1,273,020	1,275,433
Street lights	-	-	305,275	295,184	305,275	295,184
Total expenses	<u>20,955,281</u>	<u>21,844,966</u>	<u>8,258,774</u>	<u>8,028,233</u>	<u>29,214,055</u>	<u>29,873,199</u>
Increase (decrease) in net position before transfers	2,515,233	620,899	1,836,233	1,592,474	4,351,466	2,213,373
Transfers	<u>702,501</u>	<u>643,670</u>	<u>(702,501)</u>	<u>(643,670)</u>	-	-
Increase (decrease) in net position	3,217,734	1,264,569	1,133,732	948,804	4,351,466	2,213,373
Net position – January 1	<u>63,120,808</u>	<u>61,856,239</u>	<u>32,680,298</u>	<u>31,731,494</u>	<u>95,801,106</u>	<u>93,587,733</u>
Net position – December 31	<u>\$ 66,338,542</u>	<u>\$ 63,120,808</u>	<u>\$ 33,814,030</u>	<u>\$ 32,680,298</u>	<u>\$ 100,152,572</u>	<u>\$ 95,801,106</u>

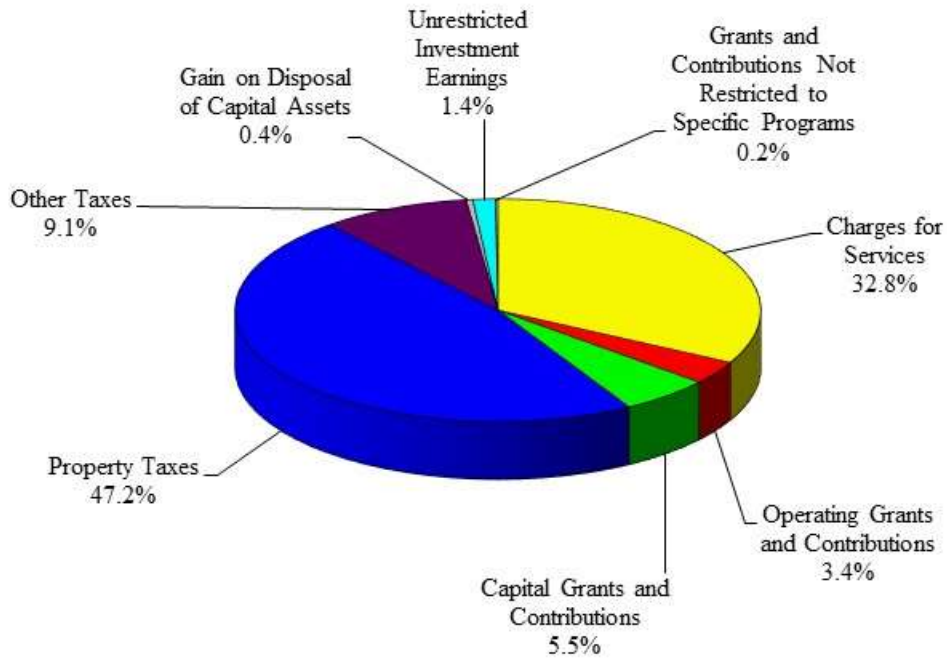
- Charges for services for governmental activities increased \$569,924 (8.0 percent) during the year. Significant changes from 2016 to 2017 include a \$234,715 (6.1 percent) increase in parks and recreation charges and a \$434,775 (54.5 percent) increase in community development charges. The parks and recreation increase is due mainly to increases in facility rentals (\$46,686), increases in recreation program fees (\$68,805), increases in concessions, catering merchandise and alcohol commissions (\$36,950) and admissions (\$47,394). Increases in community development charges are a result of increases in the valuation of building permits issued in 2017.
- Operating grants and contributions decreased \$188,562 (19.1 percent) during the year. Significant changes from 2016 to 2017 included a \$270,345 decrease in public works. The public works decrease is primarily the result of decreases in operating grants from the State of Minnesota for reimbursement of their allocated share of costs associated with the Jerrold and North Owasso railroad quiet zone construction project.

- Capital grants and contributions increased \$188,142 (16.9 percent) during the year. Significant changes from 2016 to 2017 included a \$210,293 increase in parks and recreation. The parks and recreation increase is mainly due to park dedication fees.
- Property taxes for governmental activities increased by \$185,100 (1.7 percent) during the year, due to levy increases for the General Fund, Street Renewal, General Fixed Asset Replacement, Information Technology and Special Revenue Funds.
- Tax increment collections for governmental activities increased by \$107,870 (14.3 percent). This increase is primarily due to property value increases.
- Investment earnings increased by \$120,374 (57.7 percent) during the year primarily due to year-end adjustments to fair market value and higher interest rates.
- General government expenses increased by \$110,582 (4.0 percent) during the year. A significant portion of the increase was related to increased information technology costs (\$202,521). The 2016 election accounted for \$44,308 of decreased costs, the City holds elections in even numbered years. Personal costs decreased as a result of the retirement of three long-term employees in 2016, these positions were filled prior to the retirements resulting in a duplication of 2016 salary expense. Capital asset additions resulted in an increase in depreciation of \$11,622.
- Public safety expenses increased by \$633,285 (16.5 percent) during the year. The police and fire operating contracts increased by \$174,978. Contributions to the fire department for the City's share of fire department capital costs increased by \$465,455. The payment of state fire aid to the fire department decreased \$7,201.
- Public works expenses decreased by \$400,082 (8.7 percent) during the year. The decrease is primarily due to the construction in 2016 of infrastructure assets for other governmental entities.
- Parks and recreation expenses increased \$18,697 (0.3 percent) during the year. Personal services, supplies and depreciation costs increased, while contractual services and PERA pension costs decreased.
- Community development expenses decreased by \$1,389,201 (45.6 percent) during the year. A significant portion of the decrease is the result of decreased developer assistance payments in TIF Districts in 2017.
- Interest on long-term debt increased by \$137,034 (40.0 percent) during the year. This increase is due to new bond issues in recent years.

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



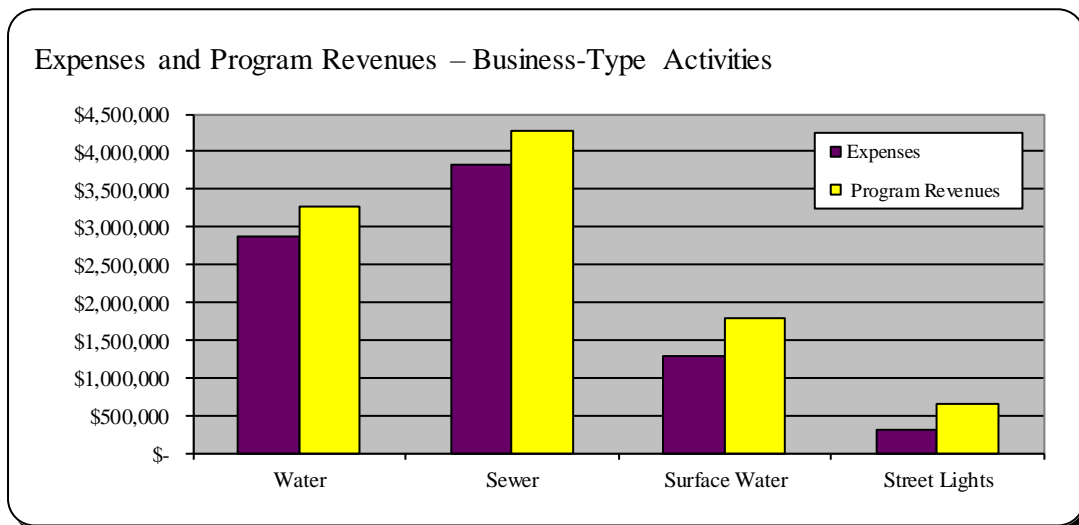
### Governmental Activities – Revenues



**Business-type activities.** Business-type activities increased the City’s net position by \$1,133,732. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$848,595 (9.3 percent). Water operations increased \$373,368 (13.0 percent); this increase was due to a water rate increase of 12 percent for the average residential customer, and a 1.0 percent increase in the gallons of water sold during the year. Sewer operations increased \$225,774 (5.6 percent); rates increased 3.0 percent and winter residential water consumption decreased 1.9 percent, which provides the basis for residential sewer charges, connection charges increased \$87,955. Surface Water operations increased \$164,281 (10.1 percent), due to a 10 percent rate increase and a 1.9 percent decrease in the Snail Lake augmentation charge. Street Light operations increased \$85,172 (15.3 percent), due to the impact of a street light rate increase of 15 percent.
- Operating grants and contributions provided \$406 of revenue and were a result of the City’s share of the State of Minnesota’s \$6,000,000 contribution to the Public Employees Retirement Association pension fund.
- Capital grants and contributions during the year produced \$40,561 in revenue for business-type activities. This consists of intergovernmental capital grants (\$37,461) and contributions from property owners (\$3,100).
- Expenses for business-type activities increased \$230,541 (2.9 percent). Increases occurred in sewage treatment costs (\$105,873) and depreciation (\$156,904). The increase in depreciation is a result of \$14,700,927 of new assets placed into service in 2017.

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 \$35,476,765, an increase of \$13,677,726 in comparison with the prior year. Approximately 11 percent of this amount (\$4,010,451) 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 \$4,915,075. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 48.9 percent of total General Fund expenditures, while total fund balance represents 50.0 percent of that same amount.

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

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years' General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2018 are \$273,588 more than in 2017; consequently, the unassigned General Fund balance for working capital increased \$136,794 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 years' expenditures. Ensuing year budgeted expenditures are \$10,721,473 which results in an unassigned fund balance for unanticipated expenditures of \$1,072,147. 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 \$4,915,075 as compared to \$4,673,293 for the previous year, an increase of \$241,782.

The Community Center Operation Fund balance increased \$309,244. Charges for services and transfers in increased by \$171,175. Daily admissions and annual membership revenue increased \$47,394, transfers in increased \$18,000 and earnings on investments increased \$8,203. Expenditures decreased by \$88,195, as a result of decreases in contractual services related to maintenance.

The Recreation Programs Fund balance decreased \$79,505. Program revenue increased \$68,805; the majority of the increase (\$52,360) was a result of a summer daycare program. Expenditures increased \$103,260 primarily as a result of increases in personal services related to minimum wage increases.

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 decreased \$279,321 due to costs related to the 2016 and 2017 MSA Street Rehabilitation projects exceeding state aid and earnings on investments. The fund balance of the Street Renewal Fund increased \$227,852. Expenditures in the Street Renewal Fund consisted primarily of public works street rehabilitation and repairs. Capital outlay expenditures are for the Amble Street Rehabilitation project and operating expenditures are for an annual street condition survey. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Grand Avenue and Dawn/Rustic/Colleen street rehabilitation projects. Fund balance increased \$213,317 in the General Fixed Asset Replacement Fund. Significant expenditures in 2017 included various community center and park and recreation capital outlay and repairs and supplies in the amount of \$747,367, and public safety expenditures in the amount of \$570,666 paid to the Lake Johanna Fire Department for the City's share of capital costs. 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 (\$292,112). In accordance with the General Fund, fund balance policy, a \$530,000 transfer was made into the General Fixed Asset Replacement Fund to build up fund balance in anticipation of debt service requirements associated with the Community Center expansion debt. 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 a 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 \$1,709,624. Significant expenditures include operating costs in the amount of \$95,650 for park improvements and capital expenditures for Community Center improvements (\$123,600). Transfers out represent the fund's share of debt service costs for the 2011 Refunding Certificates of Participation (\$175,000), and trail costs associated with the Grand Avenue project (\$8,335). In accordance with the General Fund, fund balance policy, a \$360,623 transfer was made into the Community Investment Fund to improve fund balance and insure that Community Center expansion costs are fully funded.

The Community Center Expansion Fund was established in the current year to account for the community center expansion project. Bond proceeds and investments earnings exceeded the \$2,514,101 of capital spending in the current year, resulting in a year-end fund balance for \$11,080,696 available for project commitments.



*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 \$3,669,311 for water, \$4,153,840 for sewer, \$1,502,183 for surface water management, and \$426,227 for street lights. Water Fund net position increased \$70,088, primarily due to a rate increase and contributions. Sewer Fund net position increased \$322,077, primarily due to a rate increase. Surface Water Fund net position increased \$445,766, primarily due to a rate increase and contributions. The Street Lights Fund net position increased \$313,624, primarily as a result of a rate increase and contributions.

## General Fund Budgetary Highlights

Total General Fund revenues were \$958,901 more than estimated in the budget. Property taxes were under budget by \$68,171 due to the settlement of prior year tax appeals. Licenses and permits surpassed anticipated levels by \$677,587 primarily due to building permits, intergovernmental revenues exceeded budget due to State Fire Aid and other local government property maintenance charges exceeding budget, and charges for services surpassed anticipated levels by \$263,176, primarily as a result of capital project administrative charges and community development plan check fees.

Total General Fund expenditures were under budget by \$168,382 (1.6 percent). Within the general government department, communications was under budget due to open staff positions during the year. Information systems was over budget due to computer software and maintenance costs. The unbudgeted transfer out (\$911,046) was made in accordance with the City’s fund balance policy regarding excess fund balance in the General Fund (\$890,623) and to cover the General Fund’s portion of TIF that was returned to the County (\$20,423).

## 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, 2017 amounts to \$111,167,662 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails and sidewalks, and pedestrian tunnels and bridges. The total increase in the City’s investment in capital assets for the current fiscal year was 1.8 percent (a 3.3 percent increase for governmental activities and a 0.1 percent decrease for business-type activities).

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 7,724,345	\$ 7,724,345	\$ 325,202	\$ 325,202	\$ 8,049,547	\$ 8,049,547
Buildings and structures	22,729,186	23,156,566	16,626,980	4,566,091	39,356,166	27,722,657
Machinery and equipment	4,372,598	4,275,577	1,788,007	1,831,167	6,160,605	6,106,744
Distribution and collection systems	–	–	27,319,088	26,138,100	27,319,088	26,138,100
Infrastructure	24,799,243	24,816,154	–	–	24,799,243	24,816,154
Construction in progress	4,488,003	2,113,229	995,010	14,223,305	5,483,013	16,336,534
<b>Total</b>	<b>\$ 64,113,375</b>	<b>\$ 62,085,871</b>	<b>\$ 47,054,287</b>	<b>\$ 47,083,865</b>	<b>\$ 111,167,662</b>	<b>\$ 109,169,736</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 \$3,222,989. Construction in progress at year-end for governmental activities is \$4,488,003.
- Various capital assets for business-type activities were completed at a cumulative cost of \$14,700,927. Construction in progress for business-type activities as of the end of the current fiscal year is \$995,010. The City completed construction of a water treatment plant in 2017 with a completion cost of \$12,448,364.

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 \$45,505,000 (excluding unamortized premiums), an increase of \$10,420,000 from 2016. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$2,535,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. Unamortized premium on City debt totaled \$1,699,503. The liability for compensated absences totals \$412,825. The City's net pension liability is \$5,745,541.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation improvement bonds	\$ 2,375,863	\$ 2,557,654	\$ -	\$ -	\$ 2,375,863	\$ 2,557,654
General obligation bonds	21,350,192	8,409,158	-	-	21,350,192	8,409,158
General obligation revenue bonds	-	-	23,478,448	25,076,551	23,478,448	25,076,551
Loans payable	6,000,000	6,000,000	-	-	6,000,000	6,000,000
Certificates of participation	2,535,000	2,910,000	-	-	2,535,000	2,910,000
Compensated absences	312,250	293,992	100,575	92,462	412,825	386,454
Net pension liability	4,625,160	6,059,057	1,120,381	1,467,722	5,745,541	7,526,779
Total	\$ 37,198,465	\$ 26,229,861	\$ 24,699,404	\$ 26,636,735	\$ 61,897,869	\$ 52,866,596

The increase in outstanding debt presented in the table above is due to the City issuing \$12,865,000 of general obligation tax abatement bonds in the current year, as previously discussed.

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 \$85,839,363. The City's net debt applicable to this limit totals \$8,985,056.

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 2.9 percent, which compares favorably to 3.5 percent unemployment for the state of Minnesota, and 4.4 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.2 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$100.3 million. New residential and commercial construction accounted for 81 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 12 percent of building permit values, and commercial property accounted for the remaining 7 percent of building permit values.
- The 2018 adopted levy supports the 2018 budget.

All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2018 budget year. The increase for the average customer was 4.0 percent for water, 3.0 percent for sewer, 5.0 percent for surface water management, and 6.0 percent for street lights. The total impact on the average residential customer is estimated to be 3.8 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, 2017

**Statement 1**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 39,213,847	\$ 9,214,118	\$ 48,427,965
Accrued interest receivable	78,420	24,900	103,320
Accounts receivable	371,523	2,430,760	2,802,283
Loan receivable	108,450	–	108,450
Taxes receivable	220,124	–	220,124
Special assessments receivable	1,813,867	34,341	1,848,208
Internal balances	(91,698)	91,698	–
Due from other governmental units	83,200	142,003	225,203
Prepaid items	85,927	172,145	258,072
Capital assets			
Nondepreciable	12,212,348	1,320,212	13,532,560
Depreciable (net of accumulated depreciation)	51,901,027	45,734,075	97,635,102
Total assets	<u>105,997,035</u>	<u>59,164,252</u>	<u>165,161,287</u>
Deferred outflows of resources			
Deferred pension resources	<u>1,178,952</u>	<u>285,584</u>	<u>1,464,536</u>
<b>Liabilities</b>			
Accounts payable	641,737	82,980	724,717
Salaries payable	225,869	58,911	284,780
Contracts payable	948,483	238,606	1,187,089
Accrued bond interest payable	181,035	264,352	445,387
Deposits payable	468,744	27,069	495,813
Due to other governmental units	74,699	16,696	91,395
Unearned revenue	65,438	–	65,438
Compensated absences payable			
Due within one year	18,432	5,936	24,368
Due in more than one year	293,818	94,639	388,457
Loan payable			
Due in more than one year	6,000,000	–	6,000,000
Certificates of participation payable			
Due within one year	390,000	–	390,000
Due in more than one year	2,145,000	–	2,145,000
Bonds payable			
Due within one year	925,000	1,695,000	2,620,000
Due in more than one year	22,801,055	21,783,448	44,584,503
Net pension liability			
Due in more than one year	4,625,160	1,120,381	5,745,541
Total liabilities	<u>39,804,470</u>	<u>25,388,018</u>	<u>65,192,488</u>
Deferred inflows of resources			
State aid received for subsequent years	10,061	–	10,061
Deferred pension resources	1,022,914	247,788	1,270,702
Total deferred inflows of resources	<u>1,032,975</u>	<u>247,788</u>	<u>1,280,763</u>
<b>Net position</b>			
Net investment in capital assets	42,933,016	23,889,946	66,822,962
Restricted for			
Business loan program	165,777	–	165,777
Cable television	459,269	–	459,269
Debt service	3,105,468	–	3,105,468
Economic development	69,215	–	69,215
Housing and redevelopment	139,479	–	139,479
Recycling	546,074	–	546,074
Trunk facility	–	80,825	80,825
Tax increment purposes	2,206,973	–	2,206,973
Unrestricted	16,713,271	9,843,259	26,556,530
Total net position	<u>\$ 66,338,542</u>	<u>\$ 33,814,030</u>	<u>\$ 100,152,572</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, 2017

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 2,889,824	\$ 1,428,626
Public safety	4,469,412	50,779
Public works	4,191,821	912,497
Parks and recreation	7,265,886	4,066,937
Community development	1,658,775	1,232,151
Interest on long-term debt	479,563	-
Total governmental activities	<u>20,955,281</u>	<u>7,690,990</u>
Business-type activities		
Water	2,867,238	3,244,714
Sewer	3,813,241	4,280,337
Surface water	1,273,020	1,782,349
Street lights	305,275	640,876
Total business-type activities	<u>8,258,774</u>	<u>9,948,276</u>
Total primary government	<u>\$ 29,214,055</u>	<u>\$ 17,639,266</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
\$ 39,537	\$ –	\$ (1,421,661)	\$ –	\$ (1,421,661)
280,141	–	(4,138,492)	–	(4,138,492)
356,891	951,505	(1,970,928)	–	(1,970,928)
120,534	349,004	(2,729,411)	–	(2,729,411)
–	–	(426,624)	–	(426,624)
–	–	(479,563)	–	(479,563)
<u>797,103</u>	<u>1,300,509</u>	<u>(11,166,679)</u>	<u>–</u>	<u>(11,166,679)</u>
177	24,958	–	402,611	402,611
156	–	–	467,252	467,252
73	15,603	–	525,005	525,005
–	–	–	335,601	335,601
<u>406</u>	<u>40,561</u>	<u>–</u>	<u>1,730,469</u>	<u>1,730,469</u>
<u>\$ 797,509</u>	<u>\$ 1,341,070</u>	<u>(11,166,679)</u>	<u>1,730,469</u>	<u>(9,436,210)</u>
General revenues				
Property taxes		11,088,974	–	11,088,974
Tax increment collections		861,608	–	861,608
Franchise tax		1,275,995	–	1,275,995
Grants and contributions not restricted to specific programs		34,541	–	34,541
Unrestricted investment earnings		328,996	105,764	434,760
Gain on disposal of capital assets		91,798	–	91,798
Transfers		702,501	(702,501)	–
Total general revenues and transfers		<u>14,384,413</u>	<u>(596,737)</u>	<u>13,787,676</u>
Change in net position		3,217,734	1,133,732	4,351,466
Net position – beginning		<u>63,120,808</u>	<u>32,680,298</u>	<u>95,801,106</u>
Net position – ending		<u>\$ 66,338,542</u>	<u>\$ 33,814,030</u>	<u>\$ 100,152,572</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

Balance Sheet

Governmental Funds

December 31, 2017

	General	Community Center Operation	Recreation Programs	Municipal State Aid
<b>Assets</b>				
Cash and investments	\$ 5,382,957	\$ 1,892,758	\$ 912,696	\$ 1,468,586
Accrued interest receivable	12,545	4,630	2,552	5,723
Accounts receivable (net of allowance for uncollectibles)	34,061	4,270	-	-
Loan receivable	-	-	-	-
Taxes receivable	149,770	-	-	-
Special assessments receivable	222	-	-	-
Interfund receivable	-	-	-	-
Due from other governmental units	39,358	-	553	-
Prepaid items	80,440	3,488	517	-
Total assets	<u>\$ 5,699,353</u>	<u>\$ 1,905,146</u>	<u>\$ 916,318</u>	<u>\$ 1,474,309</u>
<b>Liabilities</b>				
Accounts payable	\$ 75,135	\$ 71,340	\$ 14,962	\$ 411
Salaries payable	132,341	53,540	25,608	-
Contracts payable	-	-	-	100,016
Deposits payable	370,414	98,330	-	-
Interfund payable	-	-	-	-
Due to other governmental units	35,917	17,281	784	254
Unearned revenue	-	-	-	-
Total liabilities	<u>613,807</u>	<u>240,491</u>	<u>41,354</u>	<u>100,681</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	49,970	-	-	-
Unavailable revenue – special assessments	-	-	-	-
State aid received for subsequent years	10,061	-	-	-
Total deferred inflows of resources	<u>60,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>				
Nonspendable	80,440	3,488	517	-
Restricted	-	-	-	-
Committed	-	1,661,167	874,447	-
Assigned	30,000	-	-	1,373,628
Unassigned	4,915,075	-	-	-
Total fund balances (deficits)	<u>5,025,515</u>	<u>1,664,655</u>	<u>874,964</u>	<u>1,373,628</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,699,353</u>	<u>\$ 1,905,146</u>	<u>\$ 916,318</u>	<u>\$ 1,474,309</u>

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

Street Renewal	General Fixed Asset Replacement	Community Investment	Community Center Expansion	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 2,466,030	\$ 2,275,429	\$ 5,065,898	\$ 11,942,718	\$ 5,604,311	\$ -	\$ 37,011,383
6,934	4,349	11,378	13,724	11,672	-	73,507
-	400	214,116	-	118,442	-	371,289
-	-	-	-	108,450	-	108,450
20,779	29,911	6	-	15,973	-	216,439
102,743	-	-	-	1,710,902	-	1,813,867
-	-	-	-	964,162	(964,162)	-
-	-	25,900	-	17,389	-	83,200
-	-	-	-	53	-	84,498
<u>\$ 2,596,486</u>	<u>\$ 2,310,089</u>	<u>\$ 5,317,298</u>	<u>\$ 11,956,442</u>	<u>\$ 8,551,354</u>	<u>\$ (964,162)</u>	<u>\$ 39,762,633</u>
\$ 204	\$ 385,464	\$ -	\$ 38,286	\$ 36,025	\$ -	\$ 621,827
-	-	-	-	7,400	-	218,889
11,007	-	-	837,460	-	-	948,483
-	-	-	-	-	-	468,744
-	-	-	-	964,162	(964,162)	-
-	-	-	-	20,422	-	74,658
-	-	59,438	-	6,000	-	65,438
<u>11,211</u>	<u>385,464</u>	<u>59,438</u>	<u>875,746</u>	<u>1,034,009</u>	<u>(964,162)</u>	<u>2,398,039</u>
6,893	9,996	8	-	5,477	-	72,344
101,991	-	-	-	1,703,433	-	1,805,424
-	-	-	-	-	-	10,061
<u>108,884</u>	<u>9,996</u>	<u>8</u>	<u>-</u>	<u>1,708,910</u>	<u>-</u>	<u>1,887,829</u>
-	-	-	-	53	-	84,498
-	-	-	11,080,696	5,185,554	-	16,266,250
2,476,391	1,914,629	5,257,852	-	282,019	-	12,466,505
-	-	-	-	1,245,433	-	2,649,061
-	-	-	-	(904,624)	-	4,010,451
<u>2,476,391</u>	<u>1,914,629</u>	<u>5,257,852</u>	<u>11,080,696</u>	<u>5,808,435</u>	<u>-</u>	<u>35,476,765</u>
<u>\$ 2,596,486</u>	<u>\$ 2,310,089</u>	<u>\$ 5,317,298</u>	<u>\$ 11,956,442</u>	<u>\$ 8,551,354</u>	<u>\$ (964,162)</u>	<u>\$ 39,762,633</u>
Fund balance reported above						\$ 35,476,765
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						56,374,423
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.						1,877,768
Internal service funds are used by management to charge costs to individual funds.						
The assets, liabilities, and deferred inflows/outflows of the internal service funds are included in governmental activities in the Statement of Net Position.						5,304,054
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						(28,364,140)
Deferred outflows and inflows of pension resources are not current financial resources and the long-term net pension liability is not due and payable in the current period and, therefore, are not reported in the funds.						(4,330,328)
Net position of governmental activities						<u>\$ 66,338,542</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, 2017

	General	Community Center Operation	Recreation Programs	Municipal State Aid
<b>Revenues</b>				
Taxes				
General property taxes	\$ 7,554,977	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Franchise tax	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	1,000,637	-	-	-
Intergovernmental	570,177	-	-	722,251
Charges for services	1,509,246	2,578,680	1,465,942	-
Fines and forfeits	47,899	-	-	-
Earnings on investments	53,285	19,665	10,839	24,308
Billboard fees	-	-	-	-
Antenna fees	-	-	-	-
Park dedication fees	-	-	-	-
Other	20,720	15,723	1,001	-
Total revenues	<u>10,756,941</u>	<u>2,614,068</u>	<u>1,477,782</u>	<u>746,559</u>
<b>Expenditures</b>				
Current				
General government	2,214,546	-	-	-
Public safety	3,813,923	-	-	-
Public works	1,471,674	-	-	-
Parks and recreation	1,880,903	2,706,824	1,503,287	-
Community development	677,612	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	1,025,880
Parks and recreation	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	<u>10,058,658</u>	<u>2,706,824</u>	<u>1,503,287</u>	<u>1,025,880</u>
Revenues over (under) expenditures	<u>698,283</u>	<u>(92,756)</u>	<u>(25,505)</u>	<u>(279,321)</u>
<b>Other financing sources (uses)</b>				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	837,000	402,000	86,000	-
Transfers out	(1,319,046)	-	(140,000)	-
Total other financing sources (uses)	<u>(482,046)</u>	<u>402,000</u>	<u>(54,000)</u>	<u>-</u>
Net change in fund balances	<u>216,237</u>	<u>309,244</u>	<u>(79,505)</u>	<u>(279,321)</u>
Fund balances – January 1	4,809,278	1,355,411	954,469	1,652,949
Fund balances – December 31	<u>\$ 5,025,515</u>	<u>\$ 1,664,655</u>	<u>\$ 874,964</u>	<u>\$ 1,373,628</u>

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

**Statement 4**

Street Renewal	General Fixed Asset Replacement	Community Investment	Community Center Expansion	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 1,050,234	\$ 1,507,347	\$ -	\$ -	\$ 794,465	\$ -	\$10,907,023
-	-	-	-	861,608	-	861,608
-	-	832,455	-	443,540	-	1,275,995
103,069	-	-	-	208,899	-	311,968
-	-	-	-	-	-	1,000,637
-	-	76,420	-	115,338	-	1,484,186
-	-	-	-	573,028	-	6,126,896
-	-	-	-	-	-	47,899
29,452	18,471	48,327	16,774	86,438	-	307,559
-	-	58,716	-	-	-	58,716
-	-	430,740	-	-	-	430,740
-	-	306,538	-	-	-	306,538
-	42,466	-	-	40,183	-	120,093
<u>1,182,755</u>	<u>1,568,284</u>	<u>1,753,196</u>	<u>16,774</u>	<u>3,123,499</u>	<u>-</u>	<u>23,239,858</u>
-	-	-	-	418,989	-	2,633,535
-	570,666	-	-	-	-	4,384,589
18,846	67,994	-	-	557,687	-	2,116,201
-	435,926	95,650	-	-	-	6,622,590
-	-	-	-	948,441	-	1,626,053
-	-	-	-	140,018	-	140,018
-	40,677	-	-	-	-	40,677
183,843	-	-	-	825,299	-	2,035,022
-	311,441	125,210	2,514,101	-	-	2,950,752
-	-	-	-	1,010,000	-	1,010,000
-	-	-	-	245,175	-	245,175
-	-	-	-	126,460	-	126,460
<u>202,689</u>	<u>1,426,704</u>	<u>220,860</u>	<u>2,514,101</u>	<u>4,272,069</u>	<u>-</u>	<u>23,931,072</u>
<u>980,066</u>	<u>141,580</u>	<u>1,532,336</u>	<u>(2,497,327)</u>	<u>(1,148,570)</u>	<u>-</u>	<u>(691,214)</u>
-	-	-	12,746,486	118,514	-	12,865,000
-	-	-	831,537	-	-	831,537
-	13,849	-	-	-	-	13,849
64,750	530,000	360,623	-	1,624,388	(3,246,207)	658,554
(816,964)	(472,112)	(183,335)	-	(314,750)	3,246,207	-
<u>(752,214)</u>	<u>71,737</u>	<u>177,288</u>	<u>13,578,023</u>	<u>1,428,152</u>	<u>-</u>	<u>14,368,940</u>
227,852	213,317	1,709,624	11,080,696	279,582	-	13,677,726
2,248,539	1,701,312	3,548,228	-	5,528,853	-	21,799,039
<u>\$ 2,476,391</u>	<u>\$ 1,914,629</u>	<u>\$ 5,257,852</u>	<u>\$11,080,696</u>	<u>\$ 5,808,435</u>	<u>\$ -</u>	<u>\$35,476,765</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, 2017

**Statement 5**

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

Net change in fund balances – total governmental funds.	\$ 13,677,726
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.	2,728,854
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.	(420,832)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	(82,974)
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.	(12,656,112)
Long-term pension activity is not reported in governmental funds.	(197,930)
The transfer out of governmental capital assets contributed to enterprise funds.	(71,149)
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.	(46,343)
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.	286,494
Change in net position of governmental activities.	<u>\$ 3,217,734</u>

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



CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

Proprietary Funds

December 31, 2017

Statement 6

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ 3,507,877	\$ 3,881,550	\$ 1,489,840	\$ 334,851	\$ 9,214,118	\$ 2,202,464
Accrued interest receivable	9,636	10,307	3,941	1,016	24,900	4,913
Accounts receivable						
Customers	746,413	974,184	427,038	103,085	2,250,720	234
Customer accounts certified to county	56,082	84,797	27,579	11,582	180,040	–
Taxes receivable	–	–	–	–	–	3,685
Due from other governmental units	137,496	2,372	1,828	307	142,003	–
Prepaid items	892	171,071	164	18	172,145	1,429
<b>Total current assets</b>	<b>4,458,396</b>	<b>5,124,281</b>	<b>1,950,390</b>	<b>450,859</b>	<b>11,983,926</b>	<b>2,212,725</b>
<b>Noncurrent assets</b>						
Special assessments receivable	15,728	14,853	3,499	261	34,341	–
Capital assets						
Land	27,577	11,459	286,166	–	325,202	36,293
Buildings and structures	19,181,579	1,952,005	–	–	21,133,584	6,929,379
Machinery and equipment	2,552,665	87,475	8,538	723	2,649,401	6,240,616
Distribution and collection systems	19,573,490	13,212,509	13,865,091	2,843,922	49,495,012	–
Construction in progress	250,182	344,524	353,318	46,986	995,010	–
<b>Total capital assets</b>	<b>41,585,493</b>	<b>15,607,972</b>	<b>14,513,113</b>	<b>2,891,631</b>	<b>74,598,209</b>	<b>13,206,288</b>
Less accumulated depreciation	(14,399,938)	(8,557,645)	(3,420,190)	(1,166,149)	(27,543,922)	(5,467,336)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>27,185,555</b>	<b>7,050,327</b>	<b>11,092,923</b>	<b>1,725,482</b>	<b>47,054,287</b>	<b>7,738,952</b>
<b>Total noncurrent assets</b>	<b>27,201,283</b>	<b>7,065,180</b>	<b>11,096,422</b>	<b>1,725,743</b>	<b>47,088,628</b>	<b>7,738,952</b>
<b>Total assets</b>	<b>31,659,679</b>	<b>12,189,461</b>	<b>13,046,812</b>	<b>2,176,602</b>	<b>59,072,554</b>	<b>9,951,677</b>
<b>Deferred outflows of resources</b>						
Deferred pension resources	124,485	109,840	51,259	–	285,584	36,613
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	27,383	12,396	19,204	23,997	82,980	19,910
Salaries payable	25,063	21,681	11,871	296	58,911	6,980
Contracts payable	–	238,606	–	–	238,606	–
Accrued bond interest payable	194,102	34,373	35,877	–	264,352	48,547
Deposits payable	27,069	–	–	–	27,069	–
Due to other governmental units	16,588	–	108	–	16,696	41
Compensated absences payable	2,521	2,204	1,176	35	5,936	486
Bonds payable	1,065,000	250,000	380,000	–	1,695,000	270,000
<b>Total current liabilities</b>	<b>1,357,726</b>	<b>559,260</b>	<b>448,236</b>	<b>24,328</b>	<b>2,389,550</b>	<b>345,964</b>
<b>Noncurrent liabilities</b>						
Compensated absences payable (net of current portion)	40,191	35,138	18,745	565	94,639	7,754
Bonds payable (net of current portion)	16,271,453	2,791,524	2,720,471	–	21,783,448	4,063,413
Net pension liability	488,371	430,916	201,094	–	1,120,381	143,639
<b>Total noncurrent liabilities</b>	<b>16,800,015</b>	<b>3,257,578</b>	<b>2,940,310</b>	<b>565</b>	<b>22,998,468</b>	<b>4,214,806</b>
<b>Total liabilities</b>	<b>18,157,741</b>	<b>3,816,838</b>	<b>3,388,546</b>	<b>24,893</b>	<b>25,388,018</b>	<b>4,560,770</b>
<b>Deferred inflows of resources</b>						
Deferred pension resources	108,010	95,303	44,475	–	247,788	31,768
<b>Net position</b>						
Net investment in capital assets	9,849,102	4,152,495	8,162,867	1,725,482	23,889,946	3,405,539
Restricted for trunk facility	–	80,825	–	–	80,825	–
Unrestricted	3,669,311	4,153,840	1,502,183	426,227	9,751,561	1,990,213
<b>Total net position</b>	<b>\$ 13,518,413</b>	<b>\$ 8,387,160</b>	<b>\$ 9,665,050</b>	<b>\$ 2,151,709</b>	<b>33,722,332</b>	<b>\$ 5,395,752</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					91,698	
Net position of business-type activities					<u>\$ 33,814,030</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, 2017

**Statement 7**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Internal Service Funds
<b>Operating revenues</b>						
Customer billings	\$ 3,218,260	\$ 4,275,643	\$ 1,776,133	\$ 640,703	\$ 9,910,739	\$ 1,229,129
Water meter sales	15,075	–	–	–	15,075	–
Other	11,379	4,694	6,216	173	22,462	–
<b>Total operating revenues</b>	<b>3,244,714</b>	<b>4,280,337</b>	<b>1,782,349</b>	<b>640,876</b>	<b>9,948,276</b>	<b>1,229,129</b>
<b>Operating expenses</b>						
MCES sewer service charges	–	1,895,335	–	–	1,895,335	–
Administrative charges	190,200	339,960	104,390	36,720	671,270	–
Personal services	747,347	658,624	377,729	13,190	1,796,890	225,939
Materials and supplies	58,795	18,688	14,667	400	92,550	248,784
Water meters	14,899	–	–	–	14,899	–
Contractual services	409,472	462,311	398,635	33,877	1,304,295	82,454
Utilities	180,922	7,462	6,268	142,049	336,701	26,239
Insurance	8,334	20,718	2,255	252	31,559	19,985
Depreciation	813,359	327,164	283,009	78,678	1,502,210	682,114
<b>Total operating expenses</b>	<b>2,423,328</b>	<b>3,730,262</b>	<b>1,186,953</b>	<b>305,166</b>	<b>7,645,709</b>	<b>1,285,515</b>
<b>Operating income (loss)</b>	<b>821,386</b>	<b>550,075</b>	<b>595,396</b>	<b>335,710</b>	<b>2,302,567</b>	<b>(56,386)</b>
<b>Nonoperating revenues (expenses)</b>						
General property taxes	–	–	–	–	–	182,211
Earnings on investments	40,930	43,781	16,739	4,314	105,764	21,437
Intergovernmental revenue	177	156	73	–	406	52
Gain on sale of capital assets	–	–	–	–	–	91,798
Other	–	–	–	–	–	22,964
Interest	(436,998)	(75,034)	(78,096)	–	(590,128)	(105,077)
Fiscal charges	(2,740)	(1,276)	(1,098)	–	(5,114)	(3,424)
<b>Total nonoperating revenues (expenses)</b>	<b>(398,631)</b>	<b>(32,373)</b>	<b>(62,382)</b>	<b>4,314</b>	<b>(489,072)</b>	<b>209,961</b>
<b>Income (loss) before contributions and transfers</b>	<b>422,755</b>	<b>517,702</b>	<b>533,014</b>	<b>340,024</b>	<b>1,813,495</b>	<b>153,575</b>
<b>Contributions</b>	<b>28,958</b>	<b>–</b>	<b>80,752</b>	<b>2,000</b>	<b>111,710</b>	<b>–</b>
<b>Transfers</b>						
Transfers in	–	–	–	–	–	119,400
Transfers out	(381,625)	(195,625)	(168,000)	(28,400)	(773,650)	(4,304)
<b>Total transfers</b>	<b>(381,625)</b>	<b>(195,625)</b>	<b>(168,000)</b>	<b>(28,400)</b>	<b>(773,650)</b>	<b>115,096</b>
<b>Change in net position</b>	<b>70,088</b>	<b>322,077</b>	<b>445,766</b>	<b>313,624</b>	<b>1,151,555</b>	<b>268,671</b>
Net position – January 1,	13,448,325	8,065,083	9,219,284	1,838,085	32,570,777	5,127,081
Net position – December 31	<u>\$ 13,518,413</u>	<u>\$ 8,387,160</u>	<u>\$ 9,665,050</u>	<u>\$ 2,151,709</u>	<u>\$ 33,722,332</u>	<u>\$ 5,395,752</u>
Change in net position reported above					\$ 1,151,555	
Amounts reported for business-type activities in the Statement of Activities are different because:						
Transfer in of capital assets from governmental activities.					71,149	
Governmental activities contribution revenue reported above					(71,149)	
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.					(17,823)	
<b>Change in net position of business-type activities</b>					<u>\$ 1,133,732</u>	

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2017

**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	\$ 3,110,301	\$ 4,261,101	\$ 1,748,505	\$ 627,491	\$ 9,747,398	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,229,129
Payments to suppliers	(641,863)	(2,578,257)	(409,566)	(166,040)	(3,795,726)	(375,649)
Payments to employees	(717,648)	(633,342)	(361,310)	(14,313)	(1,726,613)	(217,561)
Payments for interfund services used	(190,200)	(339,960)	(104,390)	(36,720)	(671,270)	–
Miscellaneous revenue	177	156	73	–	406	23,016
Net cash flows from operating activities	<u>1,560,767</u>	<u>709,698</u>	<u>873,312</u>	<u>410,418</u>	<u>3,554,195</u>	<u>658,935</u>
<b>Cash flows from noncapital financing activities</b>						
Transfer to other funds	(381,625)	(195,625)	(168,000)	(28,400)	(773,650)	(4,304)
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sales of capital assets	–	–	–	–	–	121,496
Acquisition and construction of capital assets	(693,124)	(571,832)	(291,308)	(284,802)	(1,841,066)	(502,443)
Receipts from taxpayers	–	–	–	–	–	183,706
Transfers from other funds	–	–	–	–	–	119,400
Contributions	362,630	–	15,603	–	378,233	–
Principal paid on capital debt	(960,000)	(230,000)	(360,000)	–	(1,550,000)	(260,000)
Interest and paying agent fees on capital debt	(482,424)	(87,352)	(92,500)	–	(662,276)	(122,537)
Net cash flows from capital and related financing activities	<u>(1,772,918)</u>	<u>(889,184)</u>	<u>(728,205)</u>	<u>(284,802)</u>	<u>(3,675,109)</u>	<u>(460,378)</u>
<b>Cash flows from investing activities</b>						
Earnings on investments	41,096	41,850	16,177	3,940	103,063	20,145
Net change in cash and cash equivalents	(552,680)	(333,261)	(6,716)	101,156	(791,501)	214,398
Cash and cash equivalents – January 1	4,060,557	4,214,811	1,496,556	233,695	10,005,619	1,988,066
Cash and cash equivalents – December 31	<u>\$ 3,507,877</u>	<u>\$ 3,881,550</u>	<u>\$ 1,489,840</u>	<u>\$ 334,851</u>	<u>\$ 9,214,118</u>	<u>\$ 2,202,464</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>						
Operating income (loss)	\$ 821,386	\$ 550,075	\$ 595,396	\$ 335,710	\$ 2,302,567	\$ (56,386)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	177	156	73	–	406	23,016
Depreciation	813,359	327,164	283,009	78,678	1,502,210	682,114
Decrease (increase) in receivables	(134,413)	(19,236)	(33,844)	(13,385)	(200,878)	–
Decrease (increase) in prepaid items	2,496	(168,130)	2,153	27	(163,454)	1,708
Decrease (increase) in deferred outflows	141,044	124,451	58,077	–	323,572	41,484
Increase (decrease) in payables	(115,213)	(132,956)	(44,700)	9,388	(283,481)	(42,392)
Increase (decrease) in deferred inflows	31,931	28,174	13,148	–	73,253	9,391
Total adjustments	<u>739,381</u>	<u>159,623</u>	<u>277,916</u>	<u>74,708</u>	<u>1,251,628</u>	<u>715,321</u>
Net cash flows from operating activities	<u>\$ 1,560,767</u>	<u>\$ 709,698</u>	<u>\$ 873,312</u>	<u>\$ 410,418</u>	<u>\$ 3,554,195</u>	<u>\$ 658,935</u>
<b>Noncash investing, capital, and financing activities</b>						
Contributions of capital assets –						
Governmental funds	\$ 4,000	\$ –	\$ 65,149	\$ 2,000	\$ 71,149	\$ –
Capital asset purchase on account –						
Accounts payable	(24,519)	(7,568)	–	–	(32,087)	–
Contracts payable	(334,661)	(72,835)	–	–	(407,496)	–
Due from other governmental units –						
Contribution	(337,672)	–	–	–	(337,672)	–
Taxes receivable	–	–	–	–	–	(1,495)

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Assets and Liabilities

Agency Fund

December 31, 2017

**Statement 9**

Assets

Cash and investments	\$	407,397
Accrued interest receivable		1,048
Total assets	\$	<u>408,445</u>

Liabilities

Deposits payable	\$	<u>408,445</u>
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The accompanying notes are an integral part of these financial statements.

## **CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2017

### **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 EDA's governing body is substantively the same as the City and there is a financial benefit and burden relationship between the City and the EDA. Management of the City has operational responsibility for the EDA and the EDA provides services exclusively to the City. Although the EDA currently has no debt, the issuance of debt requires City Council approval and repayment of debt would be made entirely with resources of the City. The EDA does not issue a separate set of financial statements.

## CITY OF SHOREVIEW

Notes to Financial Statements  
December 31, 2017

### 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, pension benefits and claims and judgments, are recorded only when payment is due.

## CITY OF SHOREVIEW

Notes to Financial Statements  
December 31, 2017

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

The government reports the following major governmental funds:

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

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

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

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

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

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

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

The *Community Center Expansion Fund* (Capital Project Fund type) provides financing and accounts for construction costs and capital purchases related to the expansion of the City's Community Center.

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.

## CITY OF SHOREVIEW

Notes to Financial Statements  
December 31, 2017

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 fund* accounts 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.



**CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2017

3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation and community development) 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.

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	\$ 150,979	\$ 164,203	\$ 13,224
Slice of Shoreview Event	68,370	80,938	12,568
Economic Development Authority	110,942	116,180	5,238

The over expenditures were funded by available fund balance, revenues, and transfers in excess of budget.

**F. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in various securities as authorized by state law. Earnings from investments are allocated to individual funds on the basis of the fund’s equity in the cash and investment pool. Interest on restricted cash and investments is allocated directly to the applicable fund. Investment income is accrued at the balance sheet date.

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.

## **CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2017

The City generally reports investments at fair value. The Minnesota Municipal Money Market Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC), but follows the same regulatory rules of the SEC. The City's investment in this fund is measured at the net position value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 3 for the City's recurring fair value measurements as of year-end.

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.

### **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 1H 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.

**CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2017

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 2017 totaled \$1,030,528. 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. 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 acquisition 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, 2017, no interest was capitalized in connection with construction in progress.

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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

**M. 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.

**N. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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 sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. FUND BALANCE CLASSIFICATIONS/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.

**P. 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.

**Q. 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.

**R. 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 and disclosures reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions reported in the government-wide and proprietary funds Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, changes in proportion, difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, the Statement of Financial Position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items which qualify for reporting in this category.

The first item, unavailable revenue, arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue 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 second 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 appropriated. 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.

The third item, deferred inflows of resources related to pensions, is reported in the government-wide and proprietary funds Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, changes in proportion, and difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

**T. STATE-WIDE PENSION PLANS**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA’s fiduciary net position have been determined on the same basis as they are reported by the PERA except that the PERA’s fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

**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 (\$28,364,140) difference are as follows:

Long-term debt payable	\$ (26,920,000)
Issuance premium	(1,007,642)
Accrued interest payable	(132,488)
Compensated absences	<u>(304,010)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (28,364,140)</u>



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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 net position of the internal service funds is included in governmental activities in the Statement of Net Position.” The details of this \$5,304,054 difference are as follows:

Net position of the internal service funds	\$ 5,395,752
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(109,521)
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>17,823</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ 5,304,054</u>

Another element of that reconciliation explains that governmental funds do not report long-term amounts related to pensions. The deferred outflows and inflows are not current financial resources and the long-term net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. The details of this (\$4,330,328) difference are as follows:

Deferred outflows of pension resources	\$ 1,142,339
Long-term net pension liability	(4,481,521)
Deferred inflows of pension resources	<u>(991,146)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (4,330,328)</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 \$2,728,854 difference are as follows:

Capital outlay	\$ 5,166,469
Depreciation expense	<u>(2,437,615)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,728,854</u>

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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 (\$82,974) difference are as follows:

General property taxes deferred inflow of resources	
At December 31, 2016	\$ (72,604)
At December 31, 2017	72,344
Special assessments deferred inflow of resources	
At December 31, 2016	(1,888,138)
At December 31, 2017	<u>1,805,424</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (82,974)</u>

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 (\$12,656,112) difference are as follows:

Debt issued or incurred	
General obligation tax abatement bonds of 2017	\$ (12,865,000)
Principal repayments	
General obligation improvement bonds	175,000
General obligation capital improvement plan bonds	120,000
General obligation street reconstruction bonds	340,000
Certificates of participation	375,000
Premium/discount on debt issuance	<u>(801,112)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (12,656,112)</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 (\$46,343) difference are as follows:

Compensated absences	\$ (16,491)
Accrued interest	<u>(29,852)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (46,343)</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.

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 \$15,189,692 and the bank balance was \$15,845,275. The entire bank balance was covered by federal depository insurance.

**CITY OF SHOREVIEW**  
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**B. INVESTMENTS**

As of December 31, 2017, the City had the following cash and investments:

Investment Type	Concentration	Fair Value Measurement Using	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	1.4%	Level 1	\$ –	\$ 484,105	\$ –	\$ –	\$ 484,105
Federal National Mortgage Association	1.2%	Level 2	–	393,451	–	–	393,451
Federal Home Loan Bank Corporation	1.5%	Level 2	499,592	–	–	–	499,592
Federal Home Loan Mortgage Corporation	5.8%	Level 2	–	1,944,874	–	–	1,944,874
Municipal bonds	**	Level 2	2,443,906	7,118,780	762,524	510,895	10,836,105
Marketable certificates of deposit	N/A	Level 2	4,529,504	7,006,169	243,153	–	11,778,826
Investment pools/mutual funds							
Minnesota Municipal Money Market 4M Fund	N/A	Amortized Cost	7,572,907	–	–	–	7,572,907
Federated Govt Obligation PRM	N/A	NAV	76,550	–	–	–	76,550
Wells Fargo Advantage Government Money Market Fund	N/A	Level 1	47,720	–	–	–	47,720
<b>Total investments</b>			<u>\$ 15,170,179</u>	<u>\$ 16,947,379</u>	<u>\$ 1,005,677</u>	<u>\$ 510,895</u>	33,634,130
Deposits							15,189,692
Petty cash							11,540
<b>Totals</b>							<u>\$ 48,835,362</u>
Government-wide Statement of Net Position							
Cash and investments							\$ 48,427,965
Statement of Assets and Liabilities – Agency Fund							
Cash and investments							407,397
<b>Totals</b>							<u>\$ 48,835,362</u>

\*\* – Individual bonds less than 5%

N/A – Not Applicable

NAV – Valued at Net Asset Value. No unfunded commitments, redemption frequency is quarterly, and redemption notice period equals 30 days.

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.

## CITY OF SHOREVIEW

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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 depositor.
- 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, 2017, 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), received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s investment in Federated Govt. Obligation RPM Cash Management Fund shares and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AAA from Standard & Poor’s Corporation. The City’s investments in municipal bonds were rated A and Aa by Moody’s Investors Service, Inc. and A, AA and AAA by Standard & Poor’s Ratings Services in the amount of \$696,110, \$3,495,773, \$500,200, \$4,405,341, and \$1,738,681, 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**

Significant receivable balances not expected to be collected within one year of December 31, 2017 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 3,008	\$ –	\$ –	\$ 25,985	\$ –	\$ 28,993
Street Renewal	–	–	–	3,584	83,765	87,349
General Fixed Asset Replacement	–	–	–	5,198	–	5,198
Community Investment	–	–	–	4	–	4
Water	–	12,133	62,976	–	14,129	89,238
Sewer	–	18,346	87,624	–	12,862	118,832
Surface Water	–	5,967	38,572	–	2,859	47,398
Street Lights	–	2,506	13,865	–	–	16,371
Nonmajor governmental funds	–	–	–	3,515	1,591,681	1,595,196
	<u>\$ 3,008</u>	<u>\$ 38,952</u>	<u>\$ 203,037</u>	<u>\$ 38,286</u>	<u>\$ 1,705,296</u>	<u>\$ 1,988,579</u>

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Primary government</b>					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ –	\$ –	\$ –	\$ 7,724,345
Construction in progress	2,113,229	3,868,669	–	(1,493,895)	4,488,003
Total capital assets, not being depreciated	<u>9,837,574</u>	<u>3,868,669</u>	<u>–</u>	<u>(1,493,895)</u>	<u>12,212,348</u>
Capital assets, being depreciated					
Building and structures	35,746,255	321,294	–	145,470	36,213,019
Machinery and equipment	9,178,717	502,443	261,112	238,561	9,658,609
Infrastructure	61,673,034	905,357	1,177,731	1,109,864	62,510,524
Total capital assets, being depreciated	<u>106,598,006</u>	<u>1,729,094</u>	<u>1,438,843</u>	<u>1,493,895</u>	<u>108,382,152</u>
Less accumulated depreciation for					
Building and structures	12,589,689	894,144	–	–	13,483,833
Machinery and equipment	4,903,140	614,285	231,414	–	5,286,011
Infrastructure	36,856,880	1,611,300	756,899	–	37,711,281
Total accumulated depreciation	<u>54,349,709</u>	<u>3,119,729</u>	<u>988,313</u>	<u>–</u>	<u>56,481,125</u>
Total capital assets being depreciated – net	<u>52,248,297</u>	<u>(1,390,635)</u>	<u>450,530</u>	<u>1,493,895</u>	<u>51,901,027</u>
Governmental activities capital assets – net	<u>\$ 62,085,871</u>	<u>\$ 2,478,034</u>	<u>\$ 450,530</u>	<u>\$ –</u>	<u>\$ 64,113,375</u>
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Primary government</b>					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 325,202	\$ –	\$ –	\$ –	\$ 325,202
Construction in progress	14,223,305	1,155,033	–	(14,383,328)	995,010
Total capital assets, not being depreciated	<u>14,548,507</u>	<u>1,155,033</u>	<u>–</u>	<u>(14,383,328)</u>	<u>1,320,212</u>
Capital assets, being depreciated					
Building and structures	8,685,220	–	–	12,448,364	21,133,584
Machinery and equipment	2,586,601	62,800	–	–	2,649,401
Distribution and collection systems	47,348,810	254,799	43,561	1,934,964	49,495,012
Total capital assets, being depreciated	<u>58,620,631</u>	<u>317,599</u>	<u>43,561</u>	<u>14,383,328</u>	<u>73,277,997</u>
Less accumulated depreciation for					
Building and structures	4,119,129	387,475	–	–	4,506,604
Machinery and equipment	755,434	105,960	–	–	861,394
Distribution and collection systems	21,210,710	1,008,775	43,561	–	22,175,924
Total accumulated depreciation	<u>26,085,273</u>	<u>1,502,210</u>	<u>43,561</u>	<u>–</u>	<u>27,543,922</u>
Total capital assets being depreciated – net	<u>32,535,358</u>	<u>(1,184,611)</u>	<u>–</u>	<u>14,383,328</u>	<u>45,734,075</u>
Business-type activities capital assets – net	<u>\$ 47,083,865</u>	<u>\$ (29,578)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 47,054,287</u>

**CITY OF SHOREVIEW**  
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 205,634
Public safety	84,823
Public works	1,610,140
Parks and recreation	537,018
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>682,114</u>
Total depreciation expense – governmental activities	<u><u>\$ 3,119,729</u></u>
Business-type activities	
Water	\$ 813,359
Sewer	327,164
Surface water	283,009
Street lights	<u>78,678</u>
Total depreciation expense – business-type activities	<u><u>\$ 1,502,210</u></u>

COMMITMENTS

At December 31, 2017, 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 Expansion	\$ 13,316,749
2017 Sewer Lining	6,429
Gramsie Road Rehabilitation	143,153
Dawn/Colleen/Rustic Reconstruction	<u>23,164</u>
Total construction commitments	<u><u>\$ 13,489,495</u></u>



**CITY OF SHOREVIEW**  
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**Note 6 LONG-TERM DEBT**

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

**GOVERNMENTAL ACTIVITIES**

As of December 31, 2017, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2017
<b>G.O. improvement bonds</b>					
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50-4.375 %	\$ 330,000	\$ 200,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00-4.00	235,000	100,000
2013 Refunding Improvement Bonds	03/06/2013	02/01/2022	2.00	235,000	45,000
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00-4.00	1,775,000	1,605,000
2014 Refunding Improvement Bonds	12/04/2014	02/01/2022	2.00-3.00	100,000	70,000
2015 Improvement Bonds	09/17/2015	02/01/2026	2.00-4.00	295,000	285,000
Total G.O. improvement bonds				<u>2,970,000</u>	<u>2,305,000</u>
<b>Other G.O. improvement bonds</b>					
G.O. Refunding Capital Improvement Plan Bonds of 2013	03/06/2013	02/01/2020	2.00	750,000	390,000
G.O. Refunding Street Reconstruction Bonds of 2013	03/06/2013	02/01/2022	2.00	1,380,000	990,000
G.O. Street Reconstruction Bonds of 2013	03/06/2013	02/01/2028	2.00-2.375	2,415,000	1,835,000
G.O. Capital Improvement Plan Refunding Bonds of 2014	12/04/2014	02/01/2030	2.00-3.00	4,670,000	4,190,000
G.O. Tax Abatement Bonds of 2017	11/16/2017	02/01/2038	3.00-5.00	12,865,000	12,865,000
Total other G.O. improvement bonds				<u>22,080,000</u>	<u>20,270,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	<u>1,151,055</u>
<b>Loan payable</b>					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	<u>6,000,000</u>	<u>6,000,000</u>
<b>Certificates of participation</b>					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00-3.75	<u>4,620,000</u>	<u>2,535,000</u>
Compensated absences	N/A	N/A	N/A	N/A	312,250
Net pension liability	N/A	N/A	N/A	N/A	<u>4,625,160</u>
Total city indebtedness – governmental activities				<u>\$ 35,670,000</u>	<u>\$ 37,198,465</u>

N/A – Not Applicable

**CITY OF SHOREVIEW**  
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**BUSINESS-TYPE ACTIVITIES**

As of December 31, 2017, 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 12/31/2017
G.O. revenue bonds					
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15 %	\$ 845,000	\$ 400,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	260,000	125,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	600,000	285,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	2,365,000	1,390,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	580,000	340,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	230,000	135,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00-4.00	1,180,000	470,000
Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	775,000	485,000
Surface Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	960,000	595,000
Water Refunding Revenue Bonds of 2013B	03/06/2013	02/01/2022	2.00	610,000	330,000
Sewer Refunding Revenue Bonds of 2013B	03/06/2013	02/01/2022	2.00	285,000	105,000
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	305,000	215,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	140,000
Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	915,000	760,000
Sewer Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	730,000	600,000
Surface Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	265,000	225,000
Water Revenue Bonds of 2015	09/17/2015	02/01/2036	2.00-4.00	6,885,000	6,670,000
Sewer Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	1,650,000	1,575,000
Surface Water Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	860,000	820,000
Water Revenue Bonds of 2016	01/14/2016	02/01/2036	2.00-3.00	6,995,000	6,690,000
Sewer Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00-3.00	230,000	215,000
Surface Water Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00-3.00	380,000	360,000
Total G.O. revenue bonds				28,095,000	22,930,000
Unamortized premium	N/A	N/A	N/A	N/A	548,448
Compensated absences payable	N/A	N/A	N/A	N/A	100,575
Net pension liability	N/A	N/A	N/A	N/A	1,120,381
Total city indebtedness – business-type activities				\$ 28,095,000	\$ 24,699,404

N/A – Not Applicable

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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		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 185,000	\$ 73,623	\$ 740,000	\$ 493,909	\$ 390,000	\$ 84,978
2019	175,000	68,197	1,180,000	602,082	400,000	74,058
2020	190,000	62,667	1,270,000	570,131	415,000	62,057
2021	195,000	56,604	1,175,000	537,657	430,000	48,155
2022	175,000	50,729	1,210,000	502,930	440,000	33,750
2023	150,000	45,441	1,025,000	465,282	460,000	17,250
2024	160,000	40,454	1,055,000	426,962	—	—
2025	170,000	35,441	1,080,000	386,925	—	—
2026	115,000	31,230	1,105,000	344,638	—	—
2027	80,000	28,320	1,135,000	300,256	—	—
2028	85,000	25,680	1,170,000	260,722	—	—
2029	85,000	22,960	1,005,000	228,675	—	—
2030	90,000	19,800	1,035,000	198,075	—	—
2031	85,000	16,300	685,000	172,275	—	—
2032	85,000	12,900	705,000	151,425	—	—
2033	90,000	9,400	725,000	129,975	—	—
2034	95,000	5,700	745,000	107,925	—	—
2035	95,000	1,900	770,000	85,200	—	—
2036	—	—	790,000	61,800	—	—
2037	—	—	820,000	37,650	—	—
2038	—	—	845,000	12,675	—	—
Total	<u>\$ 2,305,000</u>	<u>\$ 607,346</u>	<u>\$ 20,270,000</u>	<u>\$ 6,077,169</u>	<u>\$ 2,535,000</u>	<u>\$ 320,248</u>

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

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  
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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
2018	\$ 1,695,000	\$ 611,114
2019	1,750,000	565,002
2020	1,775,000	518,559
2021	1,820,000	468,122
2022	1,740,000	416,277
2023	1,700,000	364,271
2024	1,400,000	319,737
2025	1,385,000	284,562
2026	1,140,000	254,094
2027	960,000	230,052
2028	975,000	206,697
2029	1,005,000	180,692
2030	1,030,000	153,156
2031	1,065,000	124,388
2032	655,000	99,830
2033	675,000	79,788
2034	695,000	58,400
2035	720,000	35,863
2036	745,000	12,087
Total	<u>\$ 22,930,000</u>	<u>\$ 4,982,691</u>

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

**CITY OF SHOREVIEW**  
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**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 2,480,000	\$ –	\$ 175,000	\$ 2,305,000	\$ 185,000
Other G.O. improvement bonds	8,125,000	12,865,000	720,000	20,270,000	740,000
Premium	361,812	831,537	42,294	1,151,055	–
Total bonds payable	<u>10,966,812</u>	<u>13,696,537</u>	<u>937,294</u>	<u>23,726,055</u>	<u>925,000</u>
Loans payable	6,000,000	–	–	6,000,000	–
Certificates of participation	2,910,000	–	375,000	2,535,000	390,000
Compensated absences	293,992	376,188	357,930	312,250	18,432
Net pension liability	<u>6,059,057</u>	<u>693,034</u>	<u>2,126,931</u>	<u>4,625,160</u>	<u>–</u>
Total governmental activity long-term liabilities	<u>\$ 26,229,861</u>	<u>\$ 14,765,759</u>	<u>\$ 3,797,155</u>	<u>\$ 37,198,465</u>	<u>\$ 1,333,432</u>
Business-type activities					
Bonds payable					
G.O. revenue bonds	\$ 24,480,000	\$ –	\$ 1,550,000	\$ 22,930,000	\$ 1,695,000
Premium	596,551	–	48,103	548,448	–
Total bonds payable	<u>25,076,551</u>	<u>–</u>	<u>1,598,103</u>	<u>23,478,448</u>	<u>1,695,000</u>
Compensated absences	92,462	123,400	115,287	100,575	5,936
Net pension liability	<u>1,467,722</u>	<u>167,878</u>	<u>515,219</u>	<u>1,120,381</u>	<u>–</u>
Total business-type activity long-term liabilities	<u>\$ 26,636,735</u>	<u>\$ 291,278</u>	<u>\$ 2,228,609</u>	<u>\$ 24,699,404</u>	<u>\$ 1,700,936</u>

The governmental activities loans payable, compensated absences, and net pension liability 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, 2017 is backed by the full faith and credit of the City, including improvement, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2017 totaled \$1,565.

## **CITY OF SHOREVIEW**

Notes to Financial Statements  
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### 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 not shown as assets in the accompanying financial statements at December 31, 2017. Future scheduled tax levies for all bonds outstanding at December 31, 2017 totaled \$13,218,122.

### 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, 2017, there is one industrial revenue bond outstanding, with an aggregate principal amount payable of \$929,417.

### TAX ABATEMENT AGREEMENTS

The City in order to spur economic development and redevelopment has entered into private development agreements regarding certain tax increment properties. These agreements may in substance be a tax abatement but will depend on their individual circumstances. The City currently has five agreements that would be considered a tax abatement under GASB Statement No. 77. Included in the developer agreements are provisions for tax increment pay-as-you-go revenue notes in accordance with Minnesota Statute, Chapter 469. These notes provide for the payment of principal and interest at set rates and terms. The notes are not a general obligation of the City and are payable solely from available tax increments (repayment is required only if sufficient tax increments are received) and the note is cancelled at the end of the repayment term, whether or not the note has been repaid in full. Accordingly, these note balances are not reflected in the long-term debt balances of the City.

Details of the pay-as-you-go revenue notes are as follows:

#### TIF District #4 Twin Cities Christian Homes (Scandia Shores)

In 1995 the City entered into a development agreement with Twin Cities Christian Homes to assist the developer with the financing of certain costs associated with the Scandia Shores senior housing project within TIF District #4. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 1996 the City issued a Tax increment note in the amount of \$2,514,320 with interest of 6.5%. The City will abate 100 percent of the incremental taxes received less administrative costs through execution of the tax increment revenue pay-as-you-go note. The final payment on the note was made in 2017 and as of December 31, 2017 the note is retired; the City rebated \$147,294 in the current year.

## **CITY OF SHOREVIEW**

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### TIF District #6 Lexington Shores, LLC (Gateway)

In 2001 the City entered into a development agreement with Lexington Shores, LLC to assist the developer with the financing of certain costs associated with the Gateway redevelopment project within TIF District #6. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2001 the City issued two Tax Increment Notes in the amount of \$1,500,000 (Note 1) and \$527,000 (Note 2), with interest of 7.0%. The City will abate 100 percent of the incremental taxes received less administrative costs through execution of the tax increment revenue pay-as-you-go notes to be retired in 2028. No payments are made on Note 2 until Note 1 is paid in full. The outstanding principal balance of Note 1 as of December 31, 2017, was \$1,297,776 and the City rebated \$109,785 in the current year. The outstanding principal balance on Note 2 was \$527,000 and the City did not have any rebate in the current year.

### TIF District #7 Southview Senior Living, LLC (Shoreview Senior Living)

In 2011 the City entered into a development agreement with Southview Senior Living, LLC to assist the developer with the financing of certain costs associated with the Shoreview Senior Living senior housing project within TIF District #7. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2012 the City issued a Tax increment note in the amount of \$750,000 with interest of 6.75%. The City will abate 90 percent of the incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2023. The outstanding principal balance as of December 31, 2017, was \$179,858 and the City rebated \$211,317 in the current year.

### TIF District #8 Lakeview Terrace, LLC (Lakeview Terrace)

In 2013 the City entered into a development agreement with Lakeview Terrace, LLC to assist the developer with the financing of certain costs associated with the Lakeview Terrace apartment project within TIF District #8. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2015 the City issued a Tax increment note in the amount of \$2,000,000 with interest of 5.5%. The City will abate 67 percent of incremental taxes received after a 10% administrative fee through execution of the tax increment revenue pay-as-you-go note to be retired in 2040. The outstanding principal balance as of December 31, 2017, was \$1,809,830 and the City rebated \$170,955 in the current year.

### TIF District #9 TSI Incorporated

In 2012 the City entered into a development agreement with TSI Incorporated to assist the company with the financing of certain expansion costs associated with their corporate campus within TIF District #9. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2014 the City issued a Tax increment note in the amount of \$500,000 with interest of 5.0%. The City will abate 90 percent of incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2021. The outstanding principal balance as of December 31, 2017, was \$356,307 and the City rebated \$73,873 in the current year.

## **CITY OF SHOREVIEW**

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The City is authorized to create a tax increment financing plan under Minnesota Statute, Chapter 469.175. The criteria that must be met under the statute are that, in the opinion of the municipality:

- The proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;
- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole; and
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

### PLEDGED REVENUE

The City has issued Certificates of Participation, Capital Improvement, Tax Abatement 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, 2017 the following pledges were in place:

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

The City pledged \$957,376 of Central Garage charges, property tax collections, earnings on investments, intergovernmental revenue, 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 were called for redemption in 2015. The 2014 Refunding Bonds have a final maturity date of February 1, 2030. The pledged revenues represent 62 percent of the revenue stream, and \$5,008,831 of the pledge commitment remains outstanding.

#### G.O. Water Revenue Bonds

The City pledged \$1,319,185 of operating revenue, intergovernmental revenue earnings on investments and capital contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2016 to finance water system infrastructure improvements and has a final maturity date of years 2022–2036. The pledged revenues represent 40 percent of the revenue stream, and \$21,038,846 of the pledge commitment remains outstanding.

#### G.O. Sewer Revenue Bonds

The City pledged \$725,551 of operating revenue, intergovernmental revenue, earnings on investments and capital contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2016 to finance sewer system infrastructure improvements and it has a final maturity date of years 2022–2031. The pledged revenues represent 17 percent of the revenue stream, and \$3,449,059 of the pledge commitment remains outstanding.



**CITY OF SHOREVIEW**

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G.O. Surface Water Revenue Bonds

The City pledged \$742,820 of operating revenue, intergovernmental revenue and earnings on investments, to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2016 to finance surface water system infrastructure improvements and it has a final maturity date of years 2021–2031. The pledged revenues represent 41 percent of the revenue stream, and \$3,424,786 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$458,089 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 they have a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$2,855,248 of the pledge commitment remains outstanding.

G.O. Tax Abatement Bonds of 2017

The City pledged \$121,222 of earnings on investments, and bond proceeds to meet the debt service commitment on the bonds. The bonds were issued in 2017 to financed the 2017 community center expansion and they have a final maturity date of February 1, 2038. The pledged revenues represent 100 percent of the revenue stream, and \$17,828,529 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. Capital Improvement Plan Refunding Bonds of 2014	\$ 1,540,590	\$ 583,214	\$ 957,376	\$ 260,000	\$ 108,501	\$ 368,501
G.O. Water Revenue Bonds	3,310,779	1,991,594 *	1,319,185	960,000	439,738	1,399,738
G.O. Sewer Revenue Bonds	4,324,274	3,598,723 *	725,551	230,000	76,310	306,310
G.O. Surface Water Revenue Bonds	1,814,764	1,071,944 *	742,820	360,000	79,194	439,194
Refunding Certificates of Participation of 2011	458,089	– *	458,089	375,000	99,640	474,640
G.O. Tax Abatement Bonds of 2017	121,222	–	121,222	–	117,424	117,424
	<u>\$ 11,569,718</u>	<u>\$ 7,245,475</u>	<u>\$ 4,324,243</u>	<u>\$ 2,185,000</u>	<u>\$ 920,807</u>	<u>\$ 3,105,807</u>

\* Direct operating expenses exclude depreciation expense

**NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**A. Plan Description**

The City participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the PERA of Minnesota. The PERA’s defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The PERA’s defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan

## **CITY OF SHOREVIEW**

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members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

### **B. Benefits Provided**

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

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

#### GERF Benefits

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 the 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 members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

### **C. Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

#### GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2017. The City was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the year ended December 31, 2017 were \$439,966. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

GERF Pension Costs

At December 31, 2017, the City reported a liability of \$5,745,541 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2017, the City's proportionate share was .0900 percent, which was a decrease of .0027 percent from its proportion measured as of June 30, 2016.

The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of net pension liability	\$	5,745,541
State's proportionate share of the net pension liability associated with the City	\$	72,239

For the year ended December 31, 2017, the City recognized pension expense of \$694,408 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$2,086 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$6 million to the GERF.

At December 31, 2017, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 189,356	\$ 381,759
Changes in actuarial assumptions	982,500	575,991
Differences between projected and actual investment earnings	70,432	-
Changes in proportion	-	312,952
Contributions paid to the PERA subsequent to the measurement date	<u>222,248</u>	<u>-</u>
Total	<u>\$ 1,464,536</u>	<u>\$ 1,270,702</u>

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2017

Deferred outflows of resources reported \$222,248 related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2018	\$ 85,972
2019	285,192
2020	(155,692)
2021	<u>(243,886)</u>
Total	<u>\$ (28,414)</u>

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Active member payroll growth	3.25%	per year
Investment rate of return	7.50%	per year

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit the PEAR's experience. Cost of living benefit increases for retirees are assumed to be: 1.0 percent per year through 2044 and then 2.5 percent thereafter.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GEF was completed in 2015.

The following changes in actuarial assumptions occurred in 2017:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60.0 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.0 percent for vested deferred member liability, and 3.0 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044, and 2.5 percent per year thereafter.

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2017

The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	39%	5.10%
International stocks	19%	5.30%
Bonds	20%	0.75%
Alternative assets	20%	5.90%
Cash	2%	0.00%

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2017 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

The following table presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
The City's proportionate share of the GERF net pension liability	\$ 8,911,760	\$ 5,745,541	\$ 3,153,415

**H. Pension Plan Fiduciary Net Position**

Detailed information about the GERF's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org), by writing to the PERA at 60 empire Drive, Suite 200, St. Paul, Minnesota 55103 or by calling (651) 296-7460 or (800) 652-9026.

**CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2017

**Note 8 – DEFINED CONTRIBUTION PLAN**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including 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 employee contributions 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, the PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.0025) of the assets in each member’s account annually.

Total contributions made by the City for the last three fiscal years were:

For the Year Ended December 31,	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2017	\$ 1,893	\$ 1,893	5%	5%	5%
2016	\$ 1,508	\$ 1,508	5%	5%	5%
2015	\$ 1,508	\$ 1,508	5%	5%	5%

**Note 9 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at December 31, 2017 are as follows:

Fund	Receivable	Payable
Nonmajor governmental funds	\$ 964,162	\$ 964,162

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2017

Interfund transfers:

Transfers out	Transfer In								Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal Fund	General Fixed Asset Replacement Fund	Community Investment Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 262,000	\$ 86,000	\$ -	\$ 530,000	\$ 360,623	\$ 80,423	\$ -	\$ 1,319,046
Recreation Programs Fund	-	140,000	-	-	-	-	-	-	140,000
Street Renewal Fund	-	-	-	-	-	-	816,964	-	816,964
General Fixed Asset Replacement Fund	-	-	-	-	-	-	472,112	-	472,112
Community Investment Fund	-	-	-	-	-	-	183,335	-	183,335
Nonmajor governmental funds	200,000	-	-	64,750	-	-	50,000	-	314,750
Water Fund	330,000	-	-	-	-	-	8,625	43,000	381,625
Sewer Fund	144,000	-	-	-	-	-	8,625	43,000	195,625
Surface Water Fund	137,000	-	-	-	-	-	-	31,000	168,000
Street Lights Fund	26,000	-	-	-	-	-	-	2,400	28,400
Internal Service funds	-	-	-	-	-	-	4,304	-	4,304
Total transfers out	<u>\$ 837,000</u>	<u>\$ 402,000</u>	<u>\$ 86,000</u>	<u>\$ 64,750</u>	<u>\$ 530,000</u>	<u>\$ 360,623</u>	<u>\$ 1,624,388</u>	<u>\$ 119,400</u>	<u>\$ 4,024,161</u>

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 2017 transfers are considered routine and consistent with previous practices.

**Note 10 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 2017.

The net book value of assets under capital lease at December 31, 2017 is as follows:

	December 31, 2017
Building and structures	\$ 5,359,094
Accumulated depreciation	<u>(1,096,168)</u>
Net	<u>\$ 4,262,926</u>

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2017

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

<u>Year</u>	<u>Community Center Expansion</u>
2018	\$ 474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
Total	<u>2,855,248</u>
Less amount representing interest	<u>(320,248)</u>
Present value of minimum lease payments	<u>\$ 2,535,000</u>

**Note 11 OPERATING LEASE PAYABLE**

During 2017 the City leased five copier machines under one lease agreement. The lease expires in June 2022, and calls for monthly lease payments of \$2,044. Lease expenditures for the year ended December 31, 2017 amounted to \$23,949.

Future minimum annual lease payments at December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	<u>Copiers</u>
2018	\$ 24,533
2019	24,533
2020	24,533
2021	24,533
2022	<u>12,267</u>
Total	<u>\$ 110,399</u>



**Note 12 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.

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 employee's 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, 2017.

**D. TAX INCREMENT DISTRICTS**

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2017

**Note 13 FUND BALANCES**

**A. CLASSIFICATIONS**

At December 31, 2017, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds	Major Capital Project Funds	Other Funds	Total
Nonspendable					
Prepaid items	\$ 80,440	\$ 4,005	\$ —	\$ 53	\$ 84,498
Restricted for					
Business loan program	—	—	—	165,777	165,777
Cable television	—	—	—	459,269	459,269
Debt service	—	—	—	1,590,295	1,590,295
Economic development	—	—	—	72,110	72,110
Housing and redevelopment	—	—	—	143,093	143,093
Recycling	—	—	—	548,037	548,037
Tax increment purposes	—	—	—	2,206,973	2,206,973
Community Center expansion	—	—	11,080,696	—	11,080,696
Total restricted	<u>—</u>	<u>—</u>	<u>11,080,696</u>	<u>5,185,554</u>	<u>16,266,250</u>
Committed to					
Community center operations	—	1,661,167	—	—	1,661,167
Recreation programs	—	874,447	—	—	874,447
Street improvements	—	—	2,476,391	—	2,476,391
Capital asset replacements	—	—	1,914,629	—	1,914,629
Community projects	—	—	5,257,852	—	5,257,852
Cable TV	—	—	—	198,977	198,977
Slice of Shoreview event	—	—	—	83,042	83,042
Total committed	<u>—</u>	<u>2,535,614</u>	<u>9,648,872</u>	<u>282,019</u>	<u>12,466,505</u>
Assigned to					
Debt service	—	—	—	1,134,303	1,134,303
Street improvements	—	—	1,373,628	—	1,373,628
Computer systems	—	—	—	111,130	111,130
Community survey	30,000	—	—	—	30,000
Total assigned	<u>30,000</u>	<u>—</u>	<u>1,373,628</u>	<u>1,245,433</u>	<u>2,649,061</u>
Unassigned	<u>4,915,075</u>	<u>—</u>	<u>—</u>	<u>(904,624)</u>	<u>4,010,451</u>
Total	<u>\$ 5,025,515</u>	<u>\$ 2,539,619</u>	<u>\$ 22,103,196</u>	<u>\$ 5,808,435</u>	<u>\$ 35,476,765</u>

**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 and special temporary allocations as established by the City Council for specific purposes.

The policy establishes a year-end targeted unassigned fund balance for working capital needs at 50 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 10 percent of the ensuing years’ budgeted General Fund expenditures. At December 31, 2017, the unassigned working capital fund balance was 50 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 and the City Council assigned a portion of fund balance to be used to prepare a community survey.

**C. DEFICIT FUND BALANCES**

The City had deficit fund balances at December 31, 2017 as follows:

	<u>Amount</u>
Nonmajor Funds	
Capital Project	
District #8 Lakeview Terrace	\$ 904,208
District #10 Elevage	<u>416</u>
Total	<u>\$ 904,624</u>

The District #8 Lakeview Terrace and District #10 Elevage deficits 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, 2017 the EDA issued thirteen loans with interest rates of 5.25 percent. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2017 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2018	\$ 24,323
2019	23,259
2020	22,864
2021	16,328
2022	13,059
2023	12,845
2024	6,946
2025	6,087
2026	2,634
2027	<u>1,030</u>
Total	129,375
Less amount representing interest	<u>(20,925)</u>
Total loan receivable	<u><u>\$ 108,450</u></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, 2017

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

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 7,623,148	\$ 7,550,101	\$ (73,047)
Other	–	4,876	4,876
Total general property taxes	<u>7,623,148</u>	<u>7,554,977</u>	<u>(68,171)</u>
Licenses and permits			
Business	35,450	43,820	8,370
Non-business	287,600	956,817	669,217
Total licenses and permits	<u>323,050</u>	<u>1,000,637</u>	<u>677,587</u>
Intergovernmental			
State			
Road maintenance	242,000	240,751	(1,249)
Market value homestead credit	–	134	134
PERA aid	20,122	20,122	–
State fire aid	220,000	280,141	60,141
Local			
Aggregate gravel tax	500	1,529	1,029
Other	–	27,500	27,500
Total intergovernmental	<u>482,622</u>	<u>570,177</u>	<u>87,555</u>
Charges for services			
General government	600	909	309
Public works	335,000	361,871	26,871
Parks and recreation	5,000	7,917	2,917
Community development	50,000	278,194	228,194
Administrative charges			
Special revenue funds	104,200	104,200	–
Capital project funds	80,000	84,885	4,885
Enterprise funds	671,270	671,270	–
Total charges for services	<u>1,246,070</u>	<u>1,509,246</u>	<u>263,176</u>
Fines and forfeits	42,500	47,899	5,399
Earnings on investments	55,000	53,285	(1,715)
Other	25,650	20,720	(4,930)
Total revenues	<u>9,798,040</u>	<u>10,756,941</u>	<u>958,901</u>
<b>Expenditures</b>			
General government			
Current			
Council and Commissions	164,622	150,260	14,362
Administration	582,893	513,673	69,220
Human resources	286,952	279,607	7,345
Elections	7,000	6,555	445
Communications	228,534	184,074	44,460
Finance and accounting	568,462	560,767	7,695
Information systems	367,025	437,475	(70,450)
Legal	132,000	82,135	49,865
Total general government	<u>2,337,488</u>	<u>2,214,546</u>	<u>122,942</u>

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 For The Year Ended December 31, 2017

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

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	2,222,800	2,225,242	(2,442)
Fire	1,528,570	1,588,681	(60,111)
Total public safety	<u>3,751,370</u>	<u>3,813,923</u>	<u>(62,553)</u>
Public works			
Current			
Public works administration and engineering	446,672	436,576	10,096
Streets	881,688	822,397	59,291
Trail management	138,935	114,935	24,000
Forestry	134,547	97,766	36,781
Total public works	<u>1,601,842</u>	<u>1,471,674</u>	<u>130,168</u>
Parks and recreation			
Current			
Parks and recreation administration	458,170	456,951	1,219
Municipal buildings	127,686	125,217	2,469
Park and sports area maintenance	1,293,577	1,298,735	(5,158)
Total parks and recreation	<u>1,879,433</u>	<u>1,880,903</u>	<u>(1,470)</u>
Community development			
Current			
Planning and zoning administration	493,228	482,837	10,391
Building inspection	163,679	194,775	(31,096)
Total community development	<u>656,907</u>	<u>677,612</u>	<u>(20,705)</u>
Total expenditures	<u>10,227,040</u>	<u>10,058,658</u>	<u>168,382</u>
Revenues over (under) expenditures	<u>(429,000)</u>	<u>698,283</u>	<u>1,127,283</u>
Other financing sources (uses)			
Transfers in	837,000	837,000	–
Transfers out	(408,000)	(1,319,046)	(911,046)
Total other financing sources (uses)	<u>429,000</u>	<u>(482,046)</u>	<u>(911,046)</u>
Net change in fund balance	<u>\$ –</u>	<u>216,237</u>	<u>\$ 216,237</u>
Fund balance – January 1		4,809,278	
Fund balance – December 31		<u>\$ 5,025,515</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

**Statement 11**

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2017

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 2,524,700	\$ 2,578,680	\$ 53,980
Earnings on investments	6,000	19,665	13,665
Other	12,500	15,723	3,223
Total revenues	<u>2,543,200</u>	<u>2,614,068</u>	<u>70,868</u>
<b>Expenditures</b>			
Parks and recreation			
Current			
Personal services	1,672,772	1,615,222	57,550
Materials and supplies	525,394	522,227	3,167
Contractual services	579,090	569,375	9,715
Capital outlay	32,352	–	32,352
Total expenditures	<u>2,809,608</u>	<u>2,706,824</u>	<u>102,784</u>
Revenues over (under) expenditures	<u>(266,408)</u>	<u>(92,756)</u>	<u>173,652</u>
<b>Other financing sources (uses)</b>			
Transfers in	402,000	402,000	–
Transfers out	(200,000)	–	200,000
Total other financing sources (uses)	<u>202,000</u>	<u>402,000</u>	<u>200,000</u>
Net change in fund balance	<u>\$ (64,408)</u>	<u>309,244</u>	<u>\$ 373,652</u>
Fund balance – January 1		<u>1,355,411</u>	
Fund balance – December 31		<u>\$ 1,664,655</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2017

**Statement 12**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 1,473,711	\$ 1,465,942	\$ (7,769)
Earnings on investments	2,500	10,839	8,339
Other	–	1,001	1,001
Total revenues	<u>1,476,211</u>	<u>1,477,782</u>	<u>1,571</u>
<b>Expenditures</b>			
Parks and recreation			
Current			
Personal services	1,143,436	1,198,855	(55,419)
Materials and supplies	90,922	80,661	10,261
Contractual services	230,200	223,771	6,429
Total expenditures	<u>1,464,558</u>	<u>1,503,287</u>	<u>(38,729)</u>
Revenues over (under) expenditures	<u>11,653</u>	<u>(25,505)</u>	<u>(37,158)</u>
<b>Other financing sources (uses)</b>			
Transfers in	86,000	86,000	–
Transfers out	(340,000)	(140,000)	200,000
Total other financing sources (uses)	<u>(254,000)</u>	<u>(54,000)</u>	<u>200,000</u>
Net change in fund balance	<u>\$ (242,347)</u>	<u>(79,505)</u>	<u>\$ 162,842</u>
Fund balance – January 1		954,469	
Fund balance – December 31		<u>\$ 874,964</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information (Last Ten Years\*)

**Statement 13**

Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability –

PERA – General Employees Retirement Fund

Schedule of City Contributions –

PERA – General Employees Retirement Fund

For The Year Ended December 31, 2017

PERA – General Employees Retirement Fund  
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0939%	\$ 4,866,385	\$ –	\$ 4,866,385	\$ 5,518,544	88.18%	78.20%
12/31/2016	06/30/2016	0.0927%	\$ 7,526,779	\$ 98,291	\$ 7,625,070	\$ 5,751,467	130.87%	68.90%
12/31/2017	06/30/2017	0.0900%	\$ 5,745,541	\$ 72,239	\$ 5,817,780	\$ 5,792,074	99.20%	75.90%

PERA – General Employees Retirement Fund  
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 417,738	\$ 417,738	\$ –	\$ 5,569,840	7.50%
12/31/2016	\$ 437,884	\$ 437,884	\$ –	\$ 5,838,453	7.50%
12/31/2017	\$ 439,966	\$ 439,966	\$ –	\$ 5,866,213	7.50%

Note 1: \*The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This information is not available for previous fiscal years. Ten years of information will be presented as it becomes available.

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

Notes to RSI

December 31, 2017

**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, 2017, 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	\$ 3,751,370	\$ 3,813,923	\$ 62,553
Parks and Recreation	1,879,433	1,880,903	1,470
Community Development	656,907	677,612	20,705
Recreation Programs Fund	1,464,558	1,503,287	38,729

The General Fund over expenditures were funded by greater than anticipated revenues. The Recreation Programs Fund over expenditures were funded by available fund balance.

**Note B PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2017 Changes:**

**Changes In Acturial Assumptions:**

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.0 percent for vested deferred member liability, and 3.0 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044, and 2.5 percent per year thereafter

**2016 Changes:**

**Changes In Acturial Assumptions:**

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035, and 2.5 percent per year thereafter, to 1.0 percent per year for all years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

Notes to RSI

December 31, 2017

- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

**2015 Changes:**

**Changes In Plan Provisions:**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

**Changes In Actuarial Assumptions:**

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030, and 2.5 percent per year thereafter, to 1.0 percent per year through 2035, and 2.5 percent per year thereafter.



**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, 2017

**Statement 14**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 1,604,551	\$ 2,704,091	\$ 1,295,669	\$ 5,604,311
Accrued interest receivable	3,557	6,247	1,868	11,672
Accounts receivable	107,479	-	10,963	118,442
Loan receivable	-	-	108,450	108,450
Taxes receivable	4,373	10,923	677	15,973
Special assessments receivable	-	1,710,902	-	1,710,902
Interfund receivable	416	-	963,746	964,162
Due from other governmental units	17,389	-	-	17,389
Prepaid items	53	-	-	53
<b>Total assets</b>	<b>\$ 1,737,818</b>	<b>\$ 4,432,163</b>	<b>\$ 2,381,373</b>	<b>\$ 8,551,354</b>
<b>Liabilities</b>				
Accounts payable	\$ 32,152	\$ 358	\$ 3,515	\$ 36,025
Salaries payable	7,400	-	-	7,400
Interfund payable	-	-	964,162	964,162
Due to other governmental units	20,422	-	-	20,422
Unearned revenue	6,000	-	-	6,000
<b>Total liabilities</b>	<b>65,974</b>	<b>358</b>	<b>967,677</b>	<b>1,034,009</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	1,486	3,774	217	5,477
Unavailable revenue – special assessments	-	1,703,433	-	1,703,433
<b>Total deferred inflows of resources</b>	<b>1,486</b>	<b>1,707,207</b>	<b>217</b>	<b>1,708,910</b>
<b>Fund balances</b>				
Nonspendable	53	-	-	53
Restricted	1,388,286	1,590,295	2,206,973	5,185,554
Committed	282,019	-	-	282,019
Assigned	-	1,134,303	111,130	1,245,433
Unassigned	-	-	(904,624)	(904,624)
<b>Total fund balances</b>	<b>1,670,358</b>	<b>2,724,598</b>	<b>1,413,479</b>	<b>5,808,435</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,737,818</b>	<b>\$ 4,432,163</b>	<b>\$ 2,381,373</b>	<b>\$ 8,551,354</b>



**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For The Year Ended December 31, 2017

**Statement 15**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes				
General property taxes	\$ 217,931	\$ 541,844	\$ 34,690	\$ 794,465
Tax increments	-	-	861,608	861,608
Franchise tax	443,540	-	-	443,540
Special assessments	-	208,899	-	208,899
Intergovernmental	85,543	-	29,795	115,338
Charges for services	573,028	-	-	573,028
Earnings on investments	15,112	26,067	45,259	86,438
Other	40,183	-	-	40,183
Total revenues	<u>1,375,337</u>	<u>776,810</u>	<u>971,352</u>	<u>3,123,499</u>
<b>Expenditures</b>				
Current				
General government	235,289	-	183,700	418,989
Public works	549,007	-	8,680	557,687
Community development	199,279	-	749,162	948,441
Capital outlay				
General government	9,852	-	130,166	140,018
Public works	-	-	825,299	825,299
Debt service				
Principal	-	1,010,000	-	1,010,000
Interest	-	245,175	-	245,175
Fiscal charges	-	126,460	-	126,460
Total expenditures	<u>993,427</u>	<u>1,381,635</u>	<u>1,897,007</u>	<u>4,272,069</u>
Revenues over (under) expenditures	<u>381,910</u>	<u>(604,825)</u>	<u>(925,655)</u>	<u>(1,148,570)</u>
<b>Other financing sources (uses)</b>				
Bond issuance	-	118,514	-	118,514
Transfers in	30,423	455,000	1,138,965	1,624,388
Transfers out	(200,000)	(50,000)	(64,750)	(314,750)
Total other financing sources (uses)	<u>(169,577)</u>	<u>523,514</u>	<u>1,074,215</u>	<u>1,428,152</u>
Net change in fund balances	212,333	(81,311)	148,560	279,582
Fund balances – January 1	1,458,025	2,805,909	1,264,919	5,528,853
Fund balances – December 31	<u>\$ 1,670,358</u>	<u>\$ 2,724,598</u>	<u>\$ 1,413,479</u>	<u>\$ 5,808,435</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

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

Recycling – 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 – This fund was established to account for transactions associated with cable television in the City. Franchise and Public Education and Government (PEG) Access fees are restricted for cable television operating and capital expenditures.

Slice of Shoreview Event – 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. 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. 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, 2017

**Statement 16**

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Cash and investments	\$ 561,927	\$ 551,932	\$ 81,821	\$ 264,699	\$ 144,172	\$ 1,604,551
Accrued interest receivable	1,095	1,380	243	539	300	3,557
Accounts receivable	31	106,448	1,000	-	-	107,479
Taxes receivable	-	-	-	2,247	2,126	4,373
Interfund receivable	-	-	-	-	416	416
Due from other governmental units	17,389	-	-	-	-	17,389
Prepaid items	38	15	-	-	-	53
<b>Total assets</b>	<b>\$ 580,480</b>	<b>\$ 659,775</b>	<b>\$ 83,064</b>	<b>\$ 267,485</b>	<b>\$ 147,014</b>	<b>\$ 1,737,818</b>
<b>Liabilities</b>						
Accounts payable	\$ 31,116	\$ 312	\$ 22	\$ 131	\$ 571	\$ 32,152
Salaries payable	1,289	1,202	-	2,306	2,603	7,400
Due to other governmental units	-	-	-	20,422	-	20,422
Unearned revenue	-	-	-	6,000	-	6,000
<b>Total liabilities</b>	<b>32,405</b>	<b>1,514</b>	<b>22</b>	<b>28,859</b>	<b>3,174</b>	<b>65,974</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue – property taxes	-	-	-	739	747	1,486
<b>Fund balances</b>						
Nonspendable	38	15	-	-	-	53
Restricted	548,037	459,269	-	237,887	143,093	1,388,286
Committed	-	198,977	83,042	-	-	282,019
<b>Total fund balances</b>	<b>548,075</b>	<b>658,261</b>	<b>83,042</b>	<b>237,887</b>	<b>143,093</b>	<b>1,670,358</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 580,480</b>	<b>\$ 659,775</b>	<b>\$ 83,064</b>	<b>\$ 267,485</b>	<b>\$ 147,014</b>	<b>\$ 1,737,818</b>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2017

**Statement 17**

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 113,950	\$ 103,981	\$ 217,931
Franchise tax	-	443,540	-	-	-	443,540
Intergovernmental	85,543	-	-	-	-	85,543
Charges for services	546,474	-	26,554	-	-	573,028
Earnings on investments	4,650	5,863	1,033	2,290	1,276	15,112
Other	299	1,100	38,784	-	-	40,183
Total revenues	<u>636,966</u>	<u>450,503</u>	<u>66,371</u>	<u>116,240</u>	<u>105,257</u>	<u>1,375,337</u>
<b>Expenditures</b>						
Current						
General government	-	154,351	80,938	-	-	235,289
Public works	549,007	-	-	-	-	549,007
Community development	-	-	-	116,180	83,099	199,279
Capital outlay						
General government	-	9,852	-	-	-	9,852
Total expenditures	<u>549,007</u>	<u>164,203</u>	<u>80,938</u>	<u>116,180</u>	<u>83,099</u>	<u>993,427</u>
Revenues over (under) expenditures	<u>87,959</u>	<u>286,300</u>	<u>(14,567)</u>	<u>60</u>	<u>22,158</u>	<u>381,910</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	10,000	20,423	-	30,423
Transfers out	-	(200,000)	-	-	-	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>10,000</u>	<u>20,423</u>	<u>-</u>	<u>(169,577)</u>
Net change in fund balances	<u>87,959</u>	<u>86,300</u>	<u>(4,567)</u>	<u>20,483</u>	<u>22,158</u>	<u>212,333</u>
Fund balances – January 1	460,116	571,961	87,609	217,404	120,935	1,458,025
Fund balances – December 31	<u>\$ 548,075</u>	<u>\$ 658,261</u>	<u>\$ 83,042</u>	<u>\$ 237,887</u>	<u>\$ 143,093</u>	<u>\$ 1,670,358</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. Revenue sources are from transfers from other funds.

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

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

G.O. Tax Abatement Bonds of 2017 – This fund was established to provide financing for the 2017 Tax Abatement Bonds of 2017. Revenue sources are from tax collections and transfers in from other funds.

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

G.O. Improvement Refunding Bonds of 2014 – This fund was established to provide financing for the 2014 Refunding Improvement Bonds. The 2010 bonds were refunded by the 2014 bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2015 – This fund was established to provide financing for the 2015 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

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



**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2017

**Statement 18**  
**Page 1 of 2**

	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Street Reconstruction Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2013
<b>Assets</b>				
Cash and investments	\$ 477,119	\$ 132,105	\$ 177,393	\$ 168,327
Accrued interest receivable	2,308	-	-	-
Taxes receivable				
Delinquent	-	913	1,476	1,296
Due from county	-	1,725	2,797	2,471
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Special deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 479,427</u>	<u>\$ 134,743</u>	<u>\$ 181,666</u>	<u>\$ 172,094</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	913	1,476	1,296
Unavailable revenue – special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>913</u>	<u>1,476</u>	<u>1,296</u>
<b>Fund balances</b>				
Restricted	479,427	133,830	180,190	170,798
Assigned	-	-	-	-
Total fund balances	<u>479,427</u>	<u>133,830</u>	<u>180,190</u>	<u>170,798</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 479,427</u>	<u>\$ 134,743</u>	<u>\$ 181,666</u>	<u>\$ 172,094</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2017

	G.O. Tax Abatement Bonds of 2017	G.O. Improvement Refunding Bonds of 2013	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009
<b>Assets</b>				
Cash and investments	\$ 3,798	\$ 4,766	\$ 94,253	\$ 38,186
Accrued interest receivable	-	-	-	-
Taxes receivable				
Delinquent	-	87	-	-
Due from county	-	156	-	-
Special assessments receivable				
Delinquent	-	-	-	865
Deferred	-	2,400	76,260	60,285
Special deferred	-	-	9,137	-
Due from county	-	-	144	1,549
Total assets	<u>\$ 3,798</u>	<u>\$ 7,409</u>	<u>\$ 179,794</u>	<u>\$ 100,885</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	87	-	-
Unavailable revenue – special assessments	-	2,400	85,397	61,150
Total deferred inflows of resources	<u>-</u>	<u>2,487</u>	<u>85,397</u>	<u>61,150</u>
<b>Fund balances</b>				
Restricted	3,798	4,922	94,397	39,735
Assigned	-	-	-	-
Total fund balances	<u>3,798</u>	<u>4,922</u>	<u>94,397</u>	<u>39,735</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,798</u>	<u>\$ 7,409</u>	<u>\$ 179,794</u>	<u>\$ 100,885</u>

**Statement 18**  
**Page 2 of 2**

G.O. Improvement Bonds of 2013	G.O. Improvement Refunding Bonds of 2014	G.O. Improvement Bonds of 2015	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 284,425	\$ 43,201	\$ 149,806	\$ 1,130,712	\$ 2,704,091
588	-	361	2,990	6,247
-	-	-	2	3,774
-	-	-	-	7,149
369	16	314	-	1,564
1,370,862	32,918	139,010	10,997	1,692,732
-	-	-	-	9,137
-	215	4,960	601	7,469
<u>\$ 1,656,244</u>	<u>\$ 76,350</u>	<u>\$ 294,451</u>	<u>\$ 1,145,302</u>	<u>\$ 4,432,163</u>
<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358</u>
-	-	-	2	3,774
1,371,231	32,934	139,324	10,997	1,703,433
<u>1,371,231</u>	<u>32,934</u>	<u>139,324</u>	<u>10,999</u>	<u>1,707,207</u>
284,655	43,416	155,127	-	1,590,295
-	-	-	1,134,303	1,134,303
<u>284,655</u>	<u>43,416</u>	<u>155,127</u>	<u>1,134,303</u>	<u>2,724,598</u>
<u>\$ 1,656,244</u>	<u>\$ 76,350</u>	<u>\$ 294,451</u>	<u>\$ 1,145,302</u>	<u>\$ 4,432,163</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, 2017

**Statement 19**  
**Page 1 of 2**

	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Street Reconstruction Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2013
<b>Revenues</b>				
General property taxes	\$ -	\$ 130,753	\$ 211,982	\$ 187,226
Special assessments	-	-	-	-
Earnings on investments	3,089	583	565	688
Total revenues	<u>3,089</u>	<u>131,336</u>	<u>212,547</u>	<u>187,914</u>
<b>Expenditures</b>				
Debt service				
Principal	375,000	120,000	190,000	150,000
Interest	94,540	9,000	21,700	40,869
Fiscal charges	5,100	93	2,923	270
Total expenditures	<u>474,640</u>	<u>129,093</u>	<u>214,623</u>	<u>191,139</u>
Revenues over (under) expenditures	<u>(471,551)</u>	<u>2,243</u>	<u>(2,076)</u>	<u>(3,225)</u>
<b>Other financing sources (uses)</b>				
Bond issuance	-	-	-	-
Transfers in	455,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>455,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(16,551)	2,243	(2,076)	(3,225)
Fund balances – January 1	495,978	131,587	182,266	174,023
Fund balances – December 31	<u>\$ 479,427</u>	<u>\$ 133,830</u>	<u>\$ 180,190</u>	<u>\$ 170,798</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, 2017

	G.O. Tax Abatement Bonds of 2017	G.O. Improvement Refunding Bonds of 2013	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009
<b>Revenues</b>				
General property taxes	\$ -	\$ 11,883	\$ -	\$ -
Special assessments	-	680	20,107	19,563
Earnings on investments	2,708	-	943	340
Total revenues	<u>2,708</u>	<u>12,563</u>	<u>21,050</u>	<u>19,903</u>
<b>Expenditures</b>				
Debt service				
Principal	-	20,000	20,000	25,000
Interest	-	1,100	8,825	4,156
Fiscal charges	117,424	11	44	79
Total expenditures	<u>117,424</u>	<u>21,111</u>	<u>28,869</u>	<u>29,235</u>
Revenues over (under) expenditures	<u>(114,716)</u>	<u>(8,548)</u>	<u>(7,819)</u>	<u>(9,332)</u>
<b>Other financing sources (uses)</b>				
Bond issuance	118,514	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>118,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,798	(8,548)	(7,819)	(9,332)
Fund balances – January 1	-	13,470	102,216	49,067
Fund balances – December 31	<u>\$ 3,798</u>	<u>\$ 4,922</u>	<u>\$ 94,397</u>	<u>\$ 39,735</u>

G.O. Improvement Bonds of 2013	G.O. Improvement Refunding Bonds of 2014	G.O. Improvement Bonds of 2015	Closed Bonds	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 541,844
123,675	10,478	27,140	7,256	208,899
2,499	423	1,534	12,695	26,067
<u>126,174</u>	<u>10,901</u>	<u>28,674</u>	<u>19,951</u>	<u>776,810</u>
85,000	15,000	10,000	-	1,010,000
55,485	2,100	7,400	-	245,175
358	145	13	-	126,460
<u>140,843</u>	<u>17,245</u>	<u>17,413</u>	<u>-</u>	<u>1,381,635</u>
<u>(14,669)</u>	<u>(6,344)</u>	<u>11,261</u>	<u>19,951</u>	<u>(604,825)</u>
-	-	-	-	118,514
-	-	-	-	455,000
-	-	-	(50,000)	(50,000)
-	-	-	(50,000)	523,514
(14,669)	(6,344)	11,261	(30,049)	(81,311)
299,324	49,760	143,866	1,164,352	2,805,909
<u>\$ 284,655</u>	<u>\$ 43,416</u>	<u>\$ 155,127</u>	<u>\$ 1,134,303</u>	<u>\$ 2,724,598</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 #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 #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 #8 Lakeview Terrace – This fund is used to account for the receipt and use of tax increment collections in tax increment district number eight 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.

Tax Increment Financing District #10 Elevage – This fund is used to account for the receipt and use of tax increment collections in tax increment district number ten within development district number two.

Information Technology – This fund is used to account for the planned replacement and or improvement of computer systems.

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.

Grand Avenue Reconstruction  
Railroad Quiet Zones Jerrold/North Owasso  
Dawn/Colleen/Rustic Reconstruction

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Capital Project Funds  
 December 31, 2017

	Tax Increment Financing			
	District #1 Deluxe	District #4 Scandia Shores	District #6 Gateway	District #7 Shoreview Senior Living
<b>Assets</b>				
Cash and investments	\$ 997,039	\$ 902	\$ 13,611	\$ 87,531
Accrued interest receivable	1,868	-	-	-
Accounts receivable (net of allowance for uncollectibles)	10,963	-	-	-
Loan receivable	108,450	-	-	-
Taxes receivable				
Delinquent	-	-	-	-
Due from county	-	-	-	-
Interfund receivable	963,746	-	-	-
Total assets	<u>\$ 2,082,066</u>	<u>\$ 902</u>	<u>\$ 13,611</u>	<u>\$ 87,531</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	-	-	-
<b>Fund balances</b>				
Restricted	2,082,066	902	13,611	87,531
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,082,066</u>	<u>902</u>	<u>13,611</u>	<u>87,531</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,082,066</u>	<u>\$ 902</u>	<u>\$ 13,611</u>	<u>\$ 87,531</u>

Statement 20

District #8 Lakeview Terrace	District #9 TSI Inc.	District #10 Elevage	Information Technology	Total Nonmajor Capital Project Funds
\$ 59,538	\$ 22,863	\$ -	\$ 114,185	\$ 1,295,669
-	-	-	-	1,868
-	-	-	-	10,963
-	-	-	-	108,450
-	-	-	217	217
-	-	-	460	460
-	-	-	-	963,746
<u>\$ 59,538</u>	<u>\$ 22,863</u>	<u>\$ -</u>	<u>\$ 114,862</u>	<u>\$ 2,381,373</u>
\$ -	\$ -	\$ -	\$ 3,515	\$ 3,515
963,746	-	416	-	964,162
<u>963,746</u>	<u>-</u>	<u>416</u>	<u>3,515</u>	<u>967,677</u>
-	-	-	217	217
-	22,863	-	-	2,206,973
-	-	-	111,130	111,130
(904,208)	-	(416)	-	(904,624)
<u>(904,208)</u>	<u>22,863</u>	<u>(416)</u>	<u>111,130</u>	<u>1,413,479</u>
<u>\$ 59,538</u>	<u>\$ 22,863</u>	<u>\$ -</u>	<u>\$ 114,862</u>	<u>\$ 2,381,373</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, 2017

**Statement 21**  
**Page 1 of 2**

	<u>Tax Increment Financing</u>			
	<u>District #1</u>	<u>District #4</u>	<u>District #6</u>	<u>District #7</u>
	<u>Deluxe</u>	<u>Scandia Shores</u>	<u>Gateway</u>	<u>Shoreview</u>
				<u>Senior Living</u>
<b>Revenues</b>				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	148,244	110,809	235,645
Intergovernmental	-	-	-	-
Earnings on investments	42,251	71	194	992
Total revenues	<u>42,251</u>	<u>148,315</u>	<u>111,003</u>	<u>236,637</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Community development	2,314	148,244	110,809	212,623
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>2,314</u>	<u>148,244</u>	<u>110,809</u>	<u>212,623</u>
Revenues over (under) expenditures	<u>39,937</u>	<u>71</u>	<u>194</u>	<u>24,014</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	39,937	71	194	24,014
Fund balances – January 1	2,042,129	831	13,417	63,517
Fund balances – December 31	<u>\$ 2,082,066</u>	<u>\$ 902</u>	<u>\$ 13,611</u>	<u>\$ 87,531</u>

**CITY OF SHOREVIEW, MINNESOTA**  
 Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Capital Project Funds  
 For The Year Ended December 31, 2017

	<u>Tax Increment Financing</u>			
	District #8 Lakeview Terrace	District #9 TSI Inc.	District #10 Elevage	Information Technology
<b>Revenues</b>				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ 34,690
Tax increments	284,532	82,378	-	-
Intergovernmental	-	-	-	-
Earnings on investments	576	225	-	950
Total revenues	<u>285,108</u>	<u>82,603</u>	<u>-</u>	<u>35,640</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	183,700
Public works	-	-	-	-
Community development	200,170	74,586	416	-
Capital outlay				
General government	-	-	-	130,166
Public works	-	-	-	-
Total expenditures	<u>200,170</u>	<u>74,586</u>	<u>416</u>	<u>313,866</u>
Revenues over (under) expenditures	<u>84,938</u>	<u>8,017</u>	<u>(416)</u>	<u>(278,226)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	313,666
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,666</u>
Net change in fund balances	84,938	8,017	(416)	35,440
Fund balances – January 1	(989,146)	14,846	-	75,690
Fund balances – December 31	<u>\$ (904,208)</u>	<u>\$ 22,863</u>	<u>\$ (416)</u>	<u>\$ 111,130</u>

**Statement 21**  
**Page 2 of 2**

<u>Grand Avenue Reconstruction</u>	<u>Railroad Quiet Zones Jerrold/ North Owasso</u>	<u>Dawn/Colleen Rustic Reconstruction</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ -	\$ -	\$ -	\$ 34,690
-	-	-	861,608
-	29,795	-	29,795
-	-	-	45,259
<u>-</u>	<u>29,795</u>	<u>-</u>	<u>971,352</u>
-	-	-	183,700
-	8,680	-	8,680
-	-	-	749,162
-	-	-	130,166
<u>32,122</u>	<u>-</u>	<u>793,177</u>	<u>825,299</u>
<u>32,122</u>	<u>8,680</u>	<u>793,177</u>	<u>1,897,007</u>
<u>(32,122)</u>	<u>21,115</u>	<u>(793,177)</u>	<u>(925,655)</u>
32,122	-	793,177	1,138,965
-	(64,750)	-	(64,750)
<u>32,122</u>	<u>(64,750)</u>	<u>793,177</u>	<u>1,074,215</u>
-	(43,635)	-	148,560
-	43,635	-	1,264,919
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,413,479</u>

**CITY OF SHOREVIEW, MINNESOTA**  
 Nonmajor Special Revenue Fund – Recycling  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2017

**Statement 22**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 79,762	\$ 85,543	\$ 5,781
Charges for services			
Recycling fees	540,500	546,474	5,974
Earnings on investments	–	4,650	4,650
Other	–	299	299
Total revenues	<u>620,262</u>	<u>636,966</u>	<u>16,704</u>
<b>Expenditures</b>			
Public works			
Current			
Personal services	41,204	40,815	389
Materials and supplies	1,500	155	1,345
Contractual services	540,350	508,037	32,313
Total expenditures	<u>583,054</u>	<u>549,007</u>	<u>34,047</u>
Net change in fund balances	<u>\$ 37,208</u>	<u>87,959</u>	<u>\$ 50,751</u>
Fund balances – January 1		460,116	
Fund balances – December 31		<u>\$ 548,075</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, 2017

**Statement 23**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Franchise Taxes			
General Franchise tax	\$ 320,000	\$ 338,412	\$ 18,412
PEG Access tax	115,000	105,128	(9,872)
Total franchise tax	<u>435,000</u>	<u>443,540</u>	<u>8,540</u>
Earnings on investments	1,800	5,863	4,063
Other	1,200	1,100	(100)
Total revenues	<u>438,000</u>	<u>450,503</u>	<u>12,503</u>
<b>Expenditures</b>			
General government			
Current			
Personal services	45,329	33,441	11,888
Materials and supplies	500	82	418
Contractual services	105,150	120,828	(15,678)
Capital outlay	–	9,852	(9,852)
Total expenditures	<u>150,979</u>	<u>164,203</u>	<u>(13,224)</u>
Revenues over (under) expenditures	<u>287,021</u>	<u>286,300</u>	<u>(721)</u>
<b>Other financing sources (uses)</b>			
Transfers out	(200,000)	(200,000)	–
Net change in fund balances	<u>\$ 87,021</u>	<u>86,300</u>	<u>\$ (721)</u>
Fund balances – January 1		571,961	
Fund balances – December 31		<u>\$ 658,261</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, 2017

**Statement 24**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 27,570	\$ 26,554	\$ (1,016)
Earnings on investments	–	1,033	1,033
Contributions	32,000	38,784	6,784
Total revenues	<u>59,570</u>	<u>66,371</u>	<u>6,801</u>
<b>Expenditures</b>			
General government			
Current			
Materials and supplies	2,200	576	1,624
Contractual services	66,170	80,362	(14,192)
Total expenditures	<u>68,370</u>	<u>80,938</u>	<u>(12,568)</u>
Revenues over (under) expenditures	<u>(8,800)</u>	<u>(14,567)</u>	<u>(5,767)</u>
<b>Other financing sources (uses)</b>			
Transfer in	10,000	10,000	–
Net change in fund balances	<u>\$ 1,200</u>	<u>(4,567)</u>	<u>\$ (5,767)</u>
Fund balances – January 1		87,609	
Fund balances – December 31		<u>\$ 83,042</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, 2017

**Statement 25**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 115,000	\$ 113,878	\$ (1,122)
Other	–	72	72
Total general property taxes	<u>115,000</u>	<u>113,950</u>	<u>(1,050)</u>
Earnings on investments	–	2,290	2,290
Total revenues	<u>115,000</u>	<u>116,240</u>	<u>1,240</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	63,017	64,035	(1,018)
Supplies	3,500	2,308	1,192
Contractual services	<u>44,425</u>	<u>49,837</u>	<u>(5,412)</u>
Total expenditures	<u>110,942</u>	<u>116,180</u>	<u>(5,238)</u>
Revenues over (under) expenditures	<u>4,058</u>	<u>60</u>	<u>(3,998)</u>
<b>Other financing sources (uses)</b>			
Transfer in	–	20,423	20,423
Net change in fund balance	<u>\$ 4,058</u>	<u>20,483</u>	<u>\$ 16,425</u>
Fund balances – January 1		217,404	
Fund balances – December 31		<u>\$ 237,887</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, 2017

**Statement 26**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 105,000	\$ 103,919	\$ (1,081)
Other	–	62	62
Total general property taxes	<u>105,000</u>	<u>103,981</u>	<u>(1,019)</u>
Earnings on investments	–	1,276	1,276
Total revenues	<u>105,000</u>	<u>105,257</u>	<u>257</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	71,242	72,555	(1,313)
Contractual services	26,000	10,544	15,456
Total expenditures	<u>97,242</u>	<u>83,099</u>	<u>14,143</u>
Net change in fund balance	<u>\$ 7,758</u>	<u>22,158</u>	<u>\$ 14,400</u>
Fund balances – January 1		120,935	
Fund balances – December 31		<u>\$ 143,093</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, 2017

**Statement 27**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
<b>Assets</b>				
Current assets				
Cash and investments	\$ 53,196	\$ 300,440	\$ 1,848,828	\$ 2,202,464
Accrued interest receivable	-	760	4,153	4,913
Accounts receivable	-	-	234	234
Taxes receivable	-	-	3,685	3,685
Prepaid items	-	-	1,429	1,429
Total current assets	<u>53,196</u>	<u>301,200</u>	<u>1,858,329</u>	<u>2,212,725</u>
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	6,240,616	6,240,616
Total capital assets	<u>-</u>	<u>-</u>	<u>13,206,288</u>	<u>13,206,288</u>
Less accumulated depreciation	-	-	(5,467,336)	(5,467,336)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>7,738,952</u>	<u>7,738,952</u>
Total assets	<u>53,196</u>	<u>301,200</u>	<u>9,597,281</u>	<u>9,951,677</u>
Deferred outflows of resources				
Deferred pension resources	<u>-</u>	<u>-</u>	<u>36,613</u>	<u>36,613</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	-	3,482	16,428	19,910
Salaries payable	-	-	6,980	6,980
Accrued bond interest payable	-	-	48,547	48,547
Due to other governmental units	-	-	41	41
Compensated absences payable	-	-	486	486
Bonds payable	-	-	270,000	270,000
Total current liabilities	<u>-</u>	<u>3,482</u>	<u>342,482</u>	<u>345,964</u>
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	7,754	7,754
Bonds payable (net of current portion)	-	-	4,063,413	4,063,413
Net pension liability	-	-	143,639	143,639
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,214,806</u>	<u>4,214,806</u>
Total liabilities	<u>-</u>	<u>3,482</u>	<u>4,557,288</u>	<u>4,560,770</u>
Deferred inflows of resources				
Deferred pension resources	<u>-</u>	<u>-</u>	<u>31,768</u>	<u>31,768</u>
<b>Net position</b>				
Net investment in capital assets	-	-	3,405,539	3,405,539
Unrestricted	53,196	297,718	1,639,299	1,990,213
Total net position	<u>\$ 53,196</u>	<u>\$ 297,718</u>	<u>\$ 5,044,838</u>	<u>\$ 5,395,752</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, 2017

**Statement 28**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 7,842	\$ –	\$ 1,221,287	\$ 1,229,129
Operating expenses				
Personal services	2,079	–	223,860	225,939
Materials and supplies	–	–	248,784	248,784
Contractual services	–	18,108	64,346	82,454
Utilities	–	–	26,239	26,239
Insurance	–	–	19,985	19,985
Depreciation	–	–	682,114	682,114
Total operating expenses	<u>2,079</u>	<u>18,108</u>	<u>1,265,328</u>	<u>1,285,515</u>
Operating income (loss)	<u>5,763</u>	<u>(18,108)</u>	<u>(44,041)</u>	<u>(56,386)</u>
Nonoperating revenues (expenses)				
General property taxes	–	–	182,211	182,211
Earnings on investments	572	3,225	17,640	21,437
Intergovernmental revenue	–	–	52	52
Gain on sale of capital assets	–	–	91,798	91,798
Other	–	20,309	2,655	22,964
Interest	–	–	(105,077)	(105,077)
Fiscal charges	–	–	(3,424)	(3,424)
Total nonoperating revenues (expenses)	<u>572</u>	<u>23,534</u>	<u>185,855</u>	<u>209,961</u>
Income (loss) before transfers	<u>6,335</u>	<u>5,426</u>	<u>141,814</u>	<u>153,575</u>
Transfers				
Transfer in	–	–	119,400	119,400
Transfer out	–	–	(4,304)	(4,304)
Total transfers	<u>–</u>	<u>–</u>	<u>115,096</u>	<u>115,096</u>
Change in net position	<u>6,335</u>	<u>5,426</u>	<u>256,910</u>	<u>268,671</u>
Net position – January 1,	46,861	292,292	4,787,928	5,127,081
Net position – December 31	<u>\$ 53,196</u>	<u>\$ 297,718</u>	<u>\$ 5,044,838</u>	<u>\$ 5,395,752</u>

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2017

**Statement 29**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 7,842	\$ -	\$ 1,221,287	\$ 1,229,129
Payments to suppliers	-	(15,042)	(360,607)	(375,649)
Payments to employees	(2,079)	-	(215,482)	(217,561)
Miscellaneous revenue	-	20,309	2,707	23,016
Net cash flows from operating activities	<u>5,763</u>	<u>5,267</u>	<u>647,905</u>	<u>658,935</u>
Cash flows from noncapital financing activities				
Transfers to other funds	-	-	(4,304)	(4,304)
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	-	-	121,496	121,496
Acquisition and construction of capital assets	-	-	(502,443)	(502,443)
Receipts from taxpayers	-	-	183,706	183,706
Transfers from other funds	-	-	119,400	119,400
Principal paid on capital debt	-	-	(260,000)	(260,000)
Interest and paying agent fees on capital debt	-	-	(122,537)	(122,537)
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(460,378)</u>	<u>(460,378)</u>
Cash flows from investing activities				
Earnings on investments	<u>572</u>	<u>2,944</u>	<u>16,629</u>	<u>20,145</u>
Net change in cash and cash equivalents	6,335	8,211	199,852	214,398
Cash and cash equivalents – January 1	46,861	292,229	1,648,976	1,988,066
Cash and cash equivalents – December 31	<u>\$ 53,196</u>	<u>\$ 300,440</u>	<u>\$ 1,848,828</u>	<u>\$ 2,202,464</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	<u>\$ 5,763</u>	<u>\$ (18,108)</u>	<u>\$ (44,041)</u>	<u>\$ (56,386)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	-	20,309	2,707	23,016
Depreciation	-	-	682,114	682,114
Decrease (increase) in prepaid items	-	-	1,708	1,708
Decrease (increase) in deferred outflows	-	-	41,484	41,484
Increase (decrease) in payables	-	3,066	(45,458)	(42,392)
Increase (decrease) in deferred inflows	-	-	9,391	9,391
Total adjustments	<u>-</u>	<u>23,375</u>	<u>691,946</u>	<u>715,321</u>
Net cash flows from operating activities	<u>\$ 5,763</u>	<u>\$ 5,267</u>	<u>\$ 647,905</u>	<u>\$ 658,935</u>
Noncash investing, capital, and financing activities				
Taxes receivable	\$ -	\$ -	\$ (1,495)	\$ (1,495)



## 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, 2017

**Statement 30**

	Agency			
	Balance – January 1, 2017	Additions	Deletions	Balance – December 31, 2017
<b>Hockey Association</b>				
Assets				
Cash and investments	\$ 412,665	\$ 7,398	\$ 12,666	\$ 407,397
Accrued interest receivable	872	1,048	872	1,048
Total assets	<u>\$ 413,537</u>	<u>\$ 8,446</u>	<u>\$ 13,538</u>	<u>\$ 408,445</u>
Liabilities				
Deposits payable	<u>\$ 413,537</u>	<u>\$ 8,446</u>	<u>\$ 13,538</u>	<u>\$ 408,445</u>

**FINANCIAL SECTION –  
SUPPLEMENTARY FINANCIAL  
INFORMATION**



**SUPPLEMENTARY FINANCIAL INFORMATION**

**CITY OF SHOREVIEW, MINNESOTA**  
Combining Schedule of Indebtedness  
December 31, 2017

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bonded indebtedness			
G.O. improvement bonds			
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
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
2015 Improvement Bonds	2.00–4.00%	09/17/2015	02/01/2026
Total G.O. improvement bonds			
Other G.O. improvement bonds			
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
G.O. Tax Abatement Bonds of 2017	3.00–5.00%	11/16/2017	02/01/2038
Total other G.O. improvement bonds			
G.O. revenue bonds			
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 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. Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2036
G.O. Water Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2036
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 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. Sewer Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2031
G.O. Sewer Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2031
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 2013A	2.00%	03/06/2013	02/01/2023
G.O. Surface Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Surface Water Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Surface Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2031
G.O. Surface Water Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2031
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
Net pension liability	N/A	N/A	N/A
Total city indebtedness			

N/A – Not Applicable

Exhibit 1

Prior Years		Outstanding 12/31/2016	2017		Outstanding 12/31/2017	Principal Due in 2018	Interest Due in 2018
Authorized and Issued	Payments		Issued	Payments			
\$ 330,000	\$ 110,000	\$ 220,000	\$ –	\$ 20,000	\$ 200,000	\$ 20,000	\$ 8,025
235,000	110,000	125,000	–	25,000	100,000	25,000	3,313
235,000	170,000	65,000	–	20,000	45,000	10,000	800
1,775,000	85,000	1,690,000	–	85,000	1,605,000	85,000	52,935
100,000	15,000	85,000	–	15,000	70,000	15,000	1,800
295,000	–	295,000	–	10,000	285,000	30,000	6,750
<u>2,970,000</u>	<u>490,000</u>	<u>2,480,000</u>	<u>–</u>	<u>175,000</u>	<u>2,305,000</u>	<u>185,000</u>	<u>73,623</u>
750,000	240,000	510,000	–	120,000	390,000	130,000	6,500
1,380,000	200,000	1,180,000	–	190,000	990,000	190,000	17,900
2,415,000	430,000	1,985,000	–	150,000	1,835,000	150,000	37,868
4,670,000	220,000	4,450,000	–	260,000	4,190,000	270,000	113,812
–	–	–	12,865,000	–	12,865,000	–	317,829
<u>9,215,000</u>	<u>1,090,000</u>	<u>8,125,000</u>	<u>12,865,000</u>	<u>720,000</u>	<u>20,270,000</u>	<u>740,000</u>	<u>493,909</u>
845,000	385,000	460,000	–	60,000	400,000	60,000	14,943
2,365,000	835,000	1,530,000	–	140,000	1,390,000	145,000	55,595
775,000	215,000	560,000	–	75,000	485,000	75,000	8,950
610,000	225,000	385,000	–	55,000	330,000	65,000	5,950
305,000	60,000	245,000	–	30,000	215,000	30,000	6,000
915,000	75,000	840,000	–	80,000	760,000	80,000	19,450
6,885,000	–	6,885,000	–	215,000	6,670,000	295,000	177,877
6,995,000	–	6,995,000	–	305,000	6,690,000	315,000	162,800
260,000	115,000	145,000	–	20,000	125,000	20,000	4,642
580,000	205,000	375,000	–	35,000	340,000	35,000	13,601
285,000	160,000	125,000	–	20,000	105,000	20,000	1,900
730,000	65,000	665,000	–	65,000	600,000	65,000	15,338
1,650,000	–	1,650,000	–	75,000	1,575,000	95,000	38,742
230,000	–	230,000	–	15,000	215,000	15,000	4,763
600,000	275,000	325,000	–	40,000	285,000	45,000	10,594
230,000	80,000	150,000	–	15,000	135,000	15,000	5,382
1,180,000	600,000	580,000	–	110,000	470,000	110,000	15,750
960,000	270,000	690,000	–	95,000	595,000	95,000	10,950
190,000	30,000	160,000	–	20,000	140,000	20,000	3,900
265,000	20,000	245,000	–	20,000	225,000	20,000	5,850
860,000	–	860,000	–	40,000	820,000	50,000	20,162
380,000	–	380,000	–	20,000	360,000	25,000	7,975
<u>28,095,000</u>	<u>3,615,000</u>	<u>24,480,000</u>	<u>–</u>	<u>1,550,000</u>	<u>22,930,000</u>	<u>1,695,000</u>	<u>611,114</u>
<u>40,280,000</u>	<u>5,195,000</u>	<u>35,085,000</u>	<u>12,865,000</u>	<u>2,445,000</u>	<u>45,505,000</u>	<u>2,620,000</u>	<u>1,178,646</u>
N/A	N/A	958,363	N/A	N/A	1,699,503	N/A	N/A
4,620,000	1,710,000	2,910,000	–	375,000	2,535,000	390,000	84,978
6,000,000	–	6,000,000	–	–	6,000,000	–	–
N/A	N/A	386,454	499,588	473,217	412,825	24,368	–
N/A	N/A	7,526,779	860,912	2,642,150	5,745,541	N/A	N/A
<u>\$ 50,900,000</u>	<u>\$ 6,905,000</u>	<u>\$ 52,866,596</u>	<u>\$ 14,225,500</u>	<u>\$ 5,935,367</u>	<u>\$ 61,897,869</u>	<u>\$ 3,034,368</u>	<u>\$ 1,263,624</u>

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

**Exhibit 2**

	<u>Tax Capacity Values</u> <u>2015/2016</u>		<u>Tax Capacity Values</u> <u>2016/2017</u>	
Taxable valuations				
Real estate	\$ 30,502,250		\$ 32,239,069	
Personal property	217,494		234,673	
Fiscal disparities net	96,053		455,948	
Less captured tax increment value	<u>(607,343)</u>		<u>(702,515)</u>	
Totals	<u>\$ 30,208,454</u>		<u>\$ 32,227,175</u>	
Tax levies				
Year of extension	2015		2016	
Year of collection	2016		2017	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 7,321,858	24.267%	\$ 7,623,148	23.588%
Shoreview EDA	110,000	0.365%	115,000	0.356%
Capital project funds	2,505,000	8.302%	2,616,484	8.096%
Debt service funds	547,000	1.813%	547,000	1.693%
Central Garage Fund	<u>184,000</u>	<u>0.610%</u>	<u>184,000</u>	<u>0.569%</u>
Totals	<u>\$ 10,667,858</u>	<u>35.357%</u>	<u>\$ 11,085,632</u>	<u>34.302%</u>
Shoreview HRA	<u>\$ 100,000</u>	<u>0.332%</u>	<u>\$ 105,000</u>	<u>0.325%</u>



**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2017

**Exhibit 3**

<u>Year of Tax Levy/Collection</u>	<u>G.O. Capital Improvement Plan Refunding Bonds of 2013</u>	<u>G.O. Capital Improvement Plan Refunding Bonds of 2014</u>	<u>G.O. Street Reconstruction Refunding Bonds of 2013</u>	<u>G.O. Street Reconstruction Bonds of 2013</u>	<u>G.O. Tax Abatement Bonds of 2017</u>	<u>Total</u>
2017/2018	\$ 132,000	\$ 184,000	\$ 214,000	\$ 189,000	\$ 199,235	\$ 918,235
2018/2019	139,230	407,098	217,455	197,682	569,424	1,530,889
2019/2020	—	413,871	218,610	199,677	542,341	1,374,499
2020/2021	—	414,921	224,910	201,567	513,855	1,355,253
2021/2022	—	415,656	—	198,102	483,729	1,097,487
2022/2023	—	413,345	—	199,887	451,393	1,064,625
2023/2024	—	410,917	—	201,121	411,566	1,023,604
2024/2025	—	412,755	—	196,987	369,751	979,493
2025/2026	—	407,295	—	198,102	331,149	936,546
2026/2027	—	406,928	—	198,863	290,182	895,973
2027/2028	—	400,995	—	—	254,757	655,752
2028/2029	—	400,155	—	—	222,662	622,817
2029/2030	—	—	—	—	188,437	188,437
2030/2031	—	—	—	—	152,011	152,011
2031/2032	—	—	—	—	113,316	113,316
2032/2033	—	—	—	—	72,287	72,287
2033/2034	—	—	—	—	34,096	34,096
<b>Totals</b>	<b>\$ 271,230</b>	<b>\$ 4,687,936</b>	<b>\$ 874,975</b>	<b>\$ 1,980,988</b>	<b>\$ 5,200,191</b>	<b>\$ 13,015,320</b>

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**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies  
 General Obligation Improvement Bonds  
 December 31, 2017

**Exhibit 4**

Year of Tax Levy/ Collection	G.O. Improvement Bonds				Total
	2009	Refunding 2014	Refunding 2013 B	2013 C	
2017/2018	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000
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>\$ 4,358</b>	<b>\$ 18,985</b>	<b>\$ 34,634</b>	<b>\$ 144,825</b>	<b>\$ 202,802</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2017

	Water Revenue Bonds				
	2007	2008	2013A	Refunding 2013B	2013C
Bonds payable	\$ 400,000	\$ 1,390,000	\$ 485,000	\$ 330,000	\$ 215,000
Future interest payable	51,166	252,923	29,750	16,700	23,025
Totals	<u>\$ 451,166</u>	<u>\$ 1,642,923</u>	<u>\$ 514,750</u>	<u>\$ 346,700</u>	<u>\$ 238,025</u>
Payments to maturity					
2018	\$ 74,943	\$ 200,595	\$ 83,950	\$ 70,950	\$ 36,000
2019	72,603	204,595	87,400	69,650	35,100
2020	75,117	203,175	85,800	68,350	34,200
2021	77,400	206,328	84,200	67,050	33,300
2022	74,547	204,081	87,550	70,700	32,400
2023	76,556	206,431	85,850	-	31,500
2024	-	208,234	-	-	35,525
2025	-	209,484	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
Totals	<u>\$ 451,166</u>	<u>\$ 1,642,923</u>	<u>\$ 514,750</u>	<u>\$ 346,700</u>	<u>\$ 238,025</u>

Sewer Revenue Bonds						
Refunding 2014	2015	2016	2007	2008	Refunding 2013B	Refunding 2014
\$ 760,000	\$ 6,670,000	\$ 6,690,000	\$ 125,000	\$ 340,000	\$ 105,000	\$ 600,000
94,588	1,862,044	1,768,650	15,802	61,387	5,450	73,306
<u>\$ 854,588</u>	<u>\$ 8,532,044</u>	<u>\$ 8,458,650</u>	<u>\$ 140,802</u>	<u>\$ 401,387</u>	<u>\$ 110,450</u>	<u>\$ 673,306</u>
\$ 99,450	\$ 472,877	\$ 477,800	\$ 24,642	\$ 48,601	\$ 21,900	\$ 80,338
97,450	480,353	476,450	23,862	52,101	21,500	78,712
95,050	479,102	470,050	23,068	50,471	21,100	76,763
92,650	476,153	473,550	22,263	48,811	20,700	74,812
90,250	476,402	471,900	21,448	52,025	25,250	72,863
93,094	474,653	470,150	25,519	50,112	-	71,156
91,181	479,302	463,350	-	48,172	-	74,637
99,038	477,153	461,500	-	51,094	-	72,975
96,425	479,852	469,000	-	-	-	71,050
-	477,028	465,387	-	-	-	-
-	473,152	461,200	-	-	-	-
-	477,971	461,350	-	-	-	-
-	472,340	460,763	-	-	-	-
-	476,538	459,400	-	-	-	-
-	371,455	383,375	-	-	-	-
-	371,613	383,175	-	-	-	-
-	370,725	382,675	-	-	-	-
-	373,988	381,875	-	-	-	-
-	371,387	385,700	-	-	-	-
<u>\$ 854,588</u>	<u>\$ 8,532,044</u>	<u>\$ 8,458,650</u>	<u>\$ 140,802</u>	<u>\$ 401,387</u>	<u>\$ 110,450</u>	<u>\$ 673,306</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2017

	Sewer Revenue Bonds				
	2015	2016	2007	2008	2009
Bonds payable	\$ 1,575,000	\$ 215,000	\$ 285,000	\$ 135,000	\$ 470,000
Future interest payable	295,145	37,969	35,759	24,729	37,462
Totals	<u>\$ 1,870,145</u>	<u>\$ 252,969</u>	<u>\$ 320,759</u>	<u>\$ 159,729</u>	<u>\$ 507,462</u>
Payments to maturity					
2018	\$ 133,742	\$ 19,763	\$ 55,594	\$ 20,382	\$ 125,750
2019	136,318	19,462	53,839	19,782	126,812
2020	134,317	19,163	52,050	19,171	127,400
2021	131,818	18,862	55,138	18,549	127,500
2022	133,742	18,563	53,100	17,919	-
2023	134,968	18,262	51,038	22,175	-
2024	131,667	17,963	-	21,313	-
2025	134,418	17,662	-	20,438	-
2026	132,117	17,344	-	-	-
2027	134,647	16,987	-	-	-
2028	131,827	16,613	-	-	-
2029	133,609	16,219	-	-	-
2030	135,200	15,806	-	-	-
2031	131,755	20,300	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
Totals	<u>\$ 1,870,145</u>	<u>\$ 252,969</u>	<u>\$ 320,759</u>	<u>\$ 159,729</u>	<u>\$ 507,462</u>

Surface Water Revenue Bonds					
2013A	2013C	Refunding 2014	2015	2016	Total
\$ 595,000	\$ 140,000	\$ 225,000	\$ 820,000	\$ 360,000	\$ 22,930,000
36,350	14,700	28,287	153,849	63,650	4,982,691
<u>\$ 631,350</u>	<u>\$ 154,700</u>	<u>\$ 253,287</u>	<u>\$ 973,849</u>	<u>\$ 423,650</u>	<u>\$ 27,912,691</u>
\$ 105,950	\$ 23,900	\$ 25,850	\$ 70,162	\$ 32,975	\$ 2,306,114
104,050	23,300	30,275	68,913	32,475	2,315,002
107,100	22,700	29,525	67,912	31,975	2,293,559
105,100	22,100	28,775	71,588	31,475	2,288,122
103,100	21,500	28,025	69,937	30,975	2,156,277
106,050	20,900	27,369	68,013	30,475	2,064,271
–	20,300	26,806	71,312	29,975	1,719,737
–	–	26,212	70,113	29,475	1,669,562
–	–	30,450	68,912	28,944	1,394,094
–	–	–	67,653	28,350	1,190,052
–	–	–	71,180	27,725	1,181,697
–	–	–	69,474	27,069	1,185,692
–	–	–	67,735	31,312	1,183,156
–	–	–	70,945	30,450	1,189,388
–	–	–	–	–	754,830
–	–	–	–	–	754,788
–	–	–	–	–	753,400
–	–	–	–	–	755,863
–	–	–	–	–	757,087
<u>\$ 631,350</u>	<u>\$ 154,700</u>	<u>\$ 253,287</u>	<u>\$ 973,849</u>	<u>\$ 423,650</u>	<u>\$ 27,912,691</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity  
 General Obligation Improvement Bonds  
 December 31, 2017

**Exhibit 6**

	G.O. Improvement Bonds						Total
	2008	2009	Refunding 2013B	2013C	Refunding 2014	2015	
Bonds payable	\$ 200,000	\$ 100,000	\$ 45,000	\$1,605,000	\$ 70,000	\$ 285,000	\$ 2,305,000
Future interest payable	36,826	7,750	2,350	522,695	5,325	32,400	607,346
Total	<u>\$ 236,826</u>	<u>\$ 107,750</u>	<u>\$ 47,350</u>	<u>\$ 2,127,695</u>	<u>\$ 75,325</u>	<u>\$ 317,400</u>	<u>\$ 2,912,346</u>
Payments to maturity							
2018	\$ 28,025	\$ 28,313	\$ 10,800	\$ 137,935	\$ 16,800	\$ 36,750	\$ 258,623
2019	27,225	27,437	5,650	135,385	11,500	36,000	243,197
2020	31,307	26,500	10,500	132,835	16,125	35,400	252,667
2021	30,269	25,500	10,300	135,210	15,675	34,650	251,604
2022	29,219	—	10,100	137,435	15,225	33,750	225,729
2023	28,156	—	—	134,585	—	32,700	195,441
2024	31,969	—	—	131,735	—	36,750	200,454
2025	30,656	—	—	138,735	—	36,050	205,441
2026	—	—	—	110,880	—	35,350	146,230
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
	<u>\$ 236,826</u>	<u>\$ 107,750</u>	<u>\$ 47,350</u>	<u>\$ 2,127,695</u>	<u>\$ 75,325</u>	<u>\$ 317,400</u>	<u>\$ 2,912,346</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Other General Obligation Bonds

December 31, 2017

**Exhibit 7**

	Capital Plan Refunding 2013	Street Refunding 2013	Street 2013	Capital Plan Refunding 2014	Tax Abatement 2017	Total
Bonds payable	\$ 390,000	\$ 990,000	\$ 1,835,000	\$ 4,190,000	\$ 12,865,000	\$ 20,270,000
Future interest payable	11,700	50,400	232,709	818,831	4,963,529	6,077,169
<b>Total</b>	<b>\$ 401,700</b>	<b>\$ 1,040,400</b>	<b>\$ 2,067,709</b>	<b>\$ 5,008,831</b>	<b>\$ 17,828,529</b>	<b>\$ 26,347,169</b>
<b>Payments to maturity</b>						
2018	\$ 136,500	\$ 207,900	\$ 187,868	\$ 383,812	\$ 317,829	\$ 1,233,909
2019	133,900	209,050	189,819	386,913	862,400	1,782,082
2020	131,300	205,150	186,719	383,437	933,525	1,840,131
2021	—	206,200	188,569	389,663	928,225	1,712,657
2022	—	212,100	190,318	390,512	920,000	1,712,930
2023	—	—	187,019	392,263	911,000	1,490,282
2024	—	—	188,456	390,006	903,500	1,481,962
2025	—	—	189,575	387,225	890,125	1,466,925
2026	—	—	185,638	388,000	876,000	1,449,638
2027	—	—	186,531	382,725	866,000	1,435,256
2028	—	—	187,197	382,225	861,300	1,430,722
2029	—	—	—	376,500	857,175	1,233,675
2030	—	—	—	375,550	857,525	1,233,075
2031	—	—	—	—	857,275	857,275
2032	—	—	—	—	856,425	856,425
2033	—	—	—	—	854,975	854,975
2034	—	—	—	—	852,925	852,925
2035	—	—	—	—	855,200	855,200
2036	—	—	—	—	851,800	851,800
2037	—	—	—	—	857,650	857,650
2038	—	—	—	—	857,675	857,675
<b>Total</b>	<b>\$ 401,700</b>	<b>\$ 1,040,400</b>	<b>\$ 2,067,709</b>	<b>\$ 5,008,831</b>	<b>\$ 17,828,529</b>	<b>\$ 26,347,169</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2017

**Exhibit 8**

	Refunding Certificates of Participation 2011
Bonds payable	\$ 2,535,000
Future interest payable	320,248
Total	<u>\$ 2,855,248</u>
Payments to maturity	
2018	\$ 474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
	<u>\$ 2,855,248</u>

**CITY OF SHOREVIEW, MINNESOTA**  
Combining Schedule of Property and Equipment  
For The Year Ended December 31, 2017

	Capital Assets				Balance – December 31, 2017
	Balance – January 1, 2017	Increases	Decreases	Adjustments	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,688,052	\$ –	\$ –	\$ –	\$ 7,688,052
Buildings and structures	28,816,876	321,294	–	145,470	29,283,640
Machinery and equipment	3,179,432	–	–	238,561	3,417,993
Infrastructure	61,673,034	905,357	1,177,731	1,109,864	62,510,524
Construction in progress	2,113,229	3,868,669	–	(1,493,895)	4,488,003
Total	<u>103,470,623</u>	<u>5,095,320</u>	<u>1,177,731</u>	<u>–</u>	<u>107,388,212</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,929,379	–	–	–	6,929,379
Machinery and equipment	5,999,285	502,443	261,112	–	6,240,616
Total central garage	<u>12,964,957</u>	<u>502,443</u>	<u>261,112</u>	<u>–</u>	<u>13,206,288</u>
Total governmental activities	<u>116,435,580</u>	<u>5,597,763</u>	<u>1,438,843</u>	<u>–</u>	<u>120,594,500</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	6,733,215	–	–	12,448,364	19,181,579
Machinery and equipment	2,537,013	15,652	–	–	2,552,665
Distribution system	18,878,848	–	–	694,642	19,573,490
Construction in progress	13,070,896	322,292	–	(13,143,006)	250,182
Total water utility	<u>41,247,549</u>	<u>337,944</u>	<u>–</u>	<u>–</u>	<u>41,585,493</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	1,952,005	–	–	–	1,952,005
Machinery and equipment	40,327	47,148	–	–	87,475
Collection system	12,592,558	–	–	619,951	13,212,509
Construction in progress	520,194	444,281	–	(619,951)	344,524
Total sewer utility	<u>15,116,543</u>	<u>491,429</u>	<u>–</u>	<u>–</u>	<u>15,607,972</u>
Surface water management utility					
Land	286,166	–	–	–	286,166
Machinery and equipment	8,538	–	–	–	8,538
Collection system	13,362,237	–	–	502,854	13,865,091
Construction in progress	499,715	356,457	–	(502,854)	353,318
Total surface water management utility	<u>14,156,656</u>	<u>356,457</u>	<u>–</u>	<u>–</u>	<u>14,513,113</u>
Street light utility					
Machinery and equipment	723	–	–	–	723
Distribution system	2,515,167	254,799	43,561	117,517	2,843,922
Construction in progress	132,500	32,003	–	(117,517)	46,986
Total street light utility	<u>2,648,390</u>	<u>286,802</u>	<u>43,561</u>	<u>–</u>	<u>2,891,631</u>
Total business-type activities	<u>73,169,138</u>	<u>1,472,632</u>	<u>43,561</u>	<u>–</u>	<u>74,598,209</u>
Total government	<u>\$ 189,604,718</u>	<u>\$ 7,070,395</u>	<u>\$ 1,482,404</u>	<u>\$ –</u>	<u>\$ 195,192,709</u>

Exhibit 9

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2017	Increases	Decreases	Adjustments	Balance – December 31, 2017	Balance – January 1, 2017	Balance – December 31, 2017
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,688,052	\$ 7,688,052
10,350,994	640,134	–	–	10,991,128	18,465,882	18,292,512
2,125,199	186,181	–	–	2,311,380	1,054,233	1,106,613
36,856,880	1,611,300	756,899	–	37,711,281	24,816,154	24,799,243
–	–	–	–	–	2,113,229	4,488,003
<u>49,333,073</u>	<u>2,437,615</u>	<u>756,899</u>	<u>–</u>	<u>51,013,789</u>	<u>54,137,550</u>	<u>56,374,423</u>
–	–	–	–	–	36,293	36,293
2,238,695	254,010	–	–	2,492,705	4,690,684	4,436,674
2,777,941	428,104	231,414	–	2,974,631	3,221,344	3,265,985
<u>5,016,636</u>	<u>682,114</u>	<u>231,414</u>	<u>–</u>	<u>5,467,336</u>	<u>7,948,321</u>	<u>7,738,952</u>
<u>54,349,709</u>	<u>3,119,729</u>	<u>988,313</u>	<u>–</u>	<u>56,481,125</u>	<u>62,085,871</u>	<u>64,113,375</u>
–	–	–	–	–	27,577	27,577
3,344,388	309,406	–	–	3,653,794	3,388,827	15,527,785
712,948	101,664	–	–	814,612	1,824,065	1,738,053
9,529,243	402,289	–	–	9,931,532	9,349,605	9,641,958
–	–	–	–	–	13,070,896	250,182
<u>13,586,579</u>	<u>813,359</u>	<u>–</u>	<u>–</u>	<u>14,399,938</u>	<u>27,660,970</u>	<u>27,185,555</u>
–	–	–	–	–	11,459	11,459
774,741	78,069	–	–	852,810	1,177,264	1,099,195
34,093	4,048	–	–	38,141	6,234	49,334
7,421,647	245,047	–	–	7,666,694	5,170,911	5,545,815
–	–	–	–	–	520,194	344,524
<u>8,230,481</u>	<u>327,164</u>	<u>–</u>	<u>–</u>	<u>8,557,645</u>	<u>6,886,062</u>	<u>7,050,327</u>
–	–	–	–	–	286,166	286,166
7,924	176	–	–	8,100	614	438
3,129,257	282,833	–	–	3,412,090	10,232,980	10,453,001
–	–	–	–	–	499,715	353,318
<u>3,137,181</u>	<u>283,009</u>	<u>–</u>	<u>–</u>	<u>3,420,190</u>	<u>11,019,475</u>	<u>11,092,923</u>
469	72	–	–	541	254	182
1,130,563	78,606	43,561	–	1,165,608	1,384,604	1,678,314
–	–	–	–	–	132,500	46,986
<u>1,131,032</u>	<u>78,678</u>	<u>43,561</u>	<u>–</u>	<u>1,166,149</u>	<u>1,517,358</u>	<u>1,725,482</u>
<u>26,085,273</u>	<u>1,502,210</u>	<u>43,561</u>	<u>–</u>	<u>27,543,922</u>	<u>47,083,865</u>	<u>47,054,287</u>
<u>\$ 80,434,982</u>	<u>\$ 4,621,939</u>	<u>\$ 1,031,874</u>	<u>\$ –</u>	<u>\$ 84,025,047</u>	<u>\$ 109,169,736</u>	<u>\$ 111,167,662</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>
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	<b>6-12</b>
<p>These schedules contain information to help the reader assess the City's most significant revenue source, including the property tax and utility revenue.</p>	
<b>Debt Capacity</b>	<b>13-17</b>
<p>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.</p>	
<b>Demographic and Economic Information</b>	<b>18-19</b>
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
<b>Operating Indicators</b>	<b>20-22</b>
<p>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.</p>	

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

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

	Fiscal Year			
	2008	2009	2010	2011
<b>Governmental activities</b>				
Net investment in capital assets	\$ 38,182,484	\$ 39,316,149	\$ 39,050,369	\$ 40,029,233
Restricted	3,453,661	4,507,834	5,329,637	6,325,795
Unrestricted	9,760,917	8,899,115	10,475,310	10,991,847
Total governmental activities net position	<u>\$ 51,397,062</u>	<u>\$ 52,723,098</u>	<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 19,623,905	\$ 20,721,589	\$ 20,512,610	\$ 20,704,816
Restricted	441,550	432,375	408,379	246,811
Unrestricted	6,621,360	6,904,000	7,090,656	6,974,381
Total business-type activities net position	<u>\$ 26,686,815</u>	<u>\$ 28,057,964</u>	<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 57,806,389	\$ 60,037,738	\$ 59,562,979	\$ 60,734,049
Restricted	3,895,211	4,940,209	5,738,016	6,572,606
Unrestricted	16,382,277	15,803,115	17,565,966	17,966,228
Total primary government net position	<u>\$ 78,083,877</u>	<u>\$ 80,781,062</u>	<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.  
Years prior to 2015 have not been restated.

**Table 1**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 40,154,929	\$ 41,391,324	\$ 40,908,853	\$ 41,037,296	\$ 42,222,816	\$ 42,933,016
5,364,477	4,646,335	7,253,717	7,856,109	6,620,922	6,692,255
12,597,300	10,639,322	13,905,130	12,962,834	14,277,070	16,713,271
<u>\$ 58,116,706</u>	<u>\$ 56,676,981</u>	<u>\$ 62,067,700</u>	<u>\$ 61,856,239</u>	<u>\$ 63,120,808</u>	<u>\$ 66,338,542</u>
\$ 21,585,799	\$ 21,332,825	\$ 22,829,472	\$ 24,444,045	\$ 22,950,528	\$ 23,889,946
183,496	217,442	224,368	23,338	13,267	80,825
7,185,024	8,556,468	8,141,056	7,264,111	9,716,503	9,843,259
<u>\$ 28,954,319</u>	<u>\$ 30,106,735</u>	<u>\$ 31,194,896</u>	<u>\$ 31,731,494</u>	<u>\$ 32,680,298</u>	<u>\$ 33,814,030</u>
\$ 61,740,728	\$ 62,724,149	\$ 63,738,325	\$ 65,481,341	\$ 65,173,344	\$ 66,822,962
5,547,973	4,863,777	7,478,085	7,879,447	6,634,189	6,773,080
19,782,324	19,195,790	22,046,186	20,226,945	23,993,573	26,556,530
<u>\$ 87,071,025</u>	<u>\$ 86,783,716</u>	<u>\$ 93,262,596</u>	<u>\$ 93,587,733</u>	<u>\$ 95,801,106</u>	<u>\$ 100,152,572</u>

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

	Fiscal Year		
	2008	2009	2010
<b>Expenses</b>			
<b>Governmental activities</b>			
General government	\$ 2,225,081	\$ 2,199,814	\$ 2,192,010
Public safety	2,659,654	2,612,926	2,642,094
Public works	3,860,277	3,737,382	3,512,821
Parks and recreation	5,862,962	5,931,822	5,737,675
Community development	2,555,177	1,357,296	1,472,700
Interest on long-term debt	572,356	524,858	697,523
Total governmental activities expenses	<u>17,735,507</u>	<u>16,364,098</u>	<u>16,254,823</u>
<b>Business-type activities</b>			
Water	1,927,324	1,912,770	2,051,213
Sewer	2,883,638	3,320,551	3,173,831
Surface water	753,179	755,520	906,527
Street lights	258,168	255,038	282,638
Total business-type activities expenses	<u>5,822,309</u>	<u>6,243,879</u>	<u>6,414,209</u>
Total primary government expenses	<u>\$ 23,557,816</u>	<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>
<b>Program revenues</b>			
<b>Government activities</b>			
<b>Charges for services</b>			
General government	\$ 1,053,965	\$ 1,103,341	\$ 1,210,068
Public safety	59,091	61,578	36,315
Public works	702,876	815,048	692,040
Parks and recreation	2,877,161	3,144,695	3,385,971
Community development	575,989	388,087	579,792
Operating grants and contributions	118,437	236,381	250,264
Capital grants and contributions	131,876	920,597	881,392
Total governmental activities program revenues	<u>5,519,395</u>	<u>6,669,727</u>	<u>7,035,842</u>
<b>Business-type activities</b>			
<b>Charges for services</b>			
Water	1,920,360	2,225,830	2,009,301
Sewer	2,849,000	3,151,607	3,254,199
Surface water	749,967	809,111	926,154
Street lights	303,697	334,047	348,778
Operating grants and contributions	-	-	-
Capital grants and contributions	87,063	1,088,613	37,176
Total business-type activities program revenues	<u>5,910,087</u>	<u>7,609,208</u>	<u>6,575,608</u>
Total primary government program revenues	<u>\$ 11,429,482</u>	<u>\$ 14,278,935</u>	<u>\$ 13,611,450</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.  
 Years prior to 2015 have not been restated.

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

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 2,227,952	\$ 2,349,276	\$ 2,582,399	\$ 2,529,960	\$ 2,561,018	\$ 2,779,242	\$ 2,889,824
2,783,332	3,113,032	3,543,388	3,568,459	3,676,952	3,836,127	4,469,412
3,909,642	3,998,390	6,798,886	5,178,104	4,201,869	4,591,903	4,191,821
6,169,365	6,128,769	6,123,840	6,726,335	6,800,000	7,247,189	7,265,886
1,398,228	2,904,944	2,210,253	1,580,709	1,459,408	3,047,976	1,658,775
911,854	595,009	730,200	680,281	409,442	342,529	479,563
<u>17,400,373</u>	<u>19,089,420</u>	<u>21,988,966</u>	<u>20,263,848</u>	<u>19,108,689</u>	<u>21,844,966</u>	<u>20,955,281</u>
2,281,299	2,206,516	2,238,481	2,251,547	2,376,328	2,736,575	2,867,238
3,315,044	3,283,498	3,498,374	3,569,836	3,599,737	3,721,041	3,813,241
966,638	1,019,008	954,828	1,032,375	1,095,693	1,275,433	1,273,020
318,063	275,412	295,949	305,615	305,572	295,184	305,275
<u>6,881,044</u>	<u>6,784,434</u>	<u>6,987,632</u>	<u>7,159,373</u>	<u>7,377,330</u>	<u>8,028,233</u>	<u>8,258,774</u>
<u>\$ 24,281,417</u>	<u>\$ 25,873,854</u>	<u>\$ 28,976,598</u>	<u>\$ 27,423,221</u>	<u>\$ 26,486,019</u>	<u>\$ 29,873,199</u>	<u>\$ 29,214,055</u>
\$ 1,309,819	\$ 1,248,377	\$ 1,405,214	\$ 1,286,854	\$ 1,493,962	\$ 1,513,923	\$ 1,428,626
64,225	70,304	55,362	52,034	56,076	55,164	50,779
741,563	828,857	918,543	833,176	840,649	922,381	912,497
3,620,548	3,651,544	3,744,316	3,837,325	3,866,453	3,832,222	4,066,937
479,074	611,623	758,157	746,075	541,413	797,376	1,232,151
311,246	320,347	1,345,155	1,401,114	670,100	985,665	797,103
1,145,697	852,396	911,375	3,360,726	1,342,886	1,112,367	1,300,509
<u>7,672,172</u>	<u>7,583,448</u>	<u>9,138,122</u>	<u>11,517,304</u>	<u>8,811,539</u>	<u>9,219,098</u>	<u>9,788,602</u>
2,186,139	2,918,022	2,694,959	2,481,331	2,589,260	2,871,346	3,244,714
3,548,325	3,568,777	3,777,352	3,859,639	3,945,284	4,054,563	4,280,337
1,008,151	1,147,539	1,221,047	1,371,166	1,474,485	1,618,068	1,782,349
365,475	456,284	474,872	495,367	521,184	555,704	640,876
—	—	—	—	129,750	22,715	406
27,878	109,985	76,008	173,961	656,855	417,907	40,561
<u>7,135,968</u>	<u>8,200,607</u>	<u>8,244,238</u>	<u>8,381,464</u>	<u>9,316,818</u>	<u>9,540,303</u>	<u>9,989,243</u>
<u>\$ 14,808,140</u>	<u>\$ 15,784,055</u>	<u>\$ 17,382,360</u>	<u>\$ 19,898,768</u>	<u>\$ 18,128,357</u>	<u>\$ 18,759,401</u>	<u>\$ 19,777,845</u>

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

	Fiscal Year		
	2008	2009	2010
Net (expense) revenue			
Governmental activities	\$ (12,216,112)	\$ (9,694,371)	\$ (9,218,981)
Business-type activities	87,778	1,365,329	161,399
Total primary government net expense	<u>\$ (12,128,334)</u>	<u>\$ (8,329,042)</u>	<u>\$ (9,057,582)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 7,919,725	\$ 8,328,002	\$ 8,620,022
Tax increments	1,840,640	2,007,418	1,935,523
Franchise tax	279,644	280,687	283,344
Unrestricted grants and contributions	187,030	44,876	40,762
Investment earnings	503,337	192,083	168,822
Gain on disposal of capital assets	31,090	60,749	29,473
Transfers	4,000	106,592	273,253
Total governmental activities	<u>10,765,466</u>	<u>11,020,407</u>	<u>11,351,199</u>
Business-type activities			
Investment earnings	228,382	112,412	65,535
Transfers	(4,000)	(106,592)	(273,253)
Total business-type activities	<u>224,382</u>	<u>5,820</u>	<u>(207,718)</u>
Total primary government	<u>\$ 10,989,848</u>	<u>\$ 11,026,227</u>	<u>\$ 11,143,481</u>
Change in net position			
Governmental activities	\$ (1,450,646)	\$ 1,326,036	\$ 2,132,218
Business-type activities	312,160	1,371,149	(46,319)
Total primary government	<u>\$ (1,138,486)</u>	<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ (9,728,201)	\$ (11,505,972)	\$ (12,850,844)	\$ (8,746,544)	\$ (10,297,150)	\$ (12,625,868)	\$ (11,166,679)
254,924	1,416,173	1,256,606	1,222,091	1,939,488	1,512,070	1,730,469
<u>\$ (9,473,277)</u>	<u>\$ (10,089,799)</u>	<u>\$ (11,594,238)</u>	<u>\$ (7,524,453)</u>	<u>\$ (8,357,662)</u>	<u>\$ (11,113,798)</u>	<u>\$ (9,436,210)</u>
\$ 8,911,670	\$ 9,243,083	\$ 9,666,218	\$ 9,776,446	\$ 10,347,760	\$ 10,903,874	\$ 11,088,974
2,035,627	1,980,051	1,882,775	1,816,702	1,148,397	753,738	861,608
287,206	301,530	456,242	1,120,948	1,395,125	1,278,643	1,275,995
41,851	33,369	33,500	33,218	35,331	58,743	34,541
374,378	231,716	(553,422)	849,339	294,151	208,622	328,996
64,709	26,561	56,763	78,143	44,577	43,147	91,798
504,319	459,493	(130,957)	462,467	588,446	643,670	702,501
<u>12,219,760</u>	<u>12,275,803</u>	<u>11,411,119</u>	<u>14,137,263</u>	<u>13,853,787</u>	<u>13,890,437</u>	<u>14,384,413</u>
163,758	71,631	(235,147)	328,537	98,325	80,404	105,764
<u>(504,319)</u>	<u>(459,493)</u>	<u>130,957</u>	<u>(462,467)</u>	<u>(588,446)</u>	<u>(643,670)</u>	<u>(702,501)</u>
<u>(340,561)</u>	<u>(387,862)</u>	<u>(104,190)</u>	<u>(133,930)</u>	<u>(490,121)</u>	<u>(563,266)</u>	<u>(596,737)</u>
<u>\$ 11,879,199</u>	<u>\$ 11,887,941</u>	<u>\$ 11,306,929</u>	<u>\$ 14,003,333</u>	<u>\$ 13,363,666</u>	<u>\$ 13,327,171</u>	<u>\$ 13,787,676</u>
\$ 2,491,559	\$ 769,831	\$ (1,439,725)	\$ 5,390,719	\$ 3,556,637	\$ 1,264,569	\$ 3,217,734
(85,637)	1,028,311	1,152,416	1,088,161	1,449,367	948,804	1,133,732
<u>\$ 2,405,922</u>	<u>\$ 1,798,142</u>	<u>\$ (287,309)</u>	<u>\$ 6,478,880</u>	<u>\$ 5,006,004</u>	<u>\$ 2,213,373</u>	<u>\$ 4,351,466</u>

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**CITY OF SHOREVIEW**

Governmental Activities Tax Revenues by Source

**Table 3**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
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
2015	10,347,760	1,148,397	1,395,125	12,891,282
2016	10,903,874	753,738	1,278,643	12,936,255
2017	11,088,974	861,608	1,275,995	13,226,577

**CITY OF SHOREVIEW**

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011 (1)
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 17,954
Assigned	-	-	-	-
Unassigned	-	-	-	3,958,458
Reserved	47,363	48,559	6,463	-
Unreserved	3,555,239	3,814,089	3,914,672	-
Total General Fund	<u>\$ 3,602,602</u>	<u>\$ 3,862,648</u>	<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 9,924
Restricted	-	-	-	5,955,357
Committed	-	-	-	5,030,274
Assigned	-	-	-	1,200,724
Unassigned	-	-	-	(46,333)
Reserved	3,299,496	4,204,725	5,336,946	-
Unreserved, reported in				
Special revenue funds	952,644	1,083,914	1,338,648	-
Capital projects funds	4,441,511	3,499,574	3,884,575	-
Total all other governmental funds	<u>\$ 8,693,651</u>	<u>\$ 8,788,213</u>	<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>

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

**Table 4**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 69,213	\$ 82,971	\$ 63,953	\$ 11,164	\$ 135,985	\$ 80,440
-	-	-	-	-	30,000
4,066,796	4,220,635	4,383,445	4,615,960	4,673,293	4,915,075
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,136,009</u>	<u>\$ 4,303,606</u>	<u>\$ 4,447,398</u>	<u>\$ 4,627,124</u>	<u>\$ 4,809,278</u>	<u>\$ 5,025,515</u>
\$ 8,680	\$ 14,642	\$ 2,350	\$ 3,925	\$ 22,169	\$ 4,058
5,105,880	6,832,418	7,097,111	6,220,156	4,954,524	16,266,250
5,562,550	5,517,902	7,046,321	8,957,012	10,065,588	12,466,505
1,858,594	967,183	2,090,550	2,804,058	2,936,626	2,619,061
(222,622)	(1,294,351)	(907,931)	(1,104,502)	(989,146)	(904,624)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 12,313,082</u>	<u>\$ 12,037,794</u>	<u>\$ 15,328,401</u>	<u>\$ 16,880,649</u>	<u>\$ 16,989,761</u>	<u>\$ 30,451,250</u>

**CITY OF SHOREVIEW**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
<b>Taxes</b>				
General property taxes	\$ 7,897,145	\$ 8,274,948	\$ 8,649,002	\$ 8,843,965
Tax increments	1,840,640	2,007,418	1,935,523	2,035,627
Franchise tax	279,644	280,687	283,344	287,206
Special assessments	159,197	260,209	208,473	193,372
Licenses and permits	531,895	368,878	501,198	441,243
Intergovernmental	280,361	404,823	449,736	1,180,975
Charges for services	4,403,209	4,773,333	5,012,643	5,272,954
Fines and forfeits	55,814	55,582	32,813	62,135
Earnings on investments	477,652	179,965	133,828	352,042
Payments in lieu of taxes	110,000	110,000	110,000	110,000
Billboard fees	—	—	—	—
Antenna fees	156,934	178,643	228,607	319,150
Loan payments	21,750	21,750	21,750	21,750
Miscellaneous	81,209	68,358	88,001	87,816
<b>Total revenues</b>	<b>16,295,450</b>	<b>16,984,594</b>	<b>17,654,918</b>	<b>19,208,235</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,009,234	1,982,564	2,086,403	2,062,470
Public safety	2,550,216	2,515,416	2,557,182	2,697,842
Public works	2,215,994	2,135,743	1,913,770	2,235,780
Parks and recreation	5,322,799	5,442,013	5,213,371	5,746,983
Community development	2,558,932	1,347,855	1,468,725	1,392,619
Miscellaneous	117,609	145,689	120,007	—
Capital outlay	1,520,192	1,932,761	1,295,891	2,191,037
<b>Debt service</b>				
Principal	1,705,000	1,115,000	1,120,000	1,125,000
Interest	601,052	525,063	495,569	359,612
Fiscal charges	14,172	10,463	16,511	7,601
Payment to refunded bond escrow agent	—	—	—	85,989
<b>Total expenditures</b>	<b>18,615,200</b>	<b>17,152,567</b>	<b>16,287,429</b>	<b>17,904,933</b>
<b>Revenues over (under) expenditures</b>	<b>(2,319,750)</b>	<b>(167,973)</b>	<b>1,367,489</b>	<b>1,303,302</b>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	—	—	—	4,620,000
Loan issued	—	—	—	—
Bonds issued	330,000	235,000	140,000	—
Premium on debt issuance	—	6,150	—	—
Discount on debt issuance	(1,676)	—	(1,120)	(44,759)
Payments to refunded bond escrow agent	(1,085,000)	—	—	(4,575,241)
Sale of capital assets	400	8,431	—	752
Transfers in	240,000	273,000	324,074	341,000
Transfers out	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>(516,276)</b>	<b>522,581</b>	<b>462,954</b>	<b>341,752</b>
<b>Net change in fund balances</b>	<b>\$ (2,836,026)</b>	<b>\$ 354,608</b>	<b>\$ 1,830,443</b>	<b>\$ 1,645,054</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.5%</b>	<b>10.8%</b>	<b>10.8%</b>	<b>9.4%</b>

Table 5

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 9,011,334	\$ 9,463,973	\$ 9,617,824	\$ 10,124,526	\$ 10,726,142	\$ 10,907,023
1,980,051	1,882,775	1,811,837	1,193,506	753,761	861,608
301,530	456,242	1,120,948	1,395,125	1,278,643	1,275,995
181,035	149,647	262,313	294,239	323,464	311,968
540,755	648,306	628,033	500,102	695,250	1,000,637
913,123	1,973,301	2,474,156	1,341,381	1,674,144	1,484,186
5,380,786	5,857,355	5,698,863	5,886,182	5,896,213	6,126,896
67,000	52,440	49,430	52,581	51,264	47,899
216,714	(508,781)	787,765	274,698	196,028	307,559
110,000	—	—	—	—	—
43,557	51,667	50,300	51,809	53,363	58,716
246,611	243,606	300,670	359,711	399,928	430,740
—	—	—	—	—	—
154,427	147,399	365,766	155,786	223,692	426,631
<u>19,146,923</u>	<u>20,417,930</u>	<u>23,167,905</u>	<u>21,629,646</u>	<u>22,271,892</u>	<u>23,239,858</u>
2,205,967	2,385,455	2,352,792	2,355,197	2,516,388	2,633,535
3,027,782	3,458,358	3,483,427	3,592,309	3,751,349	4,384,589
2,335,935	5,172,372	2,614,448	2,551,991	2,886,255	2,116,201
5,620,067	5,634,141	6,218,662	6,260,728	6,551,569	6,622,590
2,903,360	2,206,684	1,581,136	1,444,053	3,016,431	1,626,053
—	—	—	—	—	—
1,362,235	6,938,968	1,600,173	1,498,097	2,574,263	5,166,469
1,335,000	1,395,000	1,265,000	1,265,000	1,030,000	1,010,000
397,416	329,902	408,211	326,013	267,231	245,175
10,407	126,892	5,254	9,526	3,082	126,460
—	—	—	—	—	—
<u>19,198,169</u>	<u>27,647,772</u>	<u>19,529,103</u>	<u>19,302,914</u>	<u>22,596,568</u>	<u>23,931,072</u>
<u>(51,246)</u>	<u>(7,229,842)</u>	<u>3,638,802</u>	<u>2,326,732</u>	<u>(324,676)</u>	<u>(691,214)</u>
—	2,365,000	100,000	—	—	—
—	—	—	—	—	—
—	4,190,000	—	295,000	—	12,865,000
—	285,435	5,822	14,637	—	831,537
—	—	—	—	—	—
—	(135,000)	(860,000)	(1,490,000)	—	—
250	3,290	7,914	4,107	4,369	13,849
373,729	413,426	541,861	581,498	611,573	658,554
—	—	—	—	—	—
<u>373,979</u>	<u>7,122,151</u>	<u>(204,403)</u>	<u>(594,758)</u>	<u>615,942</u>	<u>14,368,940</u>
<u>\$ 322,733</u>	<u>\$ (107,691)</u>	<u>\$ 3,434,399</u>	<u>\$ 1,731,974</u>	<u>\$ 291,266</u>	<u>\$ 13,677,726</u>
<u>9.7%</u>	<u>8.3%</u>	<u>9.3%</u>	<u>8.9%</u>	<u>6.5%</u>	<u>6.7%</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							
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%
2015	23,239,953	6,664,044	206,444	60,102	920,195	29,250,348	34.873%	2,640,693,400	1.1%
2016	24,122,506	6,414,987	217,494	60,810	607,343	30,208,454	35.357%	2,698,385,600	1.1%
2017	26,119,554	6,513,377	234,673	62,086	702,515	32,227,175	34.302%	2,861,312,100	1.1%
Percentage of Total Net Tax Capacity Value									
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%			
2015	79.4%	22.8%	0.7%	0.2%	3.1%	100.0%			
2016	79.9%	21.2%	0.7%	0.2%	2.0%	100.0%			
2017	81.1%	20.2%	0.7%	0.2%	2.2%	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

	2008	2009	2010
<b>Tax Capacity Rates:</b>			
City of Shoreview			
General Fund	16.972%	18.346%	20.053%
Special revenue	-	-	-
Capital project	4.863%	5.175%	5.786%
Debt service	1.697%	1.608%	1.730%
Internal service	-	-	-
Total city tax rate	23.532%	25.129%	27.569%
Shoreview HRA	-	-	0.169%
Overlapping rates			
Ramsey County	41.158%	43.171%	46.598%
Ramsey County Library	2.865%	3.375%	3.650%
Total county tax rate	44.023%	46.546%	50.248%
Rice Creek Watershed	1.608%	1.545%	1.511%
Metro Watershed	-	-	-
School Districts			
District No. 621	20.380%	22.937%	24.560%
District No. 623	10.175%	10.624%	13.065%
Other			
Regional rail	3.454%	3.521%	3.700%
Metropolitan Council	2.051%	2.084%	2.261%
Mosquito Control	0.479%	0.487%	0.480%
<b>Total Direct and Overlapping Tax Capacity Rates:</b>			
Grass Lake, No. 621	93.919%	100.704%	108.987%
Rice Creek, No. 621	95.527%	102.249%	110.498%
Metro Watershed, No. 621	-	-	-
Grass Lake, No. 623	83.714%	88.391%	97.492%
Rice Creek, No. 623	85.322%	89.936%	99.003%
Metro Watershed, No. 623	-	-	-
<b>State-Wide Tax Capacity Rates:</b>			
Commercial, industrial, and non-electric public utilities	45.949%	45.535%	45.881%
Cabins	20.385%	18.214%	17.755%
<b>Market Value Tax Rates:</b>			
Overlapping rates			
School Districts			
District No. 621	0.18924%	0.18685%	0.18882%
District No. 623	0.18134%	0.20390%	0.20374%

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**

2011	2012	2013	2014	2015	2016	2017
21.634%	23.148%	25.557%	25.842%	23.853%	24.267%	23.588%
0.085%	0.197%	0.231%	0.302%	0.306%	0.365%	0.356%
6.821%	7.552%	8.545%	8.580%	8.160%	8.302%	8.096%
1.797%	1.582%	1.929%	2.071%	1.848%	1.813%	1.693%
0.334%	0.773%	0.708%	0.695%	0.706%	0.610%	0.569%
30.671%	33.252%	36.970%	37.490%	34.873%	35.357%	34.302%
0.198%	0.254%	0.289%	0.345%	0.323%	0.332%	0.325%
50.801%	56.945%	60.638%	59.105%	54.462%	54.012%	51.173%
3.877%	4.372%	4.602%	4.630%	4.460%	4.873%	4.677%
54.678%	61.317%	65.240%	63.735%	58.922%	58.885%	55.850%
1.618%	2.348%	2.322%	2.346%	2.205%	2.108%	1.985%
–	3.043%	3.643%	4.499%	4.259%	4.214%	3.813%
25.573%	29.044%	29.444%	29.734%	27.378%	26.245%	25.305%
14.566%	17.065%	15.464%	16.251%	17.180%	20.958%	18.894%
3.921%	4.330%	4.528%	4.196%	3.938%	4.091%	3.875%
2.313%	2.706%	2.776%	2.729%	2.525%	2.379%	2.243%
0.503%	0.571%	0.573%	0.554%	0.511%	0.475%	0.455%
117.857%	131.474%	139.820%	138.783%	128.470%	127.764%	122.355%
119.475%	133.822%	142.142%	141.129%	130.675%	129.872%	124.340%
–	134.517%	143.463%	143.282%	132.729%	131.978%	126.168%
106.850%	119.495%	125.840%	125.300%	118.272%	122.477%	115.944%
108.468%	121.843%	128.162%	127.646%	120.477%	124.585%	117.929%
–	122.538%	129.483%	129.799%	122.531%	126.691%	119.757%
49.043%	51.100%	52.523%	52.160%	50.840%	48.641%	45.802%
19.145%	20.750%	22.327%	22.836%	21.703%	21.167%	20.845%
0.19536%	0.21242%	0.22834%	0.21069%	0.21901%	0.22261%	0.20712%
0.19715%	0.19591%	0.24553%	0.25826%	0.25930%	0.21044%	0.19350%

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

**Table 8**

Taxpayer	2017				2008			
	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
Wells Fargo	\$ 38,743,400	\$ 774,118	1	2.40%	\$ 50,000,000	\$ 999,250	2	2.82%
Shoreview Ridge LLC	23,867,100	475,842	2	1.48%	–	–	–	–
Terrace Apartments Company	29,080,100	363,503	3	1.13%	24,023,300	306,602	8	0.87%
Deluxe Corporation	18,000,000	359,250	4	1.11%	42,695,400	853,158	3	2.41%
Medtronic	14,126,500	281,780	5	0.87%	20,275,800	404,766	4	1.14%
Dayton Hudson Corporation	13,963,000	278,510	6	0.86%	18,100,000	361,250	5	1.02%
Carroll Ventures Company	21,151,600	264,395	7	0.82%	–	–	–	–
TSI Inc.	13,230,000	263,850	8	0.82%	–	–	–	–
Lakeshore Oaks Apartments LLP	19,879,500	248,720	9	0.77%	–	–	–	–
Lakeview Terrace	18,374,300	229,929	10	0.71%	–	–	–	–
Ari - Shoreview Corp. Center, LLC	–	–	–	–	52,900,000	1,057,250	1	2.99%
Canis Rice Creek, LLC	–	–	–	–	17,029,500	339,090	6	0.96%
Telefarm, Inc	–	–	–	–	16,335,200	325,954	7	0.92%
Xcel Energy/NSP	–	–	–	–	14,692,800	291,724	9	0.82%
Fox UTV Holdings, Inc.	–	–	–	–	13,432,400	267,898	10	0.76%
<b>Total</b>	<b>\$ 210,415,500</b>	<b>\$ 3,539,897</b>		<b>10.97%</b>	<b>\$ 269,484,400</b>	<b>\$ 5,206,942</b>		<b>14.71%</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						
		2008	2009	2010	2011	2012	2013	2014
<b>Property Taxes:</b>								
2007 and prior	\$ 7,557,202	\$ (12,565)	\$ 6,135	\$ 6,308	\$ (16,322)	\$ 496	\$ 1,183	\$ -
2008	8,045,252	7,906,905	38,347	767	(16,093)	908	785	830
2009	8,350,663	-	8,224,205	23,468	(27,916)	(4,727)	962	1,404
2010	8,731,773	-	-	8,608,884	29,965	(69,854)	(5,977)	3,529
2011	9,051,713	-	-	-	8,980,471	(7,542)	(11,727)	(65,999)
2012	9,360,028	-	-	-	-	9,262,995	28,098	(40,783)
2013	9,679,510	-	-	-	-	-	9,607,386	14,812
2014	10,009,093	-	-	-	-	-	-	9,922,551
2015	10,362,788	-	-	-	-	-	-	-
2016	10,767,725	-	-	-	-	-	-	-
2017	11,190,497	-	-	-	-	-	-	-
Non-levy collections (2)		2,805	6,261	9,575	(8,254)	43,440	26,253	(38,859)
Total collections within fiscal year		<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>	<u>\$ 8,941,851</u>	<u>\$ 9,225,716</u>	<u>\$ 9,646,963</u>	<u>\$ 9,797,485</u>
<b>Tax Increments:</b>								
2007 and prior	\$ 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	9,864	-	(13,785)
2012	2,013,059	-	-	-	-	1,939,529	(8,553)	(7,020)
2013	1,917,808	-	-	-	-	-	1,891,327	10,706
2014	1,837,507	-	-	-	-	-	-	1,821,936
2015	1,193,512	-	-	-	-	-	-	-
2016	776,270	-	-	-	-	-	-	-
2017	868,354	-	-	-	-	-	-	-
Non-levy collections (2)		-	-	-	-	30,658	-	-
Total collections within fiscal year		<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>	<u>\$ 2,035,627</u>	<u>\$ 1,980,051</u>	<u>\$ 1,882,774</u>	<u>\$ 1,811,837</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	
2015	2016	2017		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -	98.3%	\$ 7,932,449	98.6%	\$ (112,803)	\$ -	0.00%
-	-	-	98.5%	8,220,667	98.4%	(129,996)	-	0.00%
3,271	-	-	98.6%	8,572,808	98.2%	(158,965)	-	0.00%
476	5,785	-	99.2%	8,896,360	98.3%	(155,517)	(164)	0.00%
759	2,202	(1,804)	99.0%	9,218,366	98.5%	(138,369)	3,293	0.04%
(36,120)	3,508	668	99.3%	9,601,751	99.2%	(81,640)	(3,881)	-0.04%
(26,344)	5,740	157	99.1%	9,936,161	99.3%	(68,346)	4,586	0.05%
11,781	1,371	458	99.2%	10,294,442	99.3%	(61,218)	7,128	0.07%
10,283,315	32,320	(21,193)	99.5%	10,726,322	99.6%	(28,510)	12,893	0.12%
-	10,708,778	17,544	99.2%	11,105,813	99.2%	(34,912)	49,772	0.44%
-	-	11,105,813						
-	-	(12,367)						
94,302	150,889	(12,367)						
<u>\$ 10,331,440</u>	<u>\$ 10,910,593</u>	<u>\$ 11,089,276</u>					<u>\$ 73,627</u>	
\$ -	\$ -	\$ -	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%
-	-	-	96.8%	2,022,404	96.6%	(71,842)	-	0.00%
-	-	-	96.3%	1,923,956	95.6%	(89,103)	-	0.00%
-	(5,625)	-	98.6%	1,896,408	98.9%	(21,400)	-	0.00%
25	(5,622)	-	99.2%	1,816,339	98.8%	(21,168)	-	0.00%
1,193,481	(5,630)	-	100.0%	1,187,851	99.5%	(5,661)	-	0.00%
-	770,638	-	99.3%	770,638	99.3%	(5,632)	-	0.00%
-	-	861,608	99.2%	861,608	99.2%	(6,746)	-	0.00%
-	-	-						
<u>\$ 1,193,506</u>	<u>\$ 753,761</u>	<u>\$ 861,608</u>					<u>\$ -</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		
2008	381.5	254.2	141.8		777.5
2009	389.9	280.8	171.5		842.2

	(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

	(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
2015	202.7	153.9	176.5	63.1	596.2
2016	205.8	154.2	177.5	66.6	604.1
2017	207.5	157.7	185.2	62.3	612.7

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%
2015	25.7%	19.5%	22.4%	8.0%	75.6%
2016	26.2%	19.7%	22.7%	8.5%	77.1%
2017	26.2%	19.9%	23.4%	7.9%	77.4%

- (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.
- (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
–	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
26.8	118.8	26.0	171.6	21.6	789.4
26.5	114.4	17.4	158.3	21.2	783.6
25.9	107.6	18.8	152.4	26.0	791.1

Percentage of Total Water Sold					
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%
3.4%	15.0%	3.3%	21.7%	2.7%	100.0%
3.4%	14.6%	2.2%	20.2%	2.7%	100.0%
3.3%	13.6%	2.4%	19.3%	3.3%	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
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 3 Third 20,000 Gallons	Tier 4 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
2015	14.94	1.21	1.94	2.69	4.42	23.39	24.77	195.57	195.57
2016	16.73	1.36	2.17	3.01	4.95	25.73	27.25	215.13	215.13
2017	18.74	1.52	2.43	3.37	5.54	28.30	29.98	236.64	236.64

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
\$ 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
40.22	17.00	29.26	44.87	61.03	79.28	10.24	7.68
41.43	17.51	30.14	46.22	62.86	81.66	10.85	8.14
42.67	18.04	31.04	47.61	64.75	84.11	12.48	9.36

**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)	
2008	\$ 24.66	\$ 1.644
2009	25.89	1.726

Fiscal Year	(2) Water			
	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
2015	14.94	1.94	2.69	4.42
2016	16.73	2.17	3.01	4.95
2017	18.74	2.43	3.37	5.54

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
\$ 58.99	\$ 2.97	\$ 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
40.22	4.30	195.57	30.74
41.43	4.43	215.13	32.58
42.67	4.56	236.64	37.47

**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
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
2015	2,680,000	8,810,000	–	3,275,000	6,000,000	11,355,000
2016	2,480,000	8,125,000	–	2,910,000	6,000,000	17,900,000
2017	2,305,000	20,270,000	–	2,535,000	6,000,000	16,940,000

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**

Business-Type Activities				Percentage of	Percentage of	
Sewer	Surface	Unamortized	Total Primary	Estimated	Estimated actual	
Bonds	Water	Premium	Government	Personal	Market Value of	Per Capita (2)
	Bonds			Income (2)	Property (1)	
\$ 1,370,000	\$ 1,485,000	\$ -	\$ 27,730,000	2.48%	0.85%	\$ 1,060
1,315,000	2,555,000	-	27,550,000	2.63%	0.86%	1,058
2,220,000	2,780,000	-	34,130,000	3.20%	1.13%	1,319
2,130,000	2,555,000	-	32,440,000	3.02%	1.14%	1,295
1,985,000	2,300,000	-	30,055,000	2.69%	1.17%	1,197
1,995,000	3,190,000	403,427	37,368,427	3.28%	1.55%	1,470
2,400,000	3,095,000	632,915	40,257,915	3.35%	1.67%	1,571
3,135,000	3,345,000	869,556	39,469,556	3.15%	1.49%	1,534
3,190,000	3,390,000	958,363	44,953,363	3.46%	1.67%	1,723
2,960,000	3,030,000	1,699,503	55,739,503	3.99%	1.95%	2,114

**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
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
2015	2,680,000	8,810,000	–	11,355,000	3,135,000	3,345,000
2016	2,480,000	8,125,000	–	17,900,000	3,190,000	3,390,000
2017	2,305,000	20,270,000	–	16,940,000	2,960,000	3,030,000

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

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

**Table 14**

<u>Unamortized Premium</u>	<u>Total</u>	<u>Resources Restricted for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
\$ —	\$16,540,000	\$ 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	2,577,845	28,045,070	1.16%	1,094
869,556	30,194,556	1,136,688	29,057,868	1.10%	1,130
958,363	36,043,363	1,145,579	34,897,784	1.29%	1,337
1,699,503	47,204,503	1,110,868	46,093,635	1.61%	1,748

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**CITY OF SHOREVIEW**

Direct and Overlapping Governmental Activities Debt  
as of December 31, 2017

**Table 15**

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 193,602,000	6.891%	\$ 13,341,300
Independent School District No. 621 (Mounds View)	99,335,000	31.120%	30,913,174
Independent School District No. 623 (Roseville)	46,605,000	3.615%	1,684,635
Special Independent School District No. 916 (Vo-Tech)	79,875,000	11.957%	9,551,019
Metropolitan Council	1,484,038,432	0.872%	12,937,468
Total overlapping debt			68,427,596
City of Shoreview direct debt (1)			32,261,055
Total direct and overlapping debt			<u>\$ 100,688,651</u>

Debt Ratios

Ratio of debt per capita (26,366 population, Table 18)	\$ 3,819
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$32,227,175, Table 6)	312.43%
Ratio of debt to estimated actual market value of property (\$2,861,312,100, Table 6)	3.52%

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			
	2008	2009	2010	2011
Debt limit	\$ 98,286,960	\$ 95,948,310	\$ 90,467,340	\$ 85,157,333
Total net debt applicable to limit	8,075,009	7,611,185	12,747,163	12,442,328
Legal debt margin	<u>\$ 90,211,951</u>	<u>\$ 88,337,125</u>	<u>\$ 77,720,177</u>	<u>\$ 72,715,005</u>
Total net debt applicable to the limit as a percentage of debt limit	8.22%	7.93%	14.09%	14.61%

**Table 16**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 77,057,004	\$ 72,148,140	\$ 72,386,496	\$ 79,220,802	\$ 80,951,568	\$ 85,839,363
11,798,714	13,168,149	16,872,663	11,095,214	10,064,636	8,985,056
<u>\$ 65,258,290</u>	<u>\$ 58,979,991</u>	<u>\$ 55,513,833</u>	<u>\$ 68,125,588</u>	<u>\$ 70,886,932</u>	<u>\$ 76,854,307</u>
15.31%	18.25%	23.31%	14.01%	12.43%	10.47%

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**Legal Debt Margin Calculation for Fiscal Year 2017**


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Market value (payable 2017 value, Table 6)	\$2,861,312,100
Debt limit (3% of market value)	85,839,363
Debt applicable to limit	
Other general obligation bonds	7,405,000
Certificates of participation	2,535,000
Less cash set aside for repayment of general obligation debt	<u>(954,944)</u>
Total net debt applicable to limit	<u>8,985,056</u>
Legal debt margin	<u>\$ 76,854,307</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>						
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
2015	2,639,110	1,430,934	1,208,176	1,410,000	181,749	0.76
2016	2,929,180	1,570,611	1,358,569	450,000	462,503	1.49
2017	3,285,821	1,609,969	1,675,852	960,000	436,998	1.20
<b>Sewer Revenue Bonds</b>						
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
2015	3,981,855	3,191,670	790,185	915,000	53,375	0.82
2016	4,085,178	3,328,440	756,738	175,000	82,853	2.93
2017	4,324,274	3,403,098	921,176	230,000	75,034	3.02
<b>Surface Water Management Revenue Bonds</b>						
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
2015	1,485,119	752,030	733,089	610,000	73,517	1.07
2016	1,630,559	922,576	707,983	335,000	88,721	1.67
2017	1,799,161	903,944	895,217	360,000	78,096	2.04

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 and Intergovernmental revenue.

(1) Operating expenses do not include depreciation.

<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 No. 621 (4)</u>	<u>School Enrollment District No. 623 (4)</u>	<u>Unemployment Rate (5)</u>
2008	26,159	\$ 1,118,611,158	\$ 42,762	9,914	6,391	4.4 %
2009	26,036	1,045,657,832	40,162	9,901	6,481	6.1 %
2010	25,882	1,065,950,170	41,185	9,849	6,489	6.5 %
2011	25,043	1,075,496,678	42,946	9,914	6,593	5.6 %
2012	25,118	1,117,977,062	44,509	10,006	6,765	4.7 %
2013	25,429	1,138,863,194	44,786	10,233	6,902	4.0 %
2014	25,630	1,202,047,000	46,900	10,734	7,437	3.3 %
2015	25,723	1,253,944,804	48,748	10,759	7,547	3.0 %
2016	26,092	1,298,990,220	49,785	11,145	7,649	3.2 %
2017	26,366	1,398,531,738	53,043	11,285	7,709	2.9 %

Notes/Sources:

- (1) Population figures other than census year are estimates provided by the Metropolitan Council. The last census was taken in 2010. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City's population. Also see note (3) regarding the per capita personal income figures.  
Per capital personal income data is provided by the Bureau of Economic Analysis. The 2008–2016 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2017 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 No. 621 covers approximately 90% of the City, while District No. 623 covers approximately 10% of the City. Accordingly, not all students enrolled in District No. 621 or District No. 623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

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**CITY OF SHOREVIEW**

Principal Employers  
Current Year and Nine Years Ago

**Table 19**

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	10.25%	2,000	1	16.75%
Deluxe Corporation	1,150	2	9.83%	1,130	3	9.46%
Land O'Lakes	850	3	7.26%	–	–	–
Cummins Power Generation	600	4	5.13%	–	–	–
Target Corporation	500	5	4.27%	325	5	2.72%
TSI Inc.	485	6	4.14%	321	6	2.69%
Westinghouse (PaR Nuclear)	300	7	2.56%	–	–	–
PaR Systems	275	8	2.35%	111	7	0.93%
Hill-Rom	250	9	2.14%	–	–	–
Ally Financial Services	247	10	2.11%	–	–	–
Medtronic	–	–	–	1,200	2	10.05%
Empi	–	–	–	721	4	6.04%
Kozlak's	–	–	–	100	8	0.84%
Rainbow Foods	–	–	–	84	9	0.70%
City of Shoreview	–	–	–	78	10	0.65%
<b>Total</b>	<b>5,857</b>		<b>50.04%</b>	<b>6,070</b>		<b>50.83%</b>

Source: City of Shoreview Community Development Department

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,			
	2008	2009	2010	2011
General government	13.61	12.25	14.05	12.66
Public safety				
Emergency services	0.16	0.16	0.08	0.08
Public works				
Engineering	4.05	4.05	4.05	4.05
Maintenance	7.36	7.35	6.83	6.83
Parks and recreation				
Administration	6.26	6.15	6.00	5.00
Maintenance	9.87	9.45	9.51	9.71
Community center	39.51	37.29	36.03	36.68
Recreation programs	25.42	26.41	26.08	28.54
Community development	5.75	5.77	5.82	5.82
Water	8.36	8.43	8.33	8.35
Sewer	7.08	7.22	7.34	7.35
Surface water	3.33	3.37	3.52	3.52
Street lights	0.20	0.20	0.20	0.20
Central garage	2.40	2.40	2.40	2.40
	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>
Total				
Full-time	77.25	78.68	79.75	79.00
Part-time	0.75	0.75	0.75	0.75
Associate	55.36	51.07	49.74	51.44
	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>
Total				

Source: City Finance Department



**Table 20**

Budgeted Full-Time Equivalent Employees as of December 31,					
2012	2013	2014	2015	2016	2017
14.69	13.46	14.22	13.80	14.59	14.08
0.07	0.08	0.08	–	–	–
4.03	4.03	4.03	3.83	4.01	3.43
6.84	7.12	7.68	7.68	7.63	7.64
4.00	4.00	4.44	4.50	4.10	4.60
9.95	9.95	10.00	10.00	10.02	9.83
36.44	36.61	38.44	38.52	37.55	37.04
29.13	29.74	32.73	31.52	34.47	32.94
5.84	6.56	6.95	7.00	7.25	7.25
8.40	8.39	8.41	8.28	8.18	8.29
7.41	7.41	7.44	7.30	7.20	7.31
3.55	3.55	3.67	3.74	3.96	4.04
0.20	0.20	0.28	0.20	0.25	0.15
2.40	2.40	2.40	2.40	2.40	2.40
<u>132.95</u>	<u>133.50</u>	<u>140.77</u>	<u>138.77</u>	<u>141.61</u>	<u>139.00</u>
79.00	79.00	83.36	82.00	84.32	84.86
1.55	1.55	0.42	1.10	1.60	0.50
<u>52.40</u>	<u>52.95</u>	<u>56.99</u>	<u>55.67</u>	<u>55.69</u>	<u>53.64</u>
<u>132.95</u>	<u>133.50</u>	<u>140.77</u>	<u>138.77</u>	<u>141.61</u>	<u>139.00</u>

**CITY OF SHOREVIEW**

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year		
	2008	2009	2010
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	6,719	6,441	6,298
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	307	306	806
Public works			
Salt (tons)	938	350	525
Crack sealant (pounds)	10,000	11,250	9,000
Asphalt repairs (tons of asphalt)	795	578	579
Recyclables collected (tons)	3,385	3,204	3,342
Trails resurfaced (miles)	5.00	5.50	4.50
Parks and recreation			
Recreation program users (registered participants)	16,369	17,997	20,679
Community program attendance (non-fee programs)	—	—	—
Community center users	449,811	507,951	627,822
Community development			
Permits issued	2,350	1,352	1,044
Permit valuation (millions)	\$ 26.6	\$ 18.3	\$ 42.1
Water			
Water main breaks	21	9	14
Meters replaced	372	8,100	61
Curb box repairs (water valves)	485	1,130	458
Hydrants repaired	192	39	42
Average annual residential water use per household	82,600	89,050	82,742
Average daily consumption (millions of gallons)	3.24	3.30	2.91
Maximum daily gallons pumped (millions)	8.33	8.17	9.46
Sewer			
Sewage flow (millions of gallons)	926	874	865
Miles jetted	68	65	72
Miles rodded	28	25	38
Miles inspected	49	48	40
Surface water management			
Material dredged from ponds (yards)	500	432	795
Sweepings collected (tons of material)	300	200	250
Miles of street swept	360	270	405
Street sweeping rounds per year	4	3	5
Lake augmentation, gallons pumped (millions)	—	32.5	221.2
Central garage			
Gallons of gas	18,512	15,409	17,500
Gallons of diesel	18,901	22,265	20,000
Oil changes	108	97	164
Tires replaced	51	29	42

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						
2011	2012	2013	2014	2015	2016	2017
6,443	6,661	7,057	8,128	8,574	8,340	8,676
988	1,060	1,275	1,449	1,597	1,784	1,858
438	373	500	460	250	300	400
13,500	9,000	12,000	7,500	12,600	15,000	10,000
775	505	380	278	265	232	453
2,985	3,165	3,242	2,762	2,735	2,683	2,421
5.00	9.90	5.00	–	6.20	7.72	7.30
26,317	28,601	25,726	29,270	28,404	27,478	27,814
57,055	49,542	47,964	39,261	43,218	33,150	36,524
699,025	692,616	698,892	593,172	620,509	564,444	544,713
922	867	1,312	1,053	1,141	1,332	1,600
\$ 21.9	\$ 29.9	\$ 42.4	\$ 40.3	\$ 21.7	\$ 41.9	\$ 100.3
3	3	10	15	5	7	10
25	16	23	45	34	52	32
385	225	75	105	97	85	128
75	18	25	35	11	32	10
81,368	91,605	82,554	73,557	72,575	73,879	70,850
2.69	3.01	2.69	2.43	2.14	2.26	2.24
5.91	6.97	7.68	5.88	5.24	5.54	4.86
914	791	871	813	764	840	918
82	82	62	81	52	62	72
32	35	32	30	22	–	–
60	40	40	44	62	45	45
–	–	–	–	–	–	–
200	250	350	350	250	83	180
353	405	794	794	904	792	1,017
4	5	9	9	8	7	9
–	110.7	8.7	–	–	–	–
14,676	14,980	17,333	14,469	19,780	20,053	18,608
20,002	23,183	24,727	20,914	17,677	17,497	16,572
116	114	78	89	90	84	81
17	54	53	39	29	35	53

**CITY OF SHOREVIEW**

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2008	2009	2010	2011
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	66	61	60	60
Public works				
Streets (miles)	91.85	91.85	92.49	92.63
Culture and recreation				
Parks acreage	268	268	268	268
Parks	10	10	10	10
Park buildings	8	8	8	8
Picnic shelters	5	6	6	6
Community center (square footage)	111,000	111,000	111,000	111,000
Water				
Water mains (miles)	102.8	102.8	102.8	103.0
Fire hydrants	1,318	1,318	1,318	1,325
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	108.2
Lift stations	17	17	17	17
Surface water management				
Storm water lift stations	4	5	5	4
Storm ponds	200	200	200	200
Street lights	659	681	692	692

Sources: Various city departments

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

**Table 22**

Fiscal Year					
2012	2013	2014	2015	2016	2017
2	2	2	2	2	2
4	4	4	4	4	3
60	60	60	60	79	78
92.69	92.69	93.21	93.21	93.32	93.32
268	268	268	268	268	268
10	10	10	10	10	10
8	8	8	8	8	8
6	7	7	7	7	7
111,000	111,000	111,000	111,000	111,000	111,000
103.0	103.0	103.0	103.0	103.4	103.4
1,327	1,328	1,330	1,328	1,332	1,336
6	6	6	6	6	6
4	4	4	4	4	4
108.2	108.2	108.5	108.5	108.6	108.6
17	17	17	18	19	19
4	4	4	4	4	4
200	201	202	198	198	198
701	717	731	764	787	809

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