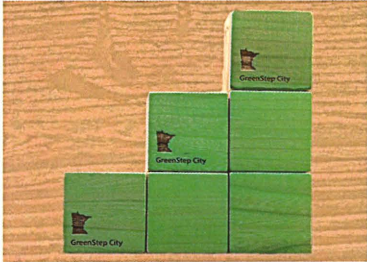




City of Shoreview Minnesota

Comprehensive Annual Financial Report



For the
Fiscal Year Ended
December 31, 2015

CITY OF SHOREVIEW, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

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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June 1, 2016

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, 2015.

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, 2015. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the Government

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 25,723. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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

Local Economy

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

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 2.9 percent in 2015 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 as a percentage of total governmental fund revenues, from 44.2 percent in 2006 to 46.8 percent in the current fiscal year (a 10-year increase of 2.6 percent). Intergovernmental revenues have increased from 6.0 percent in 2006 to 6.2 percent of total revenues in the current fiscal year (a 10-year increase of .2 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 19.0 percent (\$2,188,814) in 2006 to 22.2 percent (\$3,592,309) in the current fiscal year (a 10-year increase of 3.2 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 2.4 percent (\$381,464) in 2006 to 8.4 percent (\$1,806,645) in the current fiscal year (a 10-year increase of 6.0 percent).

Long-Term Financial Planning

Total General Fund balance (49.4 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 2016 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2016 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 December 11, 2015 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 management policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating surpluses in the General Fund and at the total governmental fund level in fiscal 2014;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2014 of 46 percent of operating expenditures;
- Very strong liquidity, with total government available cash at 1.8x total governmental fund expenditures and 21.1x governmental debt service, and access to external liquidity we consider strong;
- Strong debt and contingent liability with debt service carrying at 8.7 percent of expenditures and net direct debt that is 122.1 percent of total governmental fund revenue, as well as low overall net debt at less than 3 percent of market value and rapid amortization, with 67 percent of debt scheduled to be retired within 10 years; and
- Strong institutional framework score.

Projections for the next 20 years indicate that property tax contributions, user fees, and investment income will adequately support scheduled replacements. The impact of replacement costs on the property tax levy over the next 20 years is estimated to average 2 percent per year, and user fees are projected to increase between 4.0 percent and 10.3 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 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 is in the midst of significant economic growth bringing new retail services and dining choices, expanded housing options and added jobs and tax base with several high profile business expansions. Retail growth includes major renovations and the rebranding of the Hampton Inn hotel to a Best Western Plus; and the construction of a Raising Cane's restaurant. Ally Financial relocated to the Shoreview Corporate Center and has moved 150 employees to the facility and plans on creating 250 additional jobs by 2017. Eagle Ridge Partners has reacquired the Shoreview Corporate Center and plans to undertake significant reinvestment in the property to modernize the campus. Kowalski's Market acquired the vacant Rainbow Foods site and after major renovation will be reopening the grocery store in the fall of 2016. Ramsey County has begun construction on a new regional library in the Shoreview Commons campus. The existing library is being purchased by the Mounds View School District from Ramsey County, and will be renovated to accommodate their district administrative services. Housing development includes Autumn Meadows, 25-lot single family homes; Applewood Pointe of Shoreview, 77-unit senior housing cooperative; Villas of Shoreview, 31-unit expansion of market rate senior apartments; Owasso Beach, 10-lot single family homes and the Zibell Subdivision, 8-lot single family homes. In addition, the City approved an upscale mixed-use housing and retail redevelopment at the northwest corner of County Road E and Rice Street. Elevage Development Group is building a multi-story high-end market rate rental apartment building of 134 units with underground parking, first floor restaurant and retail spaces, and 14 luxury rental townhomes.

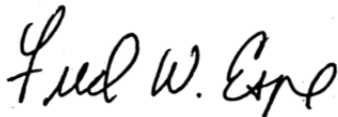
Awards and Acknowledgements

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, 2014. This was the thirtieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,



Fred W. Espe
Finance Director/Treasurer



Deborah Maloney
Assistant Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Shoreview
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

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CITY OF SHOREVIEW, MINNESOTA

Principal City Officials

December 31, 2015

City Council

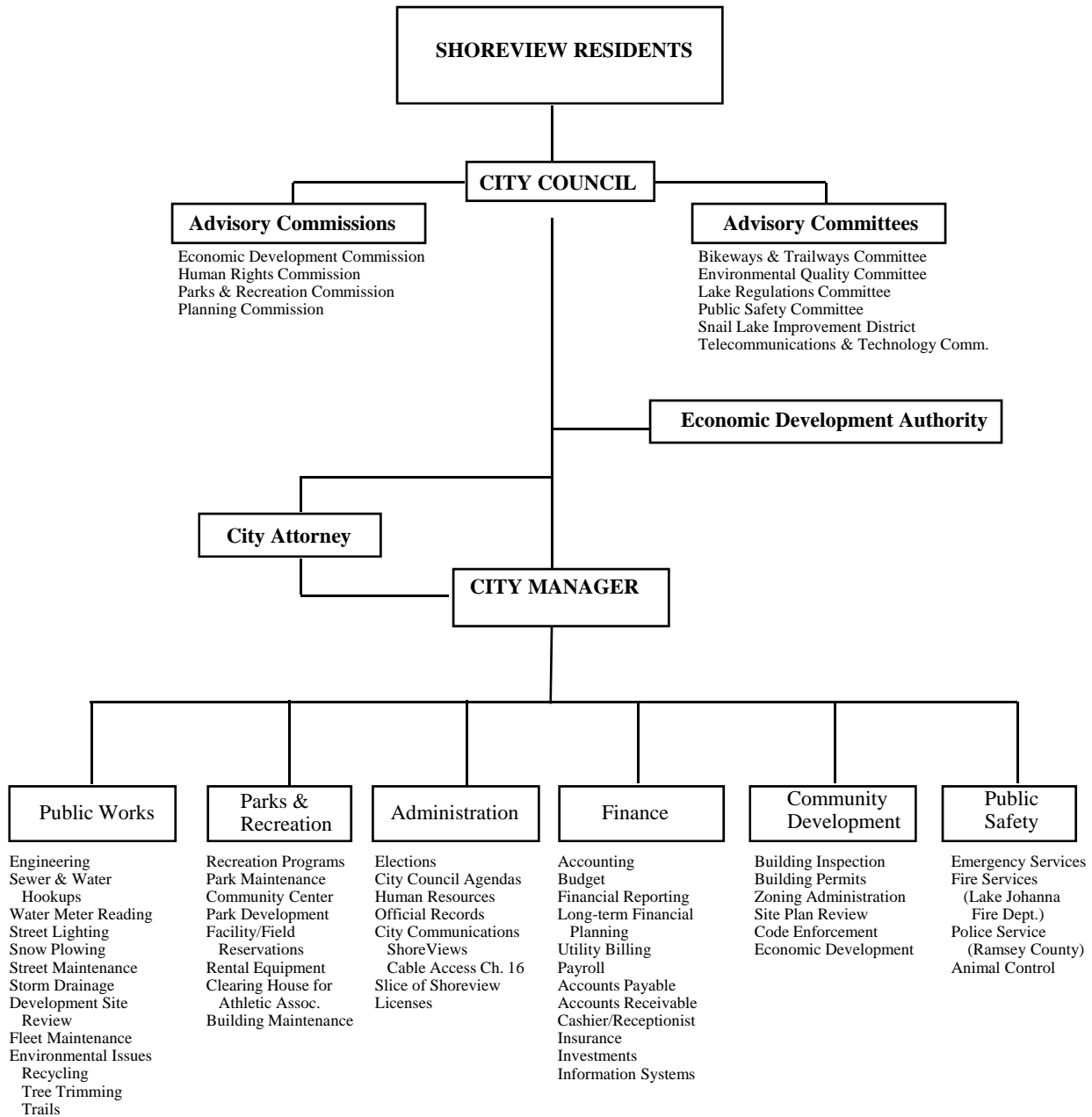
	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2016
Councilmembers Emy Johnson	December 31, 2016
Terry Quigley	December 31, 2018
Ady Wickstrom	December 31, 2016
Cory Springhorn	December 31, 2018

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, 2015



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

II. FINANCIAL SECTION

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Shoreview, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the 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, 2015, 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, 2015, 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.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, during the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

(continued)

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

June 1, 2016

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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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–vii of this report.

Financial Highlights

- The assets 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 \$93,587,733 (net position). Of this amount, \$20,226,945 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- A decrease of \$4,680,867 to unrestricted net position occurred due to the recognition of long-term pension liabilities in accordance with GASB Statement No. 68.
- The City's total net position increased by \$5,006,004 as a result of a \$3,556,637 increase in net position for governmental activities and a \$1,449,367 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 \$21,507,773, an increase of \$1,731,974 in comparison with the prior year. Approximately 16.3 percent of this amount (\$3,511,458) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$4,615,960 or 49.3 percent of the total General Fund expenditures. Fund balance in the General Fund increased \$179,726 during the year.
- The City's total governmental activity bonded and certificate of participation debt decreased by \$7,485,000 (excluding premiums) from the prior year. During 2013 the City issued \$1,380,000 of general obligation street refunding bonds in order to take advantage of lower interest rates to reduce future interest costs. Due to the structure of the refunding issue the City was required to report both the principal of the new refunding issue and old refunded bonds (\$1,385,000) on its financial statements until the refunded (old) bonds were called for redemption on February 1, 2015. During 2014 the City issued \$4,770,000 of general obligation refunding bonds in order to take advantage of lower interest rates to reduce future interest costs and to eliminate the risk that the federal government would further reduce or eliminate the federal direct pay tax credits on the refunded bonds. The refunded bonds were called for redemption on February 1, 2015, and due to the structure of the refunding the City was required to report both the principal of the new refunding issue and old refunded bonds (\$4,880,000) on its financial statements until the call date.
- During 2015 the City's business-type activity bonded debt increased \$6,460,000 (excluding premiums) from the prior year. During 2014 the City issued \$1,910,000 of general obligation refunding bonds in order to take advantage of lower interest rates to reduce future interest costs and to eliminate the risk that the federal government would further reduce or eliminate the federal direct pay tax credits on the refunded bonds. The refunded bonds were called for redemption on February 1, 2015, and due to the structure of the refunding the City was required to report both the principal of the new refunding issue and old refunded bonds (\$1,970,000) on its financial statements until the call date. The City issued \$9,395,000 of

general obligation revenue bonds for the construction of capital assets. 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 decreased \$942,484, or 1.5 percent for governmental activities, and increased \$9,245,486, or 28.6 percent for business-type activities. A significant portion of the increase in the business-type activities is related to the construction of a water treatment plant (\$7,754,017).

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, surface water management, and street light operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, short-term disability insurance, and liability claims functions. Because each of these services predominantly 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 statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on budgeted comparisons. Combining and individual fund statements and schedules can be found on pages 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 \$93,587,733 at the close of the most recent fiscal year.

By far the largest portion of the City’s net position (\$65,481,341 or 70 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shoreview’s Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 27,728,917	\$ 31,204,693	\$ 11,095,043	\$ 10,927,324	\$ 38,823,960	\$ 42,132,017
Capital assets	62,194,836	63,137,320	41,581,105	32,335,619	103,775,941	95,472,939
Total assets	\$ 89,923,753	\$ 94,342,013	\$ 52,676,148	\$ 43,262,943	\$ 142,599,901	\$ 137,604,956
Deferred outflows of resources	\$ 540,356	\$ –	\$ 130,894	\$ –	\$ 671,250	\$ –
Long-term liabilities outstanding	\$ 24,138,199	\$ 21,153,699	\$ 18,372,610	\$ 8,719,250	\$ 42,510,809	\$ 29,872,949
Other liabilities	2,994,277	9,410,553	2,586,394	3,348,797	5,580,671	12,759,350
Total liabilities	\$ 27,132,476	\$ 30,564,252	\$ 20,959,004	\$ 12,068,047	\$ 48,091,480	\$ 42,632,299
Deferred inflows of resources	\$ 1,475,394	\$ 1,710,061	\$ 116,544	\$ –	\$ 1,591,938	\$ 1,710,061
Net position						
Net investment in capital assets	\$ 41,037,296	\$ 40,908,853	\$ 24,444,045	\$ 22,829,472	\$ 65,481,341	\$ 63,738,325
Restricted	7,856,109	7,253,717	23,338	224,368	7,879,447	7,478,085
Unrestricted	12,962,834	13,905,130	7,264,111	8,141,056	20,226,945	22,046,186
Total net position	\$ 61,856,239	\$ 62,067,700	\$ 31,731,494	\$ 31,194,896	\$ 93,587,733	\$ 93,262,596

An additional portion of the City's net position (\$7,879,447 or 8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$20,226,945 or 22 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 \$5,006,004 (5.7 percent) from the restated balance of \$88,581,729 at December 31, 2014 to \$93,587,733 at December 31, 2015. Governmental activities increased \$3,556,637 (6.1 percent) from the prior year while the business-type activities increased \$1,449,367 (4.8 percent) during the same period.

Governmental activities. Governmental activities increased the City's net position by \$3,556,637. Key elements of this increase are as follows:

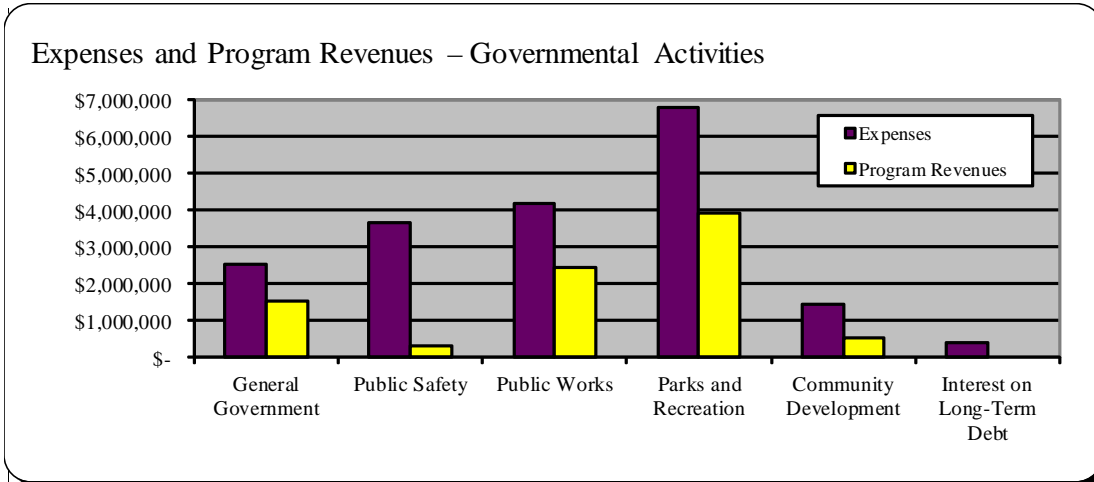
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 6,798,553	\$ 6,755,464	\$ 8,530,213	\$ 8,207,503	\$ 15,328,766	\$ 14,962,967
Operating grants and contributions	670,100	1,401,114	129,750	-	799,850	1,401,114
Capital grants and contributions	1,342,886	3,360,726	656,855	173,961	1,999,741	3,534,687
General revenues						
Property taxes	10,347,760	9,776,446	-	-	10,347,760	9,776,446
Tax increment collections	1,148,397	1,816,702	-	-	1,148,397	1,816,702
Franchise tax	1,395,125	1,120,948	-	-	1,395,125	1,120,948
Grants and contributions not restricted to specific programs	35,331	33,218	-	-	35,331	33,218
Unrestricted investment earnings	294,151	849,339	98,325	328,537	392,476	1,177,876
Gain on disposal of capital assets	44,577	78,143	-	-	44,577	78,143
Total revenues	<u>22,076,880</u>	<u>25,192,100</u>	<u>9,415,143</u>	<u>8,710,001</u>	<u>31,492,023</u>	<u>33,902,101</u>
Expenses						
General government	2,561,018	2,529,960	-	-	2,561,018	2,529,960
Public safety	3,676,952	3,568,459	-	-	3,676,952	3,568,459
Public works	4,201,869	5,178,104	-	-	4,201,869	5,178,104
Parks and recreation	6,800,000	6,726,335	-	-	6,800,000	6,726,335
Community development	1,459,408	1,580,709	-	-	1,459,408	1,580,709
Interest on long-term debt	409,442	680,281	-	-	409,442	680,281
Water	-	-	2,376,328	2,251,547	2,376,328	2,251,547
Sewer	-	-	3,599,737	3,569,836	3,599,737	3,569,836
Surface water management	-	-	1,095,693	1,032,375	1,095,693	1,032,375
Street lights	-	-	305,572	305,615	305,572	305,615
Total expenses	<u>19,108,689</u>	<u>20,263,848</u>	<u>7,377,330</u>	<u>7,159,373</u>	<u>26,486,019</u>	<u>27,423,221</u>
Increase (decrease) in net position before transfers	2,968,191	4,928,252	2,037,813	1,550,628	5,006,004	6,478,880
Transfers	588,446	462,467	(588,446)	(462,467)	-	-
Increase (decrease) in net position	3,556,637	5,390,719	1,449,367	1,088,161	5,006,004	6,478,880
Net position – January 1 (restated *)	58,299,602	56,676,981	30,282,127	30,106,735	88,581,729	86,783,716
Net position – December 31	<u>\$ 61,856,239</u>	<u>\$ 62,067,700</u>	<u>\$ 31,731,494</u>	<u>\$ 31,194,896</u>	<u>\$ 93,587,733</u>	<u>\$ 93,262,596</u>

* GASB Statement No. 68 was implemented for the year ended December 31, 2015 and required a \$4,680,867 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2014 and beginning net position on January 1, 2015. See Note 1V.

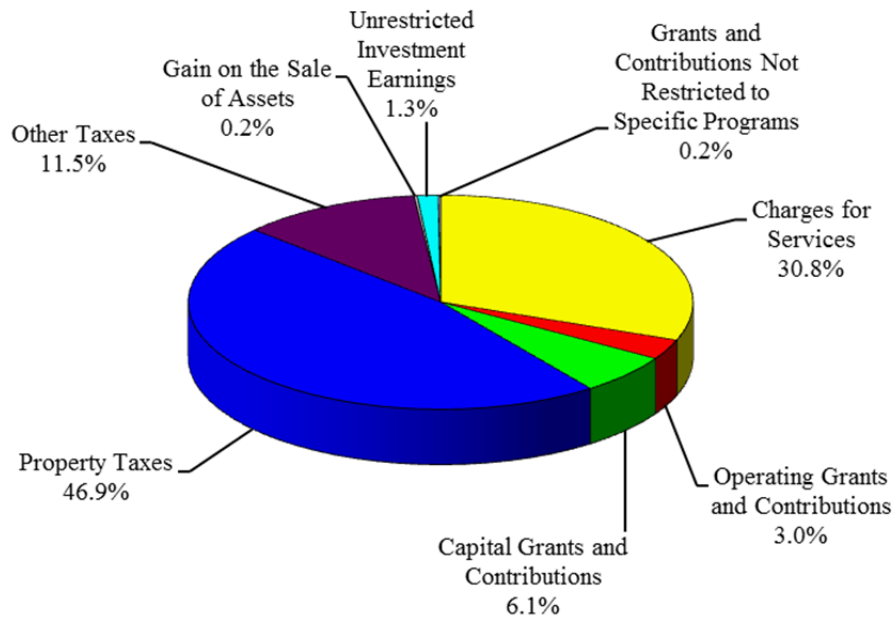
- Charges for services for governmental activities increased \$43,089 (0.6 percent) during the year. Significant changes from 2014 to 2015 include a \$207,108 (16.1 percent) increase in general government charges and a \$204,662 (27.4 percent) decrease in community development charges. The general government increase is due mainly to increases in administrative charges to capital project funds as a result of increased City construction activity in 2015 (\$145,998), and increases in PCS antenna revenue (\$59,041). Decreases in community development charges are a result of decreases in the valuation of building permits issued in 2015. Revenues for public safety, public works, and parks and recreation are consistent with prior years in both amounts and types of revenue.
- Operating grants and contributions decreased \$731,014 (52.2 percent) during the year. Significant changes from 2014 to 2015 included a \$41,470 decrease in public safety, a \$505,202 decrease in public works and a \$202,450 decrease in community development. The public safety decrease is a result of decreases in a state fire aid grant. The public works decrease is primarily the result of decreases in operating grants from other local governments for reimbursement of their allocated share of costs of the County Road D and Owasso Street Reconstruction projects. The community development decrease is a result of a one-time Metropolitan Council Livable Communities Act housing grant for the Lakeview Terrace apartment project that was received in 2014.
- Capital grants and contributions decreased \$2,017,840 (60.0 percent) during the year. Significant decreases from 2014 to 2015 included a \$1,794,507 decrease in public works and a \$223,333 decrease in parks and recreation. The public works decrease is primarily the net result of the adoption of new assessment rolls (\$1,657,644 decrease) in 2014, other one-time governmental grants in 2014 (\$452,550 decrease) for the construction of infrastructure assets and increases in contributions of street assets from developers (\$107,000 increase). The parks and recreation decrease is mainly due to park dedication fees.
- Property taxes for governmental activities increased by \$571,314 (5.8 percent) during the year, due to levy increases for the General Fund, Debt Service, Street Renewal, General Fixed Asset Replacement, Information Technology and Special Revenue Funds; and a reduction of refunds due to tax appeals in 2015.
- Tax increment collections for governmental activities decreased by \$668,305 (36.8 percent). This decrease is primarily due to a scheduled decertification of TIF District #1 on December 31, 2014, and the addition of collections from TIF District #8 during 2015.
- Franchise tax collections increased by \$274,177 (24.5 percent) due to the first year of collecting the Public Education and Government (PEG) Access tax in 2015.
- Investment earnings decreased by \$555,188 (65.4 percent) during the year primarily due to year-end adjustments to fair market value.
- Public safety expenses increased by \$108,493 (3.0 percent) during the year. The police and fire operating contracts increased by \$176,752. Contributions to the fire department for the City's share of fire department capital costs decreased by \$25,936. The payment of state fire aid to the fire department decreased \$41,470.
- Public works expenses decreased by \$976,235 (18.9 percent) during the year. The decrease is due to reductions in 2015 of infrastructure assets constructed for other governmental entities for the Red Fox Road, County Road D and Owasso Street Realignment projects (\$147,648). Costs associated with these projects were recovered through operating grants and contributions, assessments and future tax increment payments. Expenses also decreased as a result of a reduction of deleted infrastructure assets in 2015 as compared to 2014 (\$844,305).

- Community development expenses decreased by \$121,301 (7.7 percent) during the year. A significant portion of the decrease is the result of decreased developer assistance payments.

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



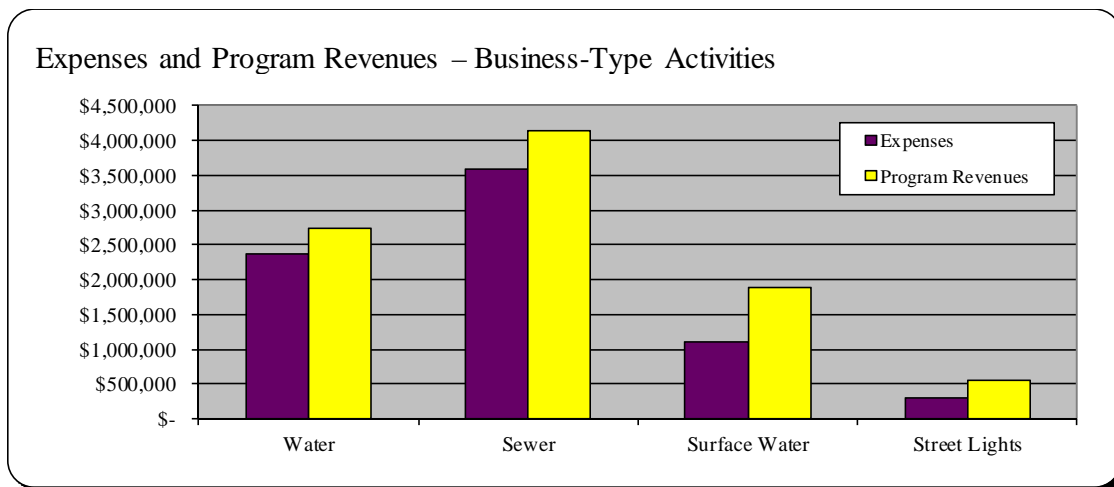
Governmental Activities – Revenues



Business-type activities. Business-type activities increased the City’s net position by \$1,449,367. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$322,710 (3.9 percent). Water operations increased \$107,929 (4.3 percent); this increase was due to a water rate increase of 7 percent for the average residential customer, and a 0.9 percent decrease in the gallons of water sold during the year. Sewer operations increased \$85,645 (2.2 percent); rates increased 3.0 percent and winter residential water consumption decreased 3.1 percent, which provides the basis for residential sewer charges. Surface Water operations increased \$103,319 (7.5 percent), due to a 10 percent rate increase and a 42.4 percent decrease in the Snail Lake augmentation charge. Street Light operations increased \$25,817 (5.2 percent), due to the impact of a street light rate increase of 4 percent, which resulted in a quarterly increase of \$0.39 per residential unit.
- Operating grants and contributions provided \$129,750 of revenue and were a result of a water resource grant and two Turtle Lake augmentation grants.
- Capital grants and contributions during the year produced \$656,855 in revenue for business-type activities. This consists of intergovernmental capital grants (\$2,030) and contributions from developers (\$618,735) and property owners (\$36,090).
- Expenses for business-type activities increased \$217,957 (3.0 percent). The Water function accounts for \$124,781 of the increase due in part to an increase in water meter costs associated with the Water Resources Grant (\$40,970). The Surface Water function accounts for \$63,318 of the increase due to increases in contractual services related to the Turtle Lake augmentation study (\$100,000).

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 \$21,507,773, an increase of \$1,731,974 in comparison with the prior year. Approximately 16 percent of this amount (\$3,511,458) 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 \$4,615,960. 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 49.3 percent of total General Fund expenditures, while total fund balance represents 49.4 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 2016 are \$298,523 more than in 2015; consequently, the unassigned General Fund balance for working capital increases \$149,262 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 \$9,911,950 which results in an unassigned fund balance for unanticipated expenditures of \$991,195. 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 \$4,615,960 as compared to \$4,383,445 for the previous year, an increase of \$232,515.

The Community Center Operation Fund balance increased \$113,396. Charges for services and transfers in increased by \$36,277. Daily admissions and annual membership revenue decreased \$3,406, transfers in increased \$27,000 and earnings on investments decreased \$46,971. Expenditures increased by \$19,447, as a result of increases in personal services related to minimum wage increases.

The Recreation Programs Fund balance increased \$24,355. Program revenue increased \$27,295; the majority of the increase (\$56,454) was a result of a summer daycare program. Expenditures increased \$165,184 primarily as a result of increases in personal services related to minimum wage increases.

The G.O. Improvement Bonds of 2013 Fund was established to provide financing for the 2013 Improvement Bonds. Revenue sources are from special assessments and property taxes. The fund balance increased \$79,978.

Fund balances for the Municipal State Aid, Street Renewal, General Fixed Asset Replacement and Community Investment Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues of the Street Renewal and General Fixed Asset Replacement Funds are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. The fund balance of the Municipal State Aid Fund increased \$735,327 due to state aid, special assessments and earnings on investments exceeding costs related to the 2016 MSA Street Rehabilitation project. The fund balance of the Street Renewal Fund increased \$319,179. Expenditures in the Street Renewal Fund consisted primarily of public works seal coating repairs. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Hanson/Oakridge/Nottingham, Turtle Lane and Railroad Quiet Zone street rehabilitation projects. In accordance with the General Fund, fund balance policy, a transfer was made into the Street Renewal Fund to fund future street replacements. Fund balance increased \$449,786 in the General Fixed Asset Replacement Fund. Significant expenditures in 2015 included the City's capital contribution in the amount of \$130,744 to the Lake Johanna Fire Department, parking lot replacement costs at fire station number three, various community center and park and recreation repairs and supplies in the amount of \$449,579, and public works trail maintenance expenditures in the amount of \$59,258. 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 (\$178,239). 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 \$973,150. Significant expenditures include operating costs in the amount of \$41,415 for park improvements and capital expenditures for trail improvements (\$42,973). Transfers out represent the fund's share of debt service costs for the 2011 Refunding Certificates of Participation (\$175,000).

The Owasso Street Realignment Fund is a temporary capital project fund used to account for infrastructure-related costs. This project is scheduled to be completed in 2016.

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 \$2,120,725 for water, \$3,478,576 for sewer, \$1,314,155 for surface water management, and \$292,582 for street lights. Water Fund net position increased \$61,223, primarily due to a rate increase and contributions. Sewer Fund net position increased \$387,614, primarily due to a rate increase and contributions. Surface Water Fund net position increased \$751,060, primarily due to a rate increase and contributions. The Street Lights Fund net position increased \$235,097, primarily as a result of a rate increase and contributions.

General Fund Budgetary Highlights

Total General Fund revenues were \$350,011 more than estimated in the budget. Property taxes were under budget by \$14,363. Licenses and permits surpassed anticipated levels by \$170,002 primarily due to building permits, intergovernmental revenues exceeded budget due to State Road Maintenance and State Fire Aid exceeding budget, and charges for services surpassed anticipated levels by \$96,456, primarily as a result of capital project administrative charges.

Total General Fund expenditures were under budget by \$249,445, primarily due to personal services (\$203,859) as a result of several departments having vacant positions. Within the general government department, human resources and finance and accounting were under budget due to open staff positions during the year. Within the public works department, public works administration and engineering and streets expenditures were under budget primarily due to staff positions being open during the year. The unbudgeted transfer to the Street Renewal Fund (\$419,730) was made in accordance with the City’s fund balance policy regarding excess fund balance in the General Fund.

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$103,775,941 (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 8.7 percent (a 1.5 percent decrease for governmental activities and a 28.6 percent increase for business-type activities).

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 7,724,345	\$ 7,724,345	\$ 325,202	\$ 325,202	\$ 8,049,547	\$ 8,049,547
Buildings and structures	23,663,959	24,026,905	4,792,224	4,800,231	28,456,183	28,827,136
Machinery and equipment	4,198,400	4,083,736	1,867,734	1,968,640	6,066,134	6,052,376
Distribution and collection systems	–	–	24,905,796	23,437,089	24,905,796	23,437,089
Infrastructure	24,771,504	24,995,021	–	–	24,771,504	24,995,021
Construction in progress	1,836,628	2,307,313	9,690,149	1,804,457	11,526,777	4,111,770
Total	\$ 62,194,836	\$ 63,137,320	\$ 41,581,105	\$ 32,335,619	\$ 103,775,941	\$ 95,472,939

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 \$2,650,399. Construction in progress at year-end for governmental activities is \$1,836,628.
- Various capital assets for business-type activities were completed at a cumulative cost of \$2,669,288. Construction in progress for business-type activities as of the end of the current fiscal year is \$9,690,149. The City is currently constructing a water treatment plant with an estimated completion cost of \$12,100,000; as of December 31, 2015 the value is \$8,077,709 and is reported as construction in progress in the Water Fund.

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$29,325,000 (excluding unamortized premiums), a decrease of \$665,000 from 2014. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$3,275,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. Unamortized premium on City debt totaled \$869,556. The liability for compensated absences totals \$403,514. During the year ended December 31, 2015 the City implemented GASB Statements No. 68 and No. 71, and the City's net pension liability is \$4,866,385.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation improvement bonds	\$ 2,764,559	\$ 2,697,021	\$ -	\$ -	\$ 2,764,559	\$ 2,697,021
General obligation tax increment bonds	-	350,000	-	-	-	350,000
General obligation bonds	9,126,224	15,993,291	-	-	9,126,224	15,993,291
General obligation revenue bonds	-	-	18,303,773	11,582,603	18,303,773	11,582,603
Certificates of participation	3,275,000	3,635,000	-	-	3,275,000	3,635,000
Loans payable	6,000,000	6,000,000	-	-	6,000,000	6,000,000
Compensated absences	319,751	286,288	83,763	79,384	403,514	365,672
Net pension liability	3,917,440	-	948,945	-	4,866,385	-
Total	\$ 25,402,974	\$ 28,961,600	\$ 19,336,481	\$ 11,661,987	\$ 44,739,455	\$ 40,623,587

During the year ended December 31, 2015 the City implemented GASB Statement No. 68, and the net pension liability as of December 31, 2014 has not been restated.

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 \$79,220,802. The City's net debt applicable to this limit totals \$11,095,214.

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 3.7 percent unemployment for the state of Minnesota, and 5.3 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 \$21.7 million. New residential and commercial construction accounted for 43 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 40 percent of building permit values, and commercial property accounted for the remaining 17 percent of building permit values.
- The 2016 adopted levy supports the 2016 budget.

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2016 budget year. The increase for the average customer was 12.0 percent for water, 3.0 percent for sewer, 10.0 percent for surface water management, and 6.0 percent for street lights. The total impact on the average residential customer is estimated to be 6.6 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, 2015

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 24,358,670	\$ 8,622,460	\$ 32,981,130
Accrued interest receivable	55,949	20,179	76,128
Accounts receivable	670,403	2,090,231	2,760,634
Loan receivable	170,988	–	170,988
Taxes receivable	206,190	–	206,190
Special assessments receivable	1,975,505	39,459	2,014,964
Internal balances	(58,073)	58,073	–
Due from other governmental units	38,126	115,144	153,270
Prepaid items	15,089	149,497	164,586
Property held for resale	296,070	–	296,070
Capital assets			
Nondepreciable	9,560,973	10,015,351	19,576,324
Depreciable (net of accumulated depreciation)	52,633,863	31,565,754	84,199,617
Total assets	<u>89,923,753</u>	<u>52,676,148</u>	<u>142,599,901</u>
Deferred outflows of resources			
Deferred pension resources	<u>540,356</u>	<u>130,894</u>	<u>671,250</u>
Liabilities			
Accounts payable	295,429	103,657	399,086
Salaries payable	180,123	41,292	221,415
Contracts payable	434,333	1,238,259	1,672,592
Accrued bond interest payable	166,396	177,029	343,425
Deposits payable	532,391	36,145	568,536
Due to other governmental units	61,508	26,141	87,649
Unearned revenue	59,322	–	59,322
Compensated absences payable			
Due within one year	14,775	3,871	18,646
Due in more than one year	304,976	79,892	384,868
Loan payable			
Due in more than one year	6,000,000	–	6,000,000
Certificates of participation payable			
Due within one year	365,000	–	365,000
Due in more than one year	2,910,000	–	2,910,000
Bonds payable			
Due within one year	885,000	960,000	1,845,000
Due in more than one year	11,005,783	17,343,773	28,349,556
Net pension liability			
Due in more than one year	3,917,440	948,945	4,866,385
Total liabilities	<u>27,132,476</u>	<u>20,959,004</u>	<u>48,091,480</u>
Deferred inflows of resources			
State aid received for subsequent years	994,278	–	994,278
Deferred pension resources	481,116	116,544	597,660
Total deferred inflows of resources	<u>1,475,394</u>	<u>116,544</u>	<u>1,591,938</u>
Net position			
Net investment in capital assets	41,037,296	24,444,045	65,481,341
Restricted for			
Business loan program	165,777	–	165,777
Cable television	280,157	–	280,157
Debt service	3,367,944	–	3,367,944
Economic development	1,635	–	1,635
Housing and redevelopment	54,713	–	54,713
Recycling	340,989	–	340,989
Trunk facility	–	23,338	23,338
Tax increment purposes	3,644,894	–	3,644,894
Unrestricted	12,962,834	7,264,111	20,226,945
Total net position	<u>\$ 61,856,239</u>	<u>\$ 31,731,494</u>	<u>\$ 93,587,733</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, 2015

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 2,561,018	\$ 1,493,962
Public safety	3,676,952	56,076
Public works	4,201,869	840,649
Parks and recreation	6,800,000	3,866,453
Community development	1,459,408	541,413
Interest on long-term debt	409,442	-
Total governmental activities	<u>19,108,689</u>	<u>6,798,553</u>
Business-type activities		
Water	2,376,328	2,589,260
Sewer	3,599,737	3,945,284
Surface water	1,095,693	1,474,485
Street lights	305,572	521,184
Total business-type activities	<u>7,377,330</u>	<u>8,530,213</u>
Total primary government	<u>\$ 26,486,019</u>	<u>\$ 15,328,766</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
\$ 55,477	\$ –	\$ (1,011,579)	\$ –	\$ (1,011,579)
279,447	–	(3,341,429)	–	(3,341,429)
322,507	1,286,957	(1,751,756)	–	(1,751,756)
12,669	55,929	(2,864,949)	–	(2,864,949)
–	–	(917,995)	–	(917,995)
–	–	(409,442)	–	(409,442)
<u>670,100</u>	<u>1,342,886</u>	<u>(10,297,150)</u>	<u>–</u>	<u>(10,297,150)</u>
36,000	112,523	–	361,455	361,455
–	192,775	–	538,322	538,322
93,750	312,822	–	785,364	785,364
–	38,735	–	254,347	254,347
<u>129,750</u>	<u>656,855</u>	<u>–</u>	<u>1,939,488</u>	<u>1,939,488</u>
<u>\$ 799,850</u>	<u>\$ 1,999,741</u>	<u>(10,297,150)</u>	<u>1,939,488</u>	<u>(8,357,662)</u>
General revenues				
Property taxes		10,347,760	–	10,347,760
Tax increment collections		1,148,397	–	1,148,397
Franchise tax		1,395,125	–	1,395,125
Grants and contributions not restricted to specific programs		35,331	–	35,331
Unrestricted investment earnings		294,151	98,325	392,476
Gain on disposal of capital assets		44,577	–	44,577
Transfers		588,446	(588,446)	–
Total general revenues and transfers		<u>13,853,787</u>	<u>(490,121)</u>	<u>13,363,666</u>
Change in net position		3,556,637	1,449,367	5,006,004
Net position – beginning, as restated (Note 1V)		58,299,602	30,282,127	88,581,729
Net position – ending		<u>\$ 61,856,239</u>	<u>\$ 31,731,494</u>	<u>\$ 93,587,733</u>

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

CITY OF SHOREVIEW, MINNESOTA

Balance Sheet

Governmental Funds

December 31, 2015

	General	Community Center Operation	Recreation Programs	G.O. Improvement Bonds of 2013	Municipal State Aid
Assets					
Cash and investments	\$ 5,094,312	\$ 1,501,650	\$ 1,017,122	\$ 306,286	\$ 2,568,785
Accrued interest receivable	11,145	3,896	2,717	594	6,732
Accounts receivable (net of allowance for uncollectibles)	24,415	2,273	139	-	-
Loan receivable	-	-	-	-	-
Taxes receivable	139,314	-	-	-	-
Special assessments receivable	-	-	-	1,518,099	-
Interfund receivable	-	-	-	-	-
Due from other governmental units	21,979	234	-	-	-
Prepaid items	11,164	1,196	99	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 5,302,329	\$ 1,509,249	\$ 1,020,077	\$ 1,824,979	\$ 2,575,517
Liabilities					
Accounts payable	\$ 66,725	\$ 39,196	\$ 5,998	\$ 348	\$ 12,158
Salaries payable	102,107	48,294	16,055	-	-
Contracts payable	-	-	-	-	-
Deposits payable	435,888	96,503	-	-	-
Interfund payable	-	-	-	-	-
Due to other governmental units	4,751	18,318	1,887	-	-
Unearned revenue	753	-	-	-	-
Total liabilities	610,224	202,311	23,940	348	12,158
Deferred inflows of resources					
Unavailable revenue – property taxes	54,920	-	-	-	-
Unavailable revenue – special assessments	-	-	-	1,515,419	-
State aid received for subsequent years	10,061	-	-	-	984,217
Total deferred inflows of resources	64,981	-	-	1,515,419	984,217
Fund balances (deficits)					
Nonspendable	11,164	1,196	99	-	-
Restricted	-	-	-	309,212	-
Committed	-	1,305,742	996,038	-	-
Assigned	-	-	-	-	1,579,142
Unassigned	4,615,960	-	-	-	-
Total fund balances (deficits)	4,627,124	1,306,938	996,137	309,212	1,579,142
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 5,302,329	\$ 1,509,249	\$ 1,020,077	\$ 1,824,979	\$ 2,575,517

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

Statement 3

Street Renewal	General Fixed Asset Replacement	Community Investment	Owasso Street Realignment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 2,698,789	\$ 1,128,951	\$ 2,132,281	\$ -	\$ 6,193,556	\$ -	\$ 22,641,732
6,866	2,162	4,541	-	13,442	-	52,095
-	82,163	204,992	242,081	113,924	-	669,987
-	-	-	-	170,988	-	170,988
18,723	28,117	98	-	15,885	-	202,137
61,422	-	-	-	395,984	-	1,975,505
-	-	-	-	1,273,633	(1,273,633)	-
-	-	-	-	15,913	-	38,126
-	-	-	-	2,630	-	15,089
-	-	296,070	-	-	-	296,070
<u>\$ 2,785,800</u>	<u>\$ 1,241,393</u>	<u>\$ 2,637,982</u>	<u>\$ 242,081</u>	<u>\$ 8,195,955</u>	<u>\$ (1,273,633)</u>	<u>\$ 26,061,729</u>
\$ 192	\$ 97,086	\$ -	\$ 2,561	\$ 34,675	\$ -	\$ 258,939
-	-	-	-	5,355	-	171,811
-	8,243	-	70,389	355,701	-	434,333
-	-	-	-	-	-	532,391
-	-	-	1,273,633	-	(1,273,633)	-
-	-	35,763	-	-	-	60,719
-	-	58,569	-	-	-	59,322
<u>192</u>	<u>105,329</u>	<u>94,332</u>	<u>1,346,583</u>	<u>395,731</u>	<u>(1,273,633)</u>	<u>1,517,515</u>
7,315	10,976	92	-	5,809	-	79,112
58,980	-	-	-	388,652	-	1,963,051
-	-	-	-	-	-	994,278
<u>66,295</u>	<u>10,976</u>	<u>92</u>	<u>-</u>	<u>394,461</u>	<u>-</u>	<u>3,036,441</u>
-	-	-	-	2,630	-	15,089
-	-	-	-	5,910,944	-	6,220,156
2,719,313	1,125,088	2,543,558	-	267,273	-	8,957,012
-	-	-	-	1,224,916	-	2,804,058
-	-	-	(1,104,502)	-	-	3,511,458
<u>2,719,313</u>	<u>1,125,088</u>	<u>2,543,558</u>	<u>(1,104,502)</u>	<u>7,405,763</u>	<u>-</u>	<u>21,507,773</u>
<u>\$ 2,785,800</u>	<u>\$ 1,241,393</u>	<u>\$ 2,637,982</u>	<u>\$ 242,081</u>	<u>\$ 8,195,955</u>	<u>\$ (1,273,633)</u>	<u>\$ 26,061,729</u>
Fund balance reported above						\$ 21,507,773
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						54,112,214
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.						2,042,163
Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.						4,688,763
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						(16,756,295)
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.						(3,738,379)
Net position of governmental activities						<u>\$ 61,856,239</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, 2015

	General	Community Center Operation	Recreation Programs	G.O. Improvement Bonds of 2013	Municipal State Aid
Revenues					
Taxes					
General property taxes	\$ 7,008,972	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	-	-	-
Franchise tax	-	-	-	-	-
Special assessments	-	-	-	136,746	10
Licenses and permits	500,102	-	-	-	-
Intergovernmental	541,105	-	-	-	715,783
Charges for services	1,400,266	2,410,658	1,446,360	-	-
Fines and forfeits	52,581	-	-	-	-
Earnings on investments	54,212	18,953	13,214	2,890	32,750
Billboard fees	-	-	-	-	-
Antenna fees	-	-	-	-	-
Park dedication fees	-	-	-	-	-
Other	30,077	12,063	1,606	-	-
Total revenues	<u>9,587,315</u>	<u>2,441,674</u>	<u>1,461,180</u>	<u>139,636</u>	<u>748,543</u>
Expenditures					
Current					
General government	2,122,458	-	-	-	-
Public safety	3,461,565	-	-	-	-
Public works	1,402,373	-	-	-	-
Parks and recreation	1,734,769	2,694,278	1,388,825	-	-
Community development	614,329	-	-	-	-
Capital outlay					
General government	6,265	-	-	-	-
Public safety	-	-	-	-	-
Public works	16,100	-	-	-	13,216
Parks and recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	59,310	-
Fiscal charges	-	-	-	348	-
Total expenditures	<u>9,357,859</u>	<u>2,694,278</u>	<u>1,388,825</u>	<u>59,658</u>	<u>13,216</u>
Revenues over (under) expenditures	<u>229,456</u>	<u>(252,604)</u>	<u>72,355</u>	<u>79,978</u>	<u>735,327</u>
Other financing sources (uses)					
Bond issuance	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	748,000	366,000	72,000	-	-
Transfers out	(797,730)	-	(120,000)	-	-
Total other financing sources (uses)	<u>(49,730)</u>	<u>366,000</u>	<u>(48,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	179,726	113,396	24,355	79,978	735,327
Fund balances (deficits) – January 1	4,447,398	1,193,542	971,782	229,234	843,815
Fund balances (deficits) – December 31	<u>\$ 4,627,124</u>	<u>\$ 1,306,938</u>	<u>\$ 996,137</u>	<u>\$ 309,212</u>	<u>\$ 1,579,142</u>

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

Statement 4

Street Renewal	General Fixed Asset Replacement	Community Investment	Owasso Street Realignment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 945,109	\$ 1,420,223	\$ 55	\$ –	\$ 750,167	\$ –	\$10,124,526
–	–	–	–	1,193,506	–	1,193,506
–	–	790,315	–	604,810	–	1,395,125
23,654	–	–	–	133,829	–	294,239
–	–	–	–	–	–	500,102
–	–	–	–	84,493	–	1,341,381
–	80,368	–	–	548,530	–	5,886,182
–	–	–	–	–	–	52,581
33,401	10,518	22,090	–	86,670	–	274,698
–	–	51,809	–	–	–	51,809
–	–	359,711	–	–	–	359,711
–	–	18,861	–	–	–	18,861
–	32,493	3,575	–	57,111	–	136,925
<u>1,002,164</u>	<u>1,543,602</u>	<u>1,246,416</u>	<u>–</u>	<u>3,459,116</u>	<u>–</u>	<u>21,629,646</u>
–	–	–	–	232,739	–	2,355,197
–	130,744	–	–	–	–	3,592,309
313,347	59,258	–	187,264	589,749	–	2,551,991
–	401,441	41,415	–	–	–	6,260,728
–	–	–	–	829,724	–	1,444,053
–	–	–	–	230,432	–	236,697
–	98,775	–	–	–	–	98,775
–	1,328	42,973	9,307	1,017,685	–	1,100,609
–	48,138	13,878	–	–	–	62,016
–	–	–	–	1,265,000	–	1,265,000
–	–	–	–	266,703	–	326,013
–	–	–	–	9,178	–	9,526
<u>313,347</u>	<u>739,684</u>	<u>98,266</u>	<u>196,571</u>	<u>4,441,210</u>	<u>–</u>	<u>19,302,914</u>
<u>688,817</u>	<u>803,918</u>	<u>1,148,150</u>	<u>(196,571)</u>	<u>(982,094)</u>	<u>–</u>	<u>2,326,732</u>
–	–	–	–	295,000	–	295,000
–	–	–	–	14,637	–	14,637
–	–	–	–	(1,490,000)	–	(1,490,000)
–	4,107	–	–	–	–	4,107
419,730	–	–	–	1,796,227	(2,820,459)	581,498
<u>(789,368)</u>	<u>(358,239)</u>	<u>(175,000)</u>	<u>–</u>	<u>(580,122)</u>	<u>2,820,459</u>	<u>–</u>
<u>(369,638)</u>	<u>(354,132)</u>	<u>(175,000)</u>	<u>–</u>	<u>35,742</u>	<u>–</u>	<u>(594,758)</u>
319,179	449,786	973,150	(196,571)	(946,352)	–	1,731,974
2,400,134	675,302	1,570,408	(907,931)	8,352,115	–	19,775,799
<u>\$ 2,719,313</u>	<u>\$ 1,125,088</u>	<u>\$ 2,543,558</u>	<u>\$ (1,104,502)</u>	<u>\$ 7,405,763</u>	<u>\$ –</u>	<u>\$21,507,773</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, 2015

Statement 5

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

Net changes in fund balances – total governmental funds.	\$ 1,731,974
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.	(637,738)
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.	(16,295)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	(77,566)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,472,660
Long-term pension activity is not reported in governmental funds.	(87,303)
The transfer out of governmental capital assets contributed to enterprise funds.	(112,452)
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.	(1,532)
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.	284,889
Change in net position of governmental activities.	<u>\$ 3,556,637</u>

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

CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

Proprietary Funds

December 31, 2015

Statement 6

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Activities – Internal Service Funds
Assets						
Current assets						
Cash and investments	\$ 3,419,845	\$ 3,651,985	\$ 1,342,553	\$ 208,077	\$ 8,622,460	\$ 1,716,938
Accrued interest receivable	10,022	7,353	2,126	678	20,179	3,854
Accounts receivable						
Customers	512,611	926,926	358,819	83,506	1,881,862	416
Customer accounts certified to county	64,133	102,773	28,709	12,754	208,369	–
Taxes receivable	–	–	–	–	–	4,053
Due from other governmental units	36,000	2,261	76,883	–	115,144	–
Prepaid items	–	149,122	375	–	149,497	–
Total current assets	<u>4,042,611</u>	<u>4,840,420</u>	<u>1,809,465</u>	<u>305,015</u>	<u>10,997,511</u>	<u>1,725,261</u>
Noncurrent assets						
Special assessments receivable	18,511	16,803	3,919	226	39,459	–
Capital assets						
Land	27,577	11,459	286,166	–	325,202	36,293
Buildings and structures	6,733,215	1,916,045	–	–	8,649,260	6,929,379
Machinery and equipment	2,471,025	40,327	8,538	723	2,520,613	5,670,831
Distribution and collection systems	17,786,316	12,241,851	12,847,237	2,278,394	45,153,798	–
Construction in progress	8,670,970	363,122	550,637	105,420	9,690,149	–
Total capital assets	<u>35,689,103</u>	<u>14,572,804</u>	<u>13,692,578</u>	<u>2,384,537</u>	<u>66,339,022</u>	<u>12,636,503</u>
Less accumulated depreciation	<u>(12,915,154)</u>	<u>(7,899,508)</u>	<u>(2,864,352)</u>	<u>(1,078,903)</u>	<u>(24,757,917)</u>	<u>(4,553,881)</u>
Total capital assets (net of accumulated depreciation)	<u>22,773,949</u>	<u>6,673,296</u>	<u>10,828,226</u>	<u>1,305,634</u>	<u>41,581,105</u>	<u>8,082,622</u>
Total noncurrent assets	<u>22,792,460</u>	<u>6,690,099</u>	<u>10,832,145</u>	<u>1,305,860</u>	<u>41,620,564</u>	<u>8,082,622</u>
Total assets	<u>26,835,071</u>	<u>11,530,519</u>	<u>12,641,610</u>	<u>1,610,875</u>	<u>52,618,075</u>	<u>9,807,883</u>
Deferred outflows of resources						
Deferred pension resources	57,056	50,344	23,494	–	130,894	16,781
Liabilities						
Current liabilities						
Accounts payable	69,166	8,105	15,010	11,376	103,657	36,490
Salaries payable	17,353	15,088	8,593	258	41,292	8,312
Contracts payable	1,231,857	3,252	3,150	–	1,238,259	–
Accrued bond interest payable	109,759	30,353	36,917	–	177,029	52,547
Customer deposits payable	36,145	–	–	–	36,145	–
Due to other governmental units	14,990	10,812	339	–	26,141	789
Compensated absences payable	1,762	1,499	563	47	3,871	274
Bonds payable	450,000	175,000	335,000	–	960,000	220,000
Total current liabilities	<u>1,931,032</u>	<u>244,109</u>	<u>399,572</u>	<u>11,681</u>	<u>2,586,394</u>	<u>318,412</u>
Noncurrent liabilities						
Compensated absences payable (net of current portion)	36,366	30,924	11,624	978	79,892	5,664
Bonds payable (net of current portion)	11,204,276	3,051,482	3,088,015	–	17,343,773	4,617,150
Net pension liability	413,643	364,979	170,323	–	948,945	121,660
Total noncurrent liabilities	<u>11,654,285</u>	<u>3,447,385</u>	<u>3,269,962</u>	<u>978</u>	<u>18,372,610</u>	<u>4,744,474</u>
Total liabilities	<u>13,585,317</u>	<u>3,691,494</u>	<u>3,669,534</u>	<u>12,659</u>	<u>20,959,004</u>	<u>5,062,886</u>
Deferred inflows of resources						
Deferred pension resources	50,801	44,825	20,918	–	116,544	14,942
Net position						
Net investment in capital assets	11,135,284	4,342,630	7,660,497	1,305,634	24,444,045	3,245,472
Restricted for trunk facility	–	23,338	–	–	23,338	–
Unrestricted	2,120,725	3,478,576	1,314,155	292,582	7,206,038	1,501,364
Total net position	<u>\$ 13,256,009</u>	<u>\$ 7,844,544</u>	<u>\$ 8,974,652</u>	<u>\$ 1,598,216</u>	<u>31,673,421</u>	<u>\$ 4,746,836</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					58,073	
Net position of business-type activities					<u>\$ 31,731,494</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, 2015

Statement 7

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
Operating revenues						
Customer billings	\$ 2,546,666	\$ 3,940,153	\$ 1,462,729	\$ 520,938	\$ 8,470,486	\$ 1,271,848
Water meter sales	7,042	–	–	–	7,042	–
Other	35,552	5,131	11,756	246	52,685	–
Total operating revenues	<u>2,589,260</u>	<u>3,945,284</u>	<u>1,474,485</u>	<u>521,184</u>	<u>8,530,213</u>	<u>1,271,848</u>
Operating expenses						
MCES sewer service charges	–	1,701,020	–	–	1,701,020	–
Administrative charges	190,740	349,340	91,790	35,010	666,880	–
Personal services	660,203	570,434	283,229	13,226	1,527,092	218,402
Materials and supplies	56,130	45,408	7,844	790	110,172	238,353
Water meters	50,775	–	–	–	50,775	–
Contractual services	340,974	495,245	365,903	37,234	1,239,356	135,508
Utilities	126,682	7,768	1,282	157,729	293,461	24,453
Insurance	5,430	22,455	1,982	218	30,085	22,929
Depreciation	647,552	339,842	260,585	61,482	1,309,461	655,763
Total operating expenses	<u>2,078,486</u>	<u>3,531,512</u>	<u>1,012,615</u>	<u>305,689</u>	<u>6,928,302</u>	<u>1,295,408</u>
Operating income (loss)	<u>510,774</u>	<u>413,772</u>	<u>461,870</u>	<u>215,495</u>	<u>1,601,911</u>	<u>(23,560)</u>
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	207,265
Earnings on investments	48,877	35,796	10,352	3,300	98,325	19,453
Gain on sale of capital assets	–	–	–	–	–	44,577
Loss on disposal of capital assets	–	–	–	(33)	(33)	–
Other	–	–	–	–	–	59,373
Interest	(181,749)	(53,375)	(73,517)	–	(308,641)	(133,091)
Fiscal charges	(119,953)	(20,105)	(14,669)	–	(154,727)	(568)
Total nonoperating revenues (expenses)	<u>(252,825)</u>	<u>(37,684)</u>	<u>(77,834)</u>	<u>3,267</u>	<u>(365,076)</u>	<u>197,009</u>
Income (loss) before contributions and transfers	<u>257,949</u>	<u>376,088</u>	<u>384,036</u>	<u>218,762</u>	<u>1,236,835</u>	<u>173,449</u>
Contributions	<u>148,523</u>	<u>192,775</u>	<u>519,024</u>	<u>38,735</u>	<u>899,057</u>	<u>6,413</u>
Transfers						
Transfers in	–	–	–	–	–	119,400
Transfers out	(345,249)	(181,249)	(152,000)	(22,400)	(700,898)	–
Total transfers	<u>(345,249)</u>	<u>(181,249)</u>	<u>(152,000)</u>	<u>(22,400)</u>	<u>(700,898)</u>	<u>119,400</u>
Change in net position	<u>61,223</u>	<u>387,614</u>	<u>751,060</u>	<u>235,097</u>	<u>1,434,994</u>	<u>299,262</u>
Net position – January 1, as restated (see Note 1V)	<u>13,194,786</u>	<u>7,456,930</u>	<u>8,223,592</u>	<u>1,363,119</u>	<u>30,238,427</u>	<u>4,447,574</u>
Net position – December 31	<u>\$ 13,256,009</u>	<u>\$ 7,844,544</u>	<u>\$ 8,974,652</u>	<u>\$ 1,598,216</u>	<u>\$ 31,673,421</u>	<u>\$ 4,746,836</u>
Net changes in net position reported above					\$ 1,434,994	
Amounts reported for business-type activities in the Statement of Activities are different because:						
Transfer in of capital assets from governmental activities.					112,452	
Governmental activities contribution revenue reported above					(112,452)	
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.					14,373	
Change in net position of business-type activities					<u>\$ 1,449,367</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, 2015

Statement 8

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 2,709,550	\$ 3,900,136	\$ 1,456,841	\$ 514,571	\$ 8,581,098	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,271,848
Payments to suppliers	(556,727)	(2,427,864)	(377,051)	(199,346)	(3,560,988)	(415,354)
Payments to employees	(645,580)	(557,902)	(277,046)	(13,102)	(1,493,630)	(213,812)
Payments for interfund services used	(190,740)	(349,340)	(91,790)	(35,010)	(666,880)	–
Miscellaneous revenue	–	–	–	–	–	66,513
Net cash flows from operating activities	<u>1,316,503</u>	<u>565,030</u>	<u>710,954</u>	<u>267,113</u>	<u>2,859,600</u>	<u>709,195</u>
Cash flows from noncapital financing activities						
Transfer to other funds	(345,249)	(181,249)	(152,000)	(22,400)	(700,898)	–
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	–	–	–	–	–	120,882
Proceeds from the sale of bonds	7,091,714	1,705,635	888,882	–	9,686,231	–
Acquisition and construction of capital assets	(7,529,186)	(595,924)	(310,581)	(232,684)	(8,668,375)	(555,561)
Receipts from taxpayers	–	–	–	–	–	204,605
Transfers from other funds	–	–	–	–	–	119,400
Contributions	17,387	16,650	32,983	–	67,020	38,479
Principal paid on capital debt	(1,410,000)	(915,000)	(610,000)	–	(2,935,000)	(5,025,000)
Interest and paying agent fees on capital debt	(279,329)	(75,306)	(96,259)	–	(450,894)	(202,192)
Net cash flows from capital and related financing activities	<u>(2,109,414)</u>	<u>136,055</u>	<u>(94,975)</u>	<u>(232,684)</u>	<u>(2,301,018)</u>	<u>(5,299,387)</u>
Cash flows from investing activities						
Earnings on investments	50,179	35,205	10,599	3,408	99,391	19,569
Net change in cash and cash equivalents	(1,087,981)	555,041	474,578	15,437	(42,925)	(4,570,623)
Cash and cash equivalents – January 1	4,507,826	3,096,944	867,975	192,640	8,665,385	6,287,561
Cash and cash equivalents – December 31	<u>\$ 3,419,845</u>	<u>\$ 3,651,985</u>	<u>\$ 1,342,553</u>	<u>\$ 208,077</u>	<u>\$ 8,622,460</u>	<u>\$ 1,716,938</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	\$ 510,774	\$ 413,772	\$ 461,870	\$ 215,495	\$ 1,601,911	\$ (23,560)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	–	–	–	–	–	59,373
Depreciation	647,552	339,842	260,585	61,482	1,309,461	655,763
Decrease (increase) in receivables	120,290	(45,148)	(17,644)	(6,613)	50,885	8,199
Decrease (increase) in prepaid items	394	(147,549)	(233)	16	(147,372)	1,651
Decrease (increase) in deferred outflows	(40,070)	(35,356)	(16,501)	–	(91,927)	(11,785)
Increase (decrease) in payables	26,762	(5,356)	1,959	(3,267)	20,098	4,612
Increase (decrease) in deferred inflows	50,801	44,825	20,918	–	116,544	14,942
Total adjustments	<u>805,729</u>	<u>151,258</u>	<u>249,084</u>	<u>51,618</u>	<u>1,257,689</u>	<u>732,755</u>
Net cash flows from operating activities	<u>\$ 1,316,503</u>	<u>\$ 565,030</u>	<u>\$ 710,954</u>	<u>\$ 267,113</u>	<u>\$ 2,859,600</u>	<u>\$ 709,195</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets –						
Governmental funds	\$ –	\$ –	\$ 112,452	\$ –	\$ 112,452	\$ –
External	100,000	180,000	300,000	38,735	618,735	–
Capital asset purchase on account –						
Accounts payable	(77,976)	(5,825)	960	–	(82,841)	508
Contracts payable	1,231,857	3,252	3,150	–	1,238,259	–
Due from other governmental units –						
Contribution	31,136	(3,875)	73,589	–	100,850	(32,066)
Taxes receivable	–	–	–	–	–	2,660

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

CITY OF SHOREVIEW, MINNESOTA

Statement of Assets and Liabilities

Agency Fund

December 31, 2015

Statement 9

Assets	
Cash and investments	\$ 402,635
Accrued interest receivable	870
Total assets	<u>\$ 403,505</u>
Liabilities	
Deposits payable	<u>\$ 403,505</u>

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

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2015

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.

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, 2015

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

The government reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The government reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

D. BUDGETS

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

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

E. LEGAL COMPLIANCE – BUDGETS

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

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation 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.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Nonmajor funds			
Special revenue fund			
Slice of Shoreview Event	\$ 67,485	\$ 67,608	\$ 123
Economic Development Authority	85,880	97,443	11,563

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

F. CASH AND INVESTMENTS

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

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

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

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

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 IH and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. PROPERTY TAX REVENUE RECOGNITION

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

GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2015 totaled \$961,007. 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.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2015

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

J. INVENTORIES

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

K. PREPAID ITEMS

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

L. PROPERTY HELD FOR RESALE

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

M. CAPITAL ASSETS

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2015, no interest was capitalized in connection with construction in progress.

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

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

N. COMPENSATED ABSENCES

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

O. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing 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.

P. FUND BALANCE CLASSIFICATIONS/FLOW ASSUMPTIONS

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

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

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

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

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

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

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

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

Q. NET POSITION CLASSIFICATIONS/FLOW ASSUMPTIONS

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

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

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

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

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

R. INTERFUND TRANSACTIONS

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

S. USE OF ESTIMATES

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

T. DEFERRED 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, 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.

CITY OF SHOREVIEW

Notes to Financial Statements

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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 required to be used. This item is reported both in the governmental fund balance sheet and the government-wide Statement of Net Position as a deferred inflow of resources.

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, and difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

U. 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.

V. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. These statements included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of December 31, 2014. The details of the restatement are as follows:

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Fund	Net Position January 1, 2015 as Previously Reported	Prior Period Adjustment		Net Position January 1, 2015 as Restated
		Deferred Outflow	Net Pension Liability	
Governmental activities	\$ 62,067,700	\$ 160,867	\$ (3,928,965)	\$ 58,299,602
Business-type activities	\$ 31,194,896	\$ 38,967	\$ (951,736)	\$ 30,282,127
Proprietary funds				
Enterprise funds				
Water	\$ 13,592,660	\$ 16,986	\$ (414,860)	\$ 13,194,786
Sewer	7,807,995	14,988	(366,053)	7,456,930
Surface Water	8,387,422	6,993	(170,823)	8,223,592
Street Lights	1,363,119	-	-	1,363,119
Total enterprise funds	\$ 31,151,196	\$ 38,967	\$ (951,736)	\$ 30,238,427
Internal service funds				
Short-Term Disability Self- Insurance	\$ 41,948	\$ -	\$ -	\$ 41,948
Liability Claims	207,885	-	-	207,885
Central Garage	4,314,763	4,996	(122,018)	4,197,741
Total internal service funds	\$ 4,564,596	\$ 4,996	\$ (122,018)	\$ 4,447,574

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 (\$16,756,295) difference are as follows:

Long-term debt payable	\$ (16,095,000)
Issuance premium	(233,633)
Accrued interest payable	(113,849)
Compensated absences	<u>(313,813)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (16,756,295)</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 assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.” The details of this \$4,688,763 difference are as follows:

Net position of the internal service funds	\$ 4,746,836
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(43,700)
Add: Internal payable representing charges in excess of costs to business-type activities – current year	<u>(14,373)</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ 4,688,763</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 (\$3,738,379) difference are as follows:

Deferred outflows of pension resources	\$ 523,575
Long-term net pension liability	(3,795,780)
Deferred inflows of pension resources	<u>(466,174)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (3,738,379)</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 (\$637,738) difference are as follows:

Capital outlay	\$ 1,498,097
Developer contributions	238,000
Depreciation expense	<u>(2,373,835)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (637,738)</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 (\$77,566) difference are as follows:

General property taxes deferred inflow of resources	
At December 31, 2014	\$ (108,252)
At December 31, 2015	79,112
Special assessments deferred inflow of resources	
At December 31, 2014	(2,011,477)
At December 31, 2015	<u>1,963,051</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (77,566)</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 \$2,472,660 difference are as follows:

Debt issued or incurred	
General obligation improvement bonds of 2015	\$ (295,000)
Principal repayments	
General obligation improvement bonds	235,000
General obligation tax increment bonds	350,000
General obligation capital improvement plan bonds	120,000
General obligation street reconstruction bonds	1,690,000
Certificates of participation	360,000
Premium/discount on debt issuance	<u>12,660</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,472,660</u>

CITY OF SHOREVIEW
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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 (\$1,532) difference are as follows:

Compensated absences	\$ (33,991)
Accrued interest	<u>32,459</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (1,532)</u></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.

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

At year-end, the carrying amount of the City's deposits was (\$117,828) and the bank balance was \$160,093. The entire bank balance was covered by federal depository insurance.

B. INVESTMENTS

As of December 31, 2015, the City had the following cash and investments:

Investment Type	Concentration	Interest Risk – Maturity Duration in Years				Carrying Amount at Fair Value
	Risk Over 5% of Portfolio	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
Federal National Mortgage Association	6.0%	\$ 2,000,110	\$ –	\$ –	\$ –	\$ 2,000,110
Federal Home Loan Bank	7.9%	1,643,630	993,614	–	–	2,637,244
Federal Home Loan Mortgage Corporation	4.3%	500,180	947,864	–	–	1,448,044
Municipal bonds	**	823,781	4,072,771	860,470	–	5,757,022
Marketable certificates of deposit	N/A	845,352	5,719,485	246,747	476,043	7,287,627
Money market funds						
Minnesota Municipal Money Market	N/A	14,230,168	–	–	–	14,230,168
MSILF Government Cash Management Fund	N/A	72,620	–	–	–	72,620
Wells Fargo Advantage Government Money Market Fund	N/A	56,688	–	–	–	56,688
Total investments		<u>\$ 20,172,529</u>	<u>\$ 11,733,734</u>	<u>\$ 1,107,217</u>	<u>\$ 476,043</u>	<u>33,489,523</u>
Deposits						(117,828)
Petty cash						12,070
Totals						<u>\$ 33,383,765</u>
Government-wide Statement of Net Position						
Cash and investments						\$ 32,981,130
Statement of Assets and Liabilities – Agency Fund						
Cash and investments						402,635
Totals						<u>\$ 33,383,765</u>

** – Individual bonds less than 5%

N/A – Not Applicable

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

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

CITY OF SHOREVIEW

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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.

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, 2015, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the MSILF Government Cash Management Fund shares, and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s

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investments in municipal bonds were rated Aaa, Aa, A and MIG1 by Moody's Investors Service, Inc. and AA by Standard & Poor's Ratings Services in the amount of \$497,845, \$1,422,710, \$732,516, \$403,336 and \$2,700,615, respectively.

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, 2015 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 3,841	\$ –	\$ –	\$ 31,250	\$ –	\$ 35,091
G.O. Improvement Bonds of 2013	–	–	–	–	1,455,978	1,455,978
Street Renewal	–	–	–	4,162	49,626	53,788
General Fixed Asset Replacement	–	–	–	6,245	–	6,245
Community Investment	–	–	–	52	–	52
Water	–	14,389	47,164	–	15,993	77,546
Sewer	–	23,057	84,217	–	13,971	121,245
Surface Water	–	6,441	32,307	–	3,151	41,899
Street Lights	–	2,861	11,398	–	–	14,259
Nonmajor governmental funds	–	–	–	4,179	333,177	337,356
	<u>\$ 3,841</u>	<u>\$ 46,748</u>	<u>\$ 175,086</u>	<u>\$ 45,888</u>	<u>\$ 1,871,896</u>	<u>\$ 2,143,459</u>

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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ -	\$ -	\$ -	\$ 7,724,345
Construction in progress	2,307,313	1,073,865	-	(1,544,550)	1,836,628
Total capital assets, not being depreciated	<u>10,031,658</u>	<u>1,073,865</u>	<u>-</u>	<u>(1,544,550)</u>	<u>9,560,973</u>
Capital assets, being depreciated					
Building and structures	34,945,124	118,448	8,349	365,071	35,420,294
Machinery and equipment	8,366,128	749,401	288,338	-	8,827,191
Infrastructure	58,912,093	238,000	168,052	1,179,479	60,161,520
Total capital assets, being depreciated	<u>102,223,345</u>	<u>1,105,849</u>	<u>464,739</u>	<u>1,544,550</u>	<u>104,409,005</u>
Less accumulated depreciation for					
Building and structures	10,918,219	846,465	8,349	-	11,756,335
Machinery and equipment	4,282,392	558,432	212,033	-	4,628,791
Infrastructure	33,917,072	1,624,701	151,757	-	35,390,016
Total accumulated depreciation	<u>49,117,683</u>	<u>3,029,598</u>	<u>372,139</u>	<u>-</u>	<u>51,775,142</u>
Total capital assets being depreciated – net	<u>53,105,662</u>	<u>(1,923,749)</u>	<u>92,600</u>	<u>1,544,550</u>	<u>52,633,863</u>
Governmental activities capital assets – net	<u>\$ 63,137,320</u>	<u>\$ (849,884)</u>	<u>\$ 92,600</u>	<u>\$ -</u>	<u>\$ 62,194,836</u>
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 325,202	\$ -	\$ -	\$ -	\$ 325,202
Construction in progress	1,804,457	9,936,245	-	(2,050,553)	9,690,149
Total capital assets, not being depreciated	<u>2,129,659</u>	<u>9,936,245</u>	<u>-</u>	<u>(2,050,553)</u>	<u>10,015,351</u>
Capital assets, being depreciated					
Building and structures	8,400,224	-	-	249,036	8,649,260
Machinery and equipment	2,520,613	-	-	-	2,520,613
Distribution and collection systems	42,749,542	618,735	15,996	1,801,517	45,153,798
Total capital assets, being depreciated	<u>53,670,379</u>	<u>618,735</u>	<u>15,996</u>	<u>2,050,553</u>	<u>56,323,671</u>
Less accumulated depreciation for					
Building and structures	3,599,993	257,043	-	-	3,857,036
Machinery and equipment	551,973	100,906	-	-	652,879
Distribution and collection systems	19,312,453	951,512	15,963	-	20,248,002
Total accumulated depreciation	<u>23,464,419</u>	<u>1,309,461</u>	<u>15,963</u>	<u>-</u>	<u>24,757,917</u>
Total capital assets being depreciated – net	<u>30,205,960</u>	<u>(690,726)</u>	<u>33</u>	<u>2,050,553</u>	<u>31,565,754</u>
Business-type activities capital assets – net	<u>\$ 32,335,619</u>	<u>\$ 9,245,519</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 41,581,105</u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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

Governmental activities	
General government	\$ 172,672
Public safety	84,643
Public works	1,623,540
Parks and recreation	492,980
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>655,763</u>
Total depreciation expense – governmental activities	<u>\$ 3,029,598</u>
Business-type activities	
Water	\$ 647,552
Sewer	339,842
Surface water	260,585
Street lights	<u>61,482</u>
Total depreciation expense – business-type activities	<u>\$ 1,309,461</u>

COMMITMENTS

At December 31, 2015, 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>
Water Treatment Plant	\$ 3,458,633
Turtle Lane/Schifsky Road Reconstruction	<u>2,740</u>
Total construction commitments	<u>\$ 3,461,373</u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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, 2015, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2015
G.O. improvement bonds					
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50-4.375 %	\$ 330,000	\$ 240,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00-4.00	235,000	150,000
2013 Refunding Improvement Bonds	03/06/2013	02/01/2022	2.00	235,000	120,000
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00-4.00	1,775,000	1,775,000
2014 Refunding Improvement Bonds	12/04/2014	02/01/2022	2.00-3.00	100,000	100,000
2015 Improvement Bonds	09/17/2015	02/01/2026	2.00-4.00	295,000	295,000
Total G.O. improvement bonds				<u>2,970,000</u>	<u>2,680,000</u>
Other G.O. improvement bonds					
G.O. Refunding Capital Improvement Plan Bonds of 2013	03/06/2013	02/01/2020	2.00	750,000	630,000
G.O. Refunding Street Reconstruction Bonds of 2013	03/06/2013	02/01/2022	2.00	1,380,000	1,380,000
G.O. Street Reconstruction Bonds of 2013	03/06/2013	02/01/2028	2.00-2.375	2,415,000	2,130,000
G.O. Capital Improvement Plan Refunding Bonds of 2014	12/04/2014	02/01/2030	2.00-3.00	4,670,000	4,670,000
Total other G.O. improvement bonds				<u>9,215,000</u>	<u>8,810,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	<u>400,783</u>
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	<u>6,000,000</u>	<u>6,000,000</u>
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00-3.75	<u>4,620,000</u>	<u>3,275,000</u>
Compensated absences	N/A	N/A	N/A	N/A	319,751
Net pension liability	N/A	N/A	N/A	N/A	3,917,440
Total city indebtedness – governmental activities				<u>\$ 22,805,000</u>	<u>\$ 25,402,974</u>

N/A – Not Applicable

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

BUSINESS-TYPE ACTIVITIES

As of December 31, 2015, the business-type activities long-term debt of the City consisted of the following:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding 12/31/2015</u>
G.O. revenue bonds					
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15 %	\$ 845,000	\$ 515,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	260,000	160,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	600,000	365,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	2,365,000	1,665,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	580,000	410,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	230,000	165,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00-4.00	1,180,000	685,000
Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	610,000	465,000
Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	775,000	635,000
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	305,000	275,000
Sewer Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	285,000	185,000
Surface Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2016	2.00	155,000	50,000
Surface Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	960,000	780,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	175,000
Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	915,000	915,000
Sewer Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	730,000	730,000
Surface Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	265,000	265,000
Water Revenue Bonds of 2015	09/17/2015	02/01/2036	2.00-4.00	6,885,000	6,885,000
Sewer Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	1,650,000	1,650,000
Surface Water Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	860,000	860,000
Total G.O. revenue bonds				<u>20,645,000</u>	<u>17,835,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	468,773
Compensated absences payable	N/A	N/A	N/A	N/A	83,763
Net pension liability	N/A	N/A	N/A	N/A	948,945
Total city indebtedness – business-type activities				<u>\$ 20,645,000</u>	<u>\$ 19,336,481</u>

N/A – Not Applicable

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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
2016	\$ 200,000	\$ 83,476	\$ 685,000	\$ 204,731	\$ 365,000	\$ 102,935
2017	175,000	79,066	720,000	190,682	375,000	94,540
2018	185,000	73,623	740,000	176,080	390,000	84,978
2019	175,000	68,197	760,000	159,682	400,000	74,058
2020	190,000	62,667	765,000	141,606	415,000	62,057
2021	195,000	56,604	660,000	124,432	430,000	48,155
2022	175,000	50,729	685,000	107,930	440,000	33,750
2023	150,000	45,441	485,000	94,282	460,000	17,250
2024	160,000	40,454	495,000	83,462	-	-
2025	170,000	35,441	505,000	71,800	-	-
2026	115,000	31,230	515,000	58,638	-	-
2027	80,000	28,320	525,000	44,256	-	-
2028	85,000	25,680	540,000	29,422	-	-
2029	85,000	22,960	360,000	16,500	-	-
2030	90,000	19,800	370,000	5,550	-	-
2031	85,000	16,300	-	-	-	-
2032	85,000	12,900	-	-	-	-
2033	90,000	9,400	-	-	-	-
2034	95,000	5,700	-	-	-	-
2035	95,000	1,900	-	-	-	-
Total	<u>\$ 2,680,000</u>	<u>\$ 769,888</u>	<u>\$ 8,810,000</u>	<u>\$ 1,509,053</u>	<u>\$ 3,275,000</u>	<u>\$ 517,723</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
December 31, 2015

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
2016	\$ 960,000	\$ 474,371
2017	1,210,000	474,677
2018	1,340,000	435,576
2019	1,390,000	396,615
2020	1,415,000	357,371
2021	1,450,000	314,235
2022	1,365,000	269,839
2023	1,320,000	225,384
2024	1,020,000	188,449
2025	1,000,000	160,925
2026	740,000	138,806
2027	555,000	124,328
2028	565,000	111,159
2029	585,000	96,054
2030	595,000	80,275
2031	615,000	64,238
2032	320,000	51,455
2033	330,000	41,613
2034	340,000	30,725
2035	355,000	18,988
2036	365,000	6,387
Total	<u>\$ 17,835,000</u>	<u>\$ 4,061,470</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
Notes to Financial Statements
December 31, 2015

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 2,620,000	\$ 295,000	\$ 235,000	\$ 2,680,000	\$ 200,000
G.O. tax increment bonds	350,000	-	350,000	-	-
Other G.O. improvement bonds	15,645,000	-	6,835,000	8,810,000	685,000
Premium	425,312	14,637	39,166	400,783	-
Total bonds payable	<u>19,040,312</u>	<u>309,637</u>	<u>7,459,166</u>	<u>11,890,783</u>	<u>885,000</u>
Loans payable	6,000,000	-	-	6,000,000	-
Certificates of participation	3,635,000	-	360,000	3,275,000	365,000
Compensated absences	286,288	377,761	344,298	319,751	14,775
Net pension liability	-	* 4,887,831	970,391	3,917,440	-
Total governmental activity long-term liabilities	<u>\$ 28,961,600</u>	<u>\$ 5,575,229</u>	<u>\$ 9,133,855</u>	<u>\$ 25,402,974</u>	<u>\$ 1,264,775</u>
Business-type activities					
G.O. revenue bonds	\$ 11,375,000	\$ 9,395,000	\$ 2,935,000	\$ 17,835,000	\$ 960,000
Premium	207,603	291,232	30,062	468,773	-
Total bonds payable	<u>11,582,603</u>	<u>9,686,232</u>	<u>2,965,062</u>	<u>18,303,773</u>	<u>960,000</u>
Compensated absences	79,384	94,579	90,200	83,763	3,871
Net pension liability	-	* 1,184,008	235,063	948,945	-
Total business-type activity long-term liabilities	<u>\$ 11,661,987</u>	<u>\$ 10,964,819</u>	<u>\$ 3,290,325</u>	<u>\$ 19,336,481</u>	<u>\$ 963,871</u>

* Includes January 1, 2015 pension liability balance related to GASB Statement No. 68 implementation.
See Note 1V for further details.

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, 2015 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2015 totaled \$315.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2015

BOND REFUNDING

On March 6, 2013 the City issued the \$2,910,000 General Obligation Refunding Bonds, Series 2013B, with an average interest rate of 2 percent, and refunded \$760,000 of the 2004 General Obligation Capital Improvement Plan Bonds with an average interest rate of 3.17 percent, \$100,000 of the 2006 General Obligation Improvement Bonds with an average interest rate of 3.86 percent, \$520,000 of the 2006 General Obligation Water Revenue Bonds with an average interest rate of 3.89 percent, \$165,000 of the 2006 General Obligation Sewer Revenue Bonds with an average interest rate of 3.89 percent and \$1,385,000 of the 2006 General Obligation Street Reconstruction Bonds with an average interest rate of 2.84 percent. The refunding resulted in a gross debt service savings of \$65,598, \$7,995, \$53,835, \$14,400, and \$132,035 over the next nine years and an economic gain of \$62,985, \$7,521, \$50,899, \$13,850, and \$124,482 for the 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, 2006 General Obligation Sewer Revenue, and 2006 General Obligation Street Reconstruction Bonds, respectively. The 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, and 2006 General Obligation Sewer Revenue Bonds were called for redemption on February 1, 2014. The 2006 General Obligation Street Reconstruction Bonds were called for redemption on February 1, 2015. Both the refunding and refunded debt were reported in the City's financial statements until the call date of the refunded debt.

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

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, 2015. Future scheduled tax levies for all bonds outstanding at December 31, 2015 totaled \$10,018,977.

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

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2015

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, 2015, there is one industrial revenue bond outstanding, with an aggregate principal amount payable of \$1,207,079.

CONTINGENT NOTE PAYABLE

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

TIF District #4

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2015, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$420,804.

TIF District #6

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2015, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,342,424, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

TIF District #7

Within TIF District #7, there is a pay-as-you-go agreement. As of December 31, 2015, future tax increment flow will be used to pay Tax Increment Agreement (Series 2014) up to a maximum amount of \$528,639.

TIF District #8

Within TIF District #8, there is a pay-as-you-go agreement. As of December 31, 2015, future tax increment flow will be used to pay Tax Increment Agreement (Series 2015) up to a maximum amount of \$1,925,343.

TIF District #9

Within TIF District #9, there is a pay-as-you-go agreement. As of December 31, 2015, future tax increment flow will be used to pay Tax Increment Agreement (Series 2014) up to a maximum amount of \$453,660.

PLEDGED REVENUE

The City has issued Certificates of Participation, Capital Improvement, and Utility Improvement bonds for the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2015 the following pledges were in place:

CITY OF SHOREVIEW

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December 31, 2015

G.O. Capital Improvement Plan Refunding Bonds of 2014

The City pledged \$1,036,089 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond Credit, capital contributions and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation, Refunding Bonds were issued in 2014 and the 2010 bonds were called for redemption in 2015. The 2014 Refunding Bonds have a final maturity date of February 1, 2030. The pledged revenues represent 64 percent of the revenue stream, and \$5,731,856 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$910,477 of operating revenue, Federal Build America Bond Credit and earnings on investments to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2015 to finance water system infrastructure improvements and has a final maturity date of years 2016–2036. The pledged revenues represent 34 percent of the revenue stream, and \$14,299,445 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$508,484 of operating revenue Federal Build America Bond Credit and earnings on investments to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2015 to finance sewer system infrastructure improvements and it has a final maturity date of years 2016–2031. The pledged revenues represent 13 percent of the revenue stream, and \$3,748,263 of the pledge commitment remains outstanding.

G.O. Surface Water Revenue Bonds

The City pledged \$799,831 of operating revenue, Federal Build America Bond Credit earnings on investments, and capital contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2015 to finance surface water system infrastructure improvements and it has a final maturity date of years 2016–2031. The pledged revenues represent 47 percent of the revenue stream, and \$3,848,762 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$462,326 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 \$3,792,723 of the pledge commitment remains outstanding.

CITY OF SHOREVIEW
Notes to Financial Statements
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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	\$ 1,613,504	\$ 577,415	\$ 1,036,089	\$ 250,000	\$ 133,659	\$ 383,659
G.O. Water Revenue Bonds	2,686,660	1,776,183 *	910,477	465,000	301,702	766,702
G.O. Sewer Revenue Bonds	3,881,403	3,372,919 *	508,484	165,000	73,480	238,480
G.O. Surface Water Revenue Bonds	1,703,861	904,030 *	799,831	335,000	88,186	423,186
Refunding Certificates of Participation of 2011	462,326	– *	462,326	360,000	112,315	472,315
	<u>\$ 10,347,754</u>	<u>\$ 6,630,547</u>	<u>\$ 3,717,207</u>	<u>\$ 1,575,000</u>	<u>\$ 709,342</u>	<u>\$ 2,284,342</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 plan administered by the PERA. 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 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 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

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2015. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2015. The City's contribution to the GERF for the year ended December 31, 2015 was \$417,738. The City's contribution was equal to the required contribution as set by state statute.

D. Pension Costs

GERF Pension Costs

At December 31, 2015, the City reported a liability of \$4,866,385 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2015, the City's proportionate share was 0.0939 percent, which was a decrease of 0.01 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$529,666 for its proportionate share of the GERF's pension expense.

At December 31, 2015, 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:

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 245,348
Differences between projected and actual investment earnings	460,678	-
Changes in proportion	-	352,312
Contributions paid to the PERA subsequent to the measurement date	210,572	-
Total	<u>\$ 671,250</u>	<u>\$ 597,660</u>

Deferred outflows of resources reported \$210,572 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2016	\$ (84,051)
2017	(84,051)
2018	(84,051)
2019	115,171

E. Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%	per year
Active member payroll growth	3.50%	per year
Investment rate of return	7.90%	per year

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st until 2034, then 2.5 percent for GERP.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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 arithmetic 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	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

F. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in the statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 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 (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
The City's proportionate share of the GERP net pension liability	\$ 7,651,688	\$ 4,866,385	\$ 2,566,154

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’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

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	
2015	\$ 1,508	\$ 1,508	5%	5%	5%
2014	1,477	1,477	5%	5%	5%
2013	1,477	1,477	5%	5%	5%

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

Note 9 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivable and payable balances at December 31, 2015 are as follows:

Fund	Receivable	Payable
Major funds		
Owasso Street Realignment	\$ -	\$ 1,273,633
Nonmajor governmental funds	<u>1,273,633</u>	<u>-</u>
Total	<u>\$ 1,273,633</u>	<u>\$ 1,273,633</u>

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

Interfund transfers:

Transfers out	Transfer In						Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 246,000	\$ 72,000	\$ 419,730	\$ 60,000	\$ -	\$ 797,730
Recreation Programs Fund	-	120,000	-	-	-	-	120,000
Street Renewal Fund	-	-	-	-	789,368	-	789,368
General Fixed Asset Replacement Fund	-	-	-	-	358,239	-	358,239
Community Investment	-	-	-	-	175,000	-	175,000
Nonmajor governmental funds	167,000	-	-	-	413,122	-	580,122
Water Fund	302,000	-	-	-	249	43,000	345,249
Sewer Fund	138,000	-	-	-	249	43,000	181,249
Surface Water Fund	121,000	-	-	-	-	31,000	152,000
Street Lights Fund	20,000	-	-	-	-	2,400	22,400
Total transfers out	<u>\$ 748,000</u>	<u>\$ 366,000</u>	<u>\$ 72,000</u>	<u>\$ 419,730</u>	<u>\$ 1,796,227</u>	<u>\$ 119,400</u>	<u>\$ 3,521,357</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 2015 transfers are considered routine and consistent with previous practices.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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 2015.

The net book value of assets under capital lease at December 31, 2015 is as follows:

	December 31, 2015
	<u> </u>
Building and structures	\$ 5,359,094
Accumulated depreciation	<u>(944,972)</u>
Net	<u><u>\$ 4,414,122</u></u>

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

Year	Community Center Expansion
<u> </u>	<u> </u>
2016	\$ 467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	<u>477,250</u>
Total	3,792,723
Less amount representing interest	<u>(517,723)</u>
Present value of minimum lease payments	<u><u>\$ 3,275,000</u></u>

Note 11 OPERATING LEASE PAYABLE

During 2015 the City leased three copier machines under one lease agreement. The lease expires in August 2018, and calls for monthly lease payments of \$1,947. During 2015 the City leased eight treadmills, eight elliptical machines, and four adaptive motion trainers under three separate lease agreements for the community center. One lease expired in February of 2015 and two in September of 2016, and call for monthly lease payments of \$1,089, \$1,484 and \$1,320, respectively. Lease expenditures for the year ended December 31, 2015 amounted to \$34,738.

Future minimum annual lease payments at December 31, 2015 are as follows:

<u>Year Ending December 31,</u>	<u>Copiers</u>	<u>Exercise Equipment</u>	<u>Total</u>
2016	\$ 23,364	\$ 26,557	\$ 49,921
2017	23,364	-	23,364
2018	15,576	-	15,576
Total	<u>\$ 62,304</u>	<u>\$ 26,557</u>	<u>\$ 88,861</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, 2015.

D. TAX INCREMENT DISTRICTS

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

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

Note 13 FUND BALANCES

A. CLASSIFICATIONS

At December 31, 2015, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds	Major Debt Service Funds	Major Capital Project Funds	Other Funds	Total
Nonspendable						
Prepaid items	\$ 11,164	\$ 1,295	\$ -	\$ -	\$ 2,630	\$ 15,089
Restricted for						
Business loan program	-	-	-	-	165,777	165,777
Cable television	-	-	-	-	280,157	280,157
Debt service	-	-	309,212	-	1,326,750	1,635,962
Economic development	-	-	-	-	37,447	37,447
Housing and redevelopment	-	-	-	-	103,180	103,180
Recycling	-	-	-	-	352,762	352,762
Tax increment purposes	-	-	-	-	3,644,871	3,644,871
Total restricted	-	-	309,212	-	5,910,944	6,220,156
Committed to						
Community center operations	-	1,305,742	-	-	-	1,305,742
Recreation programs	-	996,038	-	-	-	996,038
Street improvements	-	-	-	2,719,313	-	2,719,313
Capital asset replacements	-	-	-	1,125,088	-	1,125,088
Community projects	-	-	-	2,543,558	-	2,543,558
Cable TV	-	-	-	-	188,023	188,023
Slice of Shoreview event	-	-	-	-	79,250	79,250
Total committed	-	2,301,780	-	6,387,959	267,273	8,957,012
Assigned to						
Debt service	-	-	-	-	1,192,101	1,192,101
Street improvements	-	-	-	1,579,142	-	1,579,142
Computer systems	-	-	-	-	32,815	32,815
Total assigned	-	-	-	1,579,142	1,224,916	2,804,058
Unassigned	4,615,960	-	-	(1,104,502)	-	3,511,458
Total	\$ 4,627,124	\$ 2,303,075	\$ 309,212	\$ 6,862,599	\$ 7,405,763	\$ 21,507,773

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

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

The policy establishes a year-end targeted unassigned fund balance for working capital needs at 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, 2015, 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.

C. DEFICIT FUND BALANCES

The City had deficit fund balances at December 31, 2015 as follows:

	<u>Amount</u>
Major Funds	
Capital Project	
Owasso Street Realignment	\$ 1,104,502

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

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2015

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, 2015 the EDA issued seventeen 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, 2015 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2016	\$ 30,409
2017	30,409
2018	30,313
2019	29,249
2020	28,854
2021	21,030
2022	15,083
2023	11,637
2024	6,114
2025	<u>3,566</u>
Total	206,664
Less amount representing interest	<u>(35,676)</u>
Total loan receivable	<u><u>\$ 170,988</u></u>

Note 15 SUBSEQUENT EVENTS

The City issued the \$7,605,000 General Obligation Utility Revenue Bonds, Series 2016A dated January 14, 2016.

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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, 2015

Statement 10
Page 1 of 2

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 7,023,335	\$ 7,002,663	\$ (20,672)
Other	–	6,309	6,309
Total general property taxes	<u>7,023,335</u>	<u>7,008,972</u>	<u>(14,363)</u>
Licenses and permits			
Business	33,100	36,565	3,465
Non-business	297,000	463,537	166,537
Total licenses and permits	<u>330,100</u>	<u>500,102</u>	<u>170,002</u>
Intergovernmental			
State			
Road maintenance	215,000	238,594	23,594
Market value homestead credit	–	130	130
PERA aid	20,122	20,122	–
State fire aid	219,410	279,447	60,037
Local			
Aggregate gravel tax	500	2,812	2,312
Total intergovernmental	<u>455,032</u>	<u>541,105</u>	<u>86,073</u>
Charges for services			
General government	600	3,046	2,446
Public works	351,500	313,419	(38,081)
Parks and recreation	4,500	7,883	3,383
Community development	62,000	80,850	18,850
Administrative charges			
Special revenue funds	108,330	108,330	–
Capital project funds	110,000	219,858	109,858
Enterprise funds	666,880	666,880	–
Total charges for services	<u>1,303,810</u>	<u>1,400,266</u>	<u>96,456</u>
Fines and forfeits	48,800	52,581	3,781
Earnings on investments	50,000	54,212	4,212
Other	26,227	30,077	3,850
Total revenues	<u>9,237,304</u>	<u>9,587,315</u>	<u>350,011</u>
Expenditures			
General government			
Current			
Council and Commissions	151,925	144,762	7,163
Administration	553,955	550,877	3,078
Human resources	290,010	256,915	33,095
Elections	4,000	1,498	2,502
Communications	215,944	213,206	2,738
Finance and accounting	545,070	520,585	24,485
Information systems	346,344	323,618	22,726
Legal	125,000	110,997	14,003
Capital outlay			
Information systems	–	6,265	(6,265)
Total general government	<u>2,232,248</u>	<u>2,128,723</u>	<u>103,525</u>

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 For The Year Ended December 31, 2015

Statement 10
Page 2 of 2

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	2,064,925	2,044,230	20,695
Fire	1,354,780	1,414,747	(59,967)
Emergency services	5,130	2,588	2,542
Total public safety	<u>3,424,835</u>	<u>3,461,565</u>	<u>(36,730)</u>
Public works			
Current			
Public works administration and engineering	450,210	391,595	58,615
Streets	864,238	817,074	47,164
Trail management	132,926	104,610	28,316
Forestry	125,989	89,094	36,895
Capital outlay			
Public works administration and engineering	–	16,100	(16,100)
Total public works	<u>1,573,363</u>	<u>1,418,473</u>	<u>154,890</u>
Parks and recreation			
Current			
Parks and recreation administration	381,141	377,373	3,768
Municipal buildings	131,725	132,160	(435)
Park and sports area maintenance	1,247,321	1,225,236	22,085
Total parks and recreation	<u>1,760,187</u>	<u>1,734,769</u>	<u>25,418</u>
Community development			
Current			
Planning and zoning administration	449,447	444,113	5,334
Building inspection	167,224	170,216	(2,992)
Total community development	<u>616,671</u>	<u>614,329</u>	<u>2,342</u>
Total expenditures	<u>9,607,304</u>	<u>9,357,859</u>	<u>249,445</u>
Revenues over (under) expenditures	<u>(370,000)</u>	<u>229,456</u>	<u>599,456</u>
Other financing sources (uses)			
Transfers in	748,000	748,000	–
Transfers out	(378,000)	(797,730)	(419,730)
Total other financing sources (uses)	<u>370,000</u>	<u>(49,730)</u>	<u>(419,730)</u>
Net change in fund balance	<u>\$ –</u>	<u>179,726</u>	<u>\$ 179,726</u>
Fund balance – January 1		4,447,398	
Fund balance – December 31		<u>\$ 4,627,124</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 11

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2015

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 2,443,830	\$ 2,410,658	\$ (33,172)
Earnings on investments	5,000	18,953	13,953
Other	12,500	12,063	(437)
Total revenues	<u>2,461,330</u>	<u>2,441,674</u>	<u>(19,656)</u>
Expenditures			
Parks and recreation			
Current			
Personal services	1,623,165	1,556,366	66,799
Materials and supplies	510,461	489,832	20,629
Contractual services	629,785	648,080	(18,295)
Total expenditures	<u>2,763,411</u>	<u>2,694,278</u>	<u>69,133</u>
Revenues over (under) expenditures	<u>(302,081)</u>	<u>(252,604)</u>	<u>49,477</u>
Other financing sources (uses)			
Transfers in	366,000	366,000	-
Net change in fund balance	<u>\$ 63,919</u>	<u>113,396</u>	<u>\$ 49,477</u>
Fund balance – January 1		<u>1,193,542</u>	
Fund balance – December 31		<u>\$ 1,306,938</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 12

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2015

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,472,088	\$ 1,446,360	\$ (25,728)
Earnings on investments	2,000	13,214	11,214
Other	–	1,606	1,606
Total revenues	<u>1,474,088</u>	<u>1,461,180</u>	<u>(12,908)</u>
Expenditures			
Parks and recreation			
Current			
Personal services	1,042,385	1,057,279	(14,894)
Materials and supplies	81,755	97,266	(15,511)
Contractual services	220,044	234,280	(14,236)
Total expenditures	<u>1,344,184</u>	<u>1,388,825</u>	<u>(44,641)</u>
Revenues over (under) expenditures	<u>129,904</u>	<u>72,355</u>	<u>(57,549)</u>
Other financing sources (uses)			
Transfers in	72,000	72,000	–
Transfers out	(120,000)	(120,000)	–
Total other financing sources (uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>–</u>
Net change in fund balance	<u>\$ 81,904</u>	<u>24,355</u>	<u>\$ (57,549)</u>
Fund balance – January 1		<u>971,782</u>	
Fund balance – December 31		<u>\$ 996,137</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information (Last Ten Years*)

Statement 13

Schedule of Employer's Proportionate Share of PERA Net Pension Liability –

General Employees Retirement Fund

Schedule of Employer's PERA Contribution –

General Employees Retirement Fund

For The Year Ended December 31, 2015

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

PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	City's Covered Payroll (b)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.0939%	\$ 4,866,385	\$ 5,518,544	88.18%	78.20%

Schedule of Employer's PERA Contribution – General Employees Retirement Fund

City Fiscal Year-End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
12/31/2015	\$ 417,738	\$ 417,738	\$ –	\$ 5,569,840	7.50%

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015

Note: 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.

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 December 31, 2015

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, 2015, 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	\$ 3,424,835	\$ 3,461,565	\$ 36,730
Recreation Programs Fund	1,344,184	1,388,825	44,641

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

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**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, 2015

Statement 14

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 1,112,748	\$ 2,499,448	\$ 2,581,360	\$ 6,193,556
Accrued interest receivable	2,082	5,655	5,705	13,442
Accounts receivable	112,000	-	1,924	113,924
Loan receivable	-	-	170,988	170,988
Taxes receivable	3,582	10,790	1,513	15,885
Special assessments receivable	-	395,984	-	395,984
Interfund receivable	-	-	1,273,633	1,273,633
Due from other governmental units	15,913	-	-	15,913
Prepaid items	2,630	-	-	2,630
Total assets	\$ 1,248,955	\$ 2,911,877	\$ 4,035,123	\$ 8,195,955
Liabilities				
Accounts payable	\$ 33,004	\$ 124	\$ 1,547	\$ 34,675
Salaries payable	5,355	-	-	5,355
Contracts payable	-	-	355,701	355,701
Total liabilities	38,359	124	357,248	395,731
Deferred inflows of resources				
Unavailable revenue – property taxes	1,370	4,250	189	5,809
Unavailable revenue – special assessments	-	388,652	-	388,652
Total deferred inflows of resources	1,370	392,902	189	394,461
Fund balances				
Nonspendable	2,630	-	-	2,630
Restricted	939,323	1,326,750	3,644,871	5,910,944
Committed	267,273	-	-	267,273
Assigned	-	1,192,101	32,815	1,224,916
Total fund balances	1,209,226	2,518,851	3,677,686	7,405,763
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,248,955	\$ 2,911,877	\$ 4,035,123	\$ 8,195,955

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For The Year Ended December 31, 2015

Statement 15

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 184,042	\$ 541,270	\$ 24,855	\$ 750,167
Tax increments	-	-	1,193,506	1,193,506
Franchise tax	604,810	-	-	604,810
Special assessments	-	133,829	-	133,829
Intergovernmental	83,913	580	-	84,493
Charges for services	548,230	-	300	548,530
Earnings on investments	11,053	27,925	47,692	86,670
Other	57,111	-	-	57,111
Total revenues	<u>1,489,159</u>	<u>703,604</u>	<u>1,266,353</u>	<u>3,459,116</u>
Expenditures				
Current				
General government	171,099	-	61,640	232,739
Public works	521,266	-	68,483	589,749
Community development	177,652	-	652,072	829,724
Capital outlay				
General government	85,199	-	145,233	230,432
Public works	-	-	1,017,685	1,017,685
Debt service				
Principal	-	1,265,000	-	1,265,000
Interest	-	266,703	-	266,703
Fiscal charges	-	9,178	-	9,178
Total expenditures	<u>955,216</u>	<u>1,540,881</u>	<u>1,945,113</u>	<u>4,441,210</u>
Revenues over (under) expenditures	<u>533,943</u>	<u>(837,277)</u>	<u>(678,760)</u>	<u>(982,094)</u>
Other financing sources (uses)				
Bond issuance	-	1,626	293,374	295,000
Premium on bond issuance	-	7,867	6,770	14,637
Payment to refunded bond escrow agent	-	(1,490,000)	-	(1,490,000)
Transfers in	10,000	818,122	968,105	1,796,227
Transfers out	(167,000)	(50,000)	(363,122)	(580,122)
Total other financing sources (uses)	<u>(157,000)</u>	<u>(712,385)</u>	<u>905,127</u>	<u>35,742</u>
Net change in fund balances	<u>376,943</u>	<u>(1,549,662)</u>	<u>226,367</u>	<u>(946,352)</u>
Fund balances – January 1	<u>832,283</u>	<u>4,068,513</u>	<u>3,451,319</u>	<u>8,352,115</u>
Fund balances – December 31	<u>\$ 1,209,226</u>	<u>\$ 2,518,851</u>	<u>\$ 3,677,686</u>	<u>\$ 7,405,763</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

Economic Development Authority – This fund was established to account for economic development programs and activities within the City. 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, 2015

Statement 16

	<u>Recycling</u>	<u>Cable TV</u>	<u>Slice of Shoreview Event</u>	<u>Economic Development Authority</u>	<u>Housing and Redevelopment Authority</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets						
Cash and investments	\$ 366,930	\$ 357,415	\$ 78,402	\$ 206,090	\$ 103,911	\$ 1,112,748
Accrued interest receivable	569	789	221	503	–	2,082
Accounts receivable	24	111,339	634	1	2	112,000
Taxes receivable	–	–	–	1,739	1,843	3,582
Due from other governmental units	15,913	–	–	–	–	15,913
Prepaid items	–	–	2,155	475	–	2,630
Total assets	<u>\$ 383,436</u>	<u>\$ 469,543</u>	<u>\$ 81,412</u>	<u>\$ 208,808</u>	<u>\$ 105,756</u>	<u>\$ 1,248,955</u>
Liabilities						
Accounts payable	\$ 29,718	\$ 449	\$ 7	\$ 2,804	\$ 26	\$ 33,004
Salaries payable	956	914	–	1,645	1,840	5,355
Total liabilities	<u>30,674</u>	<u>1,363</u>	<u>7</u>	<u>4,449</u>	<u>1,866</u>	<u>38,359</u>
Deferred inflows of resources						
Unavailable revenue – property taxes	–	–	–	660	710	1,370
Fund balances						
Nonspendable	–	–	2,155	475	–	2,630
Restricted	352,762	280,157	–	203,224	103,180	939,323
Committed	–	188,023	79,250	–	–	267,273
Total fund balances	<u>352,762</u>	<u>468,180</u>	<u>81,405</u>	<u>203,699</u>	<u>103,180</u>	<u>1,209,226</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 383,436</u>	<u>\$ 469,543</u>	<u>\$ 81,412</u>	<u>\$ 208,808</u>	<u>\$ 105,756</u>	<u>\$ 1,248,955</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For The Year Ended December 31, 2015

Statement 17

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Revenues						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 89,517	\$ 94,525	\$ 184,042
Franchise tax	-	604,810	-	-	-	604,810
Intergovernmental	83,913	-	-	-	-	83,913
Charges for services	520,695	-	27,535	-	-	548,230
Earnings on investments	2,766	3,840	1,077	2,449	921	11,053
Other	-	23,061	34,050	-	-	57,111
Total revenues	<u>607,374</u>	<u>631,711</u>	<u>62,662</u>	<u>91,966</u>	<u>95,446</u>	<u>1,489,159</u>
Expenditures						
Current						
General government	-	103,491	67,608	-	-	171,099
Public works	521,266	-	-	-	-	521,266
Community development	-	-	-	97,443	80,209	177,652
Capital outlay						
General government	-	85,199	-	-	-	85,199
Total expenditures	<u>521,266</u>	<u>188,690</u>	<u>67,608</u>	<u>97,443</u>	<u>80,209</u>	<u>955,216</u>
Revenues over (under) expenditures	<u>86,108</u>	<u>443,021</u>	<u>(4,946)</u>	<u>(5,477)</u>	<u>15,237</u>	<u>533,943</u>
Other financing sources (uses)						
Transfers in	-	-	10,000	-	-	10,000
Transfers out	-	(167,000)	-	-	-	(167,000)
Total other financing sources (uses)	<u>-</u>	<u>(167,000)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(157,000)</u>
Net change in fund balances	86,108	276,021	5,054	(5,477)	15,237	376,943
Fund balances – January 1	266,654	192,159	76,351	209,176	87,943	832,283
Fund balances – December 31	<u>\$ 352,762</u>	<u>\$ 468,180</u>	<u>\$ 81,405</u>	<u>\$ 203,699</u>	<u>\$ 103,180</u>	<u>\$ 1,209,226</u>

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NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

G.O. Improvement Bonds of 2010/Refunding 2014 – This fund was established to provide financing for the 2010 and 2014 Refunding Improvement Bonds. The 2010 bonds were refunded by the 2014 bonds and were called for redemption on February 1, 2015. 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, 2015

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 Bonds of 2006/ Refunding 2013	G.O. Street Reconstruction Bonds of 2013
Assets				
Cash and investments	\$ 496,981	\$ 128,885	\$ 192,734	\$ 171,186
Accrued interest receivable	2,293	-	-	-
Taxes receivable				
Delinquent	-	1,050	1,692	1,383
Due from county	-	1,588	2,551	2,208
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Special deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 499,274</u>	<u>\$ 131,523</u>	<u>\$ 196,977</u>	<u>\$ 174,777</u>
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources				
Unavailable revenue – property taxes	-	1,050	1,692	1,383
Unavailable revenue – special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>1,050</u>	<u>1,692</u>	<u>1,383</u>
Fund balances				
Restricted	499,274	130,473	195,285	173,394
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>499,274</u>	<u>130,473</u>	<u>195,285</u>	<u>173,394</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 499,274</u>	<u>\$ 131,523</u>	<u>\$ 196,977</u>	<u>\$ 174,777</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2015

	G.O. Improvement Refunding Bonds of 2013 (2004)	G.O. Improvement Refunding Bonds of 2013 (2006)	G.O. Improvement Bonds of 2008
Assets			
Cash and investments	\$ 29,946	\$ 3,974	\$ 109,311
Accrued interest receivable	-	-	269
Taxes receivable			
Delinquent	-	96	-
Due from county	-	191	-
Special assessments receivable			
Delinquent	-	-	-
Deferred	20,972	10,976	107,045
Special deferred	-	-	8,446
Due from county	-	2,973	-
Total assets	<u>\$ 50,918</u>	<u>\$ 18,210</u>	<u>\$ 225,071</u>
Liabilities			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>
Deferred inflows of resources			
Unavailable revenue – property taxes	-	96	-
Unavailable revenue – special assessments	<u>20,972</u>	<u>10,976</u>	<u>115,491</u>
Total deferred inflows of resources	<u>20,972</u>	<u>11,072</u>	<u>115,491</u>
Fund balances			
Restricted	29,946	7,138	109,536
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>29,946</u>	<u>7,138</u>	<u>109,536</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 50,918</u>	<u>\$ 18,210</u>	<u>\$ 225,071</u>

Statement 18
Page 2 of 2

G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010/ Refunding 2014	G.O. Improvement Bonds of 2015	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 58,272	\$ 54,287	\$ 66,381	\$ 1,187,491	\$ 2,499,448
-	-	-	3,093	5,655
-	-	-	29	4,250
-	-	-	2	6,540
315	-	-	-	315
91,207	51,478	88,299	9,914	379,891
-	-	-	-	8,446
1,777	1,067	-	1,515	7,332
<u>\$ 151,571</u>	<u>\$ 106,832</u>	<u>\$ 154,680</u>	<u>\$ 1,202,044</u>	<u>\$ 2,911,877</u>
<u>\$ 80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124</u>
-	-	-	29	4,250
<u>91,522</u>	<u>51,478</u>	<u>88,299</u>	<u>9,914</u>	<u>388,652</u>
<u>91,522</u>	<u>51,478</u>	<u>88,299</u>	<u>9,943</u>	<u>392,902</u>
59,969	55,354	66,381	-	1,326,750
-	-	-	1,192,101	1,192,101
<u>59,969</u>	<u>55,354</u>	<u>66,381</u>	<u>1,192,101</u>	<u>2,518,851</u>
<u>\$ 151,571</u>	<u>\$ 106,832</u>	<u>\$ 154,680</u>	<u>\$ 1,202,044</u>	<u>\$ 2,911,877</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, 2015

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 Bonds of 2006/ Refunding 2013	G.O. Street Reconstruction Bonds of 2013
Revenues				
General property taxes	\$ -	\$ 131,349	\$ 210,958	\$ 183,043
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Earnings on investments	7,326	625	941	836
Total revenues	<u>7,326</u>	<u>131,974</u>	<u>211,899</u>	<u>183,879</u>
Expenditures				
Debt service				
Principal	360,000	120,000	165,000	140,000
Interest	110,315	13,800	59,240	46,669
Fiscal charges	2,000	2,475	125	259
Total expenditures	<u>472,315</u>	<u>136,275</u>	<u>224,365</u>	<u>186,928</u>
Revenues over (under) expenditures	<u>(464,989)</u>	<u>(4,301)</u>	<u>(12,466)</u>	<u>(3,049)</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	(1,385,000)	-
Transfers in	455,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>455,000</u>	<u>-</u>	<u>(1,385,000)</u>	<u>-</u>
Net change in fund balances	<u>(9,989)</u>	<u>(4,301)</u>	<u>(1,397,466)</u>	<u>(3,049)</u>
Fund balances – January 1	509,263	134,774	1,592,751	176,443
Fund balances – December 31	<u>\$ 499,274</u>	<u>\$ 130,473</u>	<u>\$ 195,285</u>	<u>\$ 173,394</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, 2015

	G.O. Tax Increment Refunding Bonds of 2007	G.O. Improvement Refunding Bonds of 2013 (2004)	G.O. Improvement Refunding Bonds of 2013 (2006)
Revenues			
General property taxes	\$ -	\$ -	\$ 15,902
Special assessments	-	5,915	9,734
Intergovernmental	-	-	-
Earnings on investments	-	378	-
Total revenues	<u>-</u>	<u>6,293</u>	<u>25,636</u>
Expenditures			
Debt service			
Principal	350,000	50,000	20,000
Interest	14,000	1,300	1,800
Fiscal charges	-	12	324
Total expenditures	<u>364,000</u>	<u>51,312</u>	<u>22,124</u>
Revenues over (under) expenditures	<u>(364,000)</u>	<u>(45,019)</u>	<u>3,512</u>
Other financing sources (uses)			
Bond issuance	-	-	-
Premium on bond issuance	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	359,778	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>359,778</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(4,222)</u>	<u>(45,019)</u>	<u>3,512</u>
Fund balances – January 1	<u>4,222</u>	<u>74,965</u>	<u>3,626</u>
Fund balances – December 31	<u>\$ -</u>	<u>\$ 29,946</u>	<u>\$ 7,138</u>

G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010/ Refunding 2014	G.O. Improvement Bonds of 2015	Closed Bonds	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 541,270
15,875	18,501	10,960	56,445	16,399	133,829
-	-	580	-	-	580
1,307	633	625	209	15,045	27,925
<u>17,182</u>	<u>19,134</u>	<u>12,165</u>	<u>56,654</u>	<u>31,462</u>	<u>703,604</u>
20,000	25,000	15,000	-	-	1,265,000
10,425	5,688	3,466	-	-	266,703
304	537	32	3,110	-	9,178
<u>30,729</u>	<u>31,225</u>	<u>18,498</u>	<u>3,110</u>	<u>-</u>	<u>1,540,881</u>
<u>(13,547)</u>	<u>(12,091)</u>	<u>(6,333)</u>	<u>53,544</u>	<u>31,462</u>	<u>(837,277)</u>
-	-	-	1,626	-	1,626
-	-	-	7,867	-	7,867
-	-	(105,000)	-	-	(1,490,000)
-	-	-	3,344	-	818,122
-	-	-	-	(50,000)	(50,000)
<u>-</u>	<u>-</u>	<u>(105,000)</u>	<u>12,837</u>	<u>(50,000)</u>	<u>(712,385)</u>
<u>(13,547)</u>	<u>(12,091)</u>	<u>(111,333)</u>	<u>66,381</u>	<u>(18,538)</u>	<u>(1,549,662)</u>
123,083	72,060	166,687	-	1,210,639	4,068,513
<u>\$ 109,536</u>	<u>\$ 59,969</u>	<u>\$ 55,354</u>	<u>\$ 66,381</u>	<u>\$ 1,192,101</u>	<u>\$ 2,518,851</u>

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NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

Tax Increment Financing District #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.

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

Information Technology
Hanson/Oakridge/Nottingham Reconstruction
Turtle Lane/Schifsky Road Reconstruction
Railroad Quiet Zones Jerrold/North Owasso

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
 Nonmajor Capital Project Funds
 December 31, 2015

	Tax Increment Financing				
	District #5 Shoreview Mall and				
	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	Summer House Senior Housing	District #6 Gateway
Assets					
Cash and investments	\$ 1,258,184	\$ 395,863	\$ 826	\$ 400,117	\$ 13,322
Accrued interest receivable	3,750	907	-	1,048	-
Accounts receivable	-	-	-	-	-
Loan receivable	170,988	-	-	-	-
Taxes receivable					
Delinquent	-	23	-	-	-
Due from county	-	-	-	-	1,025
Interfund receivable	1,273,633	-	-	-	-
Total assets	\$ 2,706,555	\$ 396,793	\$ 826	\$ 401,165	\$ 14,347
Liabilities					
Accounts payable	\$ 475	\$ -	\$ -	\$ -	\$ 1,025
Contracts payable	-	-	-	-	-
Total liabilities	475	-	-	-	1,025
Deferred inflows of resources					
Unavailable revenue – property taxes	-	23	-	-	-
Fund balances					
Restricted	2,706,080	396,770	826	401,165	13,322
Assigned	-	-	-	-	-
Total fund balances	2,706,080	396,770	826	401,165	13,322
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,706,555	\$ 396,793	\$ 826	\$ 401,165	\$ 14,347

District #7 Shoreview Senior Living	District #8 Lakeview Terrace	District #9 TSI Inc.	Information Technology	Turtle Lane/ Schifsky Road Reconstruction	Railroad Quiet Zones Jerrold/ North Owasso	Total Nonmajor Capital Project Funds
\$ 40,484	\$ 75,615	\$ 8,685	\$ 32,563	\$ 331,657	\$ 24,044	\$ 2,581,360
-	-	-	-	-	-	5,705
1,924	-	-	-	-	-	1,924
-	-	-	-	-	-	170,988
-	-	-	166	-	-	189
-	-	-	299	-	-	1,324
-	-	-	-	-	-	1,273,633
<u>\$ 42,408</u>	<u>\$ 75,615</u>	<u>\$ 8,685</u>	<u>\$ 33,028</u>	<u>\$ 331,657</u>	<u>\$ 24,044</u>	<u>\$ 4,035,123</u>
\$ -	\$ -	\$ -	\$ 47	\$ -	\$ -	\$ 1,547
-	-	-	-	331,657	24,044	355,701
-	-	-	47	331,657	24,044	357,248
-	-	-	166	-	-	189
42,408	75,615	8,685	-	-	-	3,644,871
-	-	-	32,815	-	-	32,815
<u>42,408</u>	<u>75,615</u>	<u>8,685</u>	<u>32,815</u>	<u>-</u>	<u>-</u>	<u>3,677,686</u>
<u>\$ 42,408</u>	<u>\$ 75,615</u>	<u>\$ 8,685</u>	<u>\$ 33,028</u>	<u>\$ 331,657</u>	<u>\$ 24,044</u>	<u>\$ 4,035,123</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, 2015

Statement 21
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	Tax Increment Financing			
	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing
Revenues				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	477,606	113,995	-
Charges for services	300	-	-	-
Earnings on investments	37,246	4,413	10	5,099
Total revenues	<u>37,546</u>	<u>482,019</u>	<u>114,005</u>	<u>5,099</u>
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Community development	35,039	5,089	113,995	-
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>35,039</u>	<u>5,089</u>	<u>113,995</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,507</u>	<u>476,930</u>	<u>10</u>	<u>5,099</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(359,778)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(359,778)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,507	117,152	10	5,099
Fund balances – January 1	2,703,573	279,618	816	396,066
Fund balances – December 31	<u>\$ 2,706,080</u>	<u>\$ 396,770</u>	<u>\$ 826</u>	<u>\$ 401,165</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, 2015

	Tax Increment Financing			
	District #6 Gateway	District #7 Shoreview Senior Living	District #8 Lakeview Terrace	District #9 TSI Inc.
Revenues				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	111,853	223,987	191,609	74,456
Charges for services	-	-	-	-
Earnings on investments	168	336	375	45
Total revenues	<u>112,021</u>	<u>224,323</u>	<u>191,984</u>	<u>74,501</u>
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Community development	111,853	202,249	116,369	67,478
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>111,853</u>	<u>202,249</u>	<u>116,369</u>	<u>67,478</u>
Revenues over (under) expenditures	<u>168</u>	<u>22,074</u>	<u>75,615</u>	<u>7,023</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	168	22,074	75,615	7,023
Fund balances – January 1	13,154	20,334	-	1,662
Fund balances – December 31	<u>\$ 13,322</u>	<u>\$ 42,408</u>	<u>\$ 75,615</u>	<u>\$ 8,685</u>

Statement 21
Page 2 of 2

Information Technology	Hanson/ Oakridge/ Nottingham Reconstruction	Turtle Lane/ Schifsky Road Reconstruction	Railroad Quiet Zones Jerrold/ North Owasso	Total Nonmajor Capital Project Funds
\$ 24,855	\$ -	\$ -	\$ -	\$ 24,855
-	-	-	-	1,193,506
-	-	-	-	300
-	-	-	-	47,692
<u>24,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266,353</u>
61,640	-	-	-	61,640
-	-	-	68,483	68,483
-	-	-	-	652,072
145,233	-	-	-	145,233
-	147,924	869,761	-	1,017,685
<u>206,873</u>	<u>147,924</u>	<u>869,761</u>	<u>68,483</u>	<u>1,945,113</u>
<u>(182,018)</u>	<u>(147,924)</u>	<u>(869,761)</u>	<u>(68,483)</u>	<u>(678,760)</u>
-	144,748	148,626	-	293,374
-	3,340	3,430	-	6,770
178,737	3,180	717,705	68,483	968,105
-	(3,344)	-	-	(363,122)
<u>178,737</u>	<u>147,924</u>	<u>869,761</u>	<u>68,483</u>	<u>905,127</u>
(3,281)	-	-	-	226,367
36,096	-	-	-	3,451,319
<u>\$ 32,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,677,686</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, 2015

Statement 22

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 65,000	\$ 83,913	\$ 18,913
Charges for services			
Recycling fees	527,000	520,695	(6,305)
Earnings on investments	–	2,766	2,766
Total revenues	<u>592,000</u>	<u>607,374</u>	<u>15,374</u>
Expenditures			
Public works			
Current			
Personal services	27,617	19,667	7,950
Materials and supplies	2,500	171	2,329
Contractual services	514,170	501,428	12,742
Total expenditures	<u>544,287</u>	<u>521,266</u>	<u>23,021</u>
Net change in fund balances	<u>\$ 47,713</u>	<u>86,108</u>	<u>\$ 38,395</u>
Fund balances – January 1		266,654	
Fund balances – December 31		<u>\$ 352,762</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, 2015

Statement 23

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
Franchise tax	\$ 318,000	\$ 330,242	\$ 12,242
PEG Access tax	–	274,568	274,568
Earnings on investments	1,700	3,840	2,140
Other	1,200	23,061	21,861
Total revenues	<u>320,900</u>	<u>631,711</u>	<u>310,811</u>
Expenditures			
General government			
Current			
Personal services	35,063	34,171	892
Materials and supplies	500	60	440
Contractual services	132,430	69,260	63,170
Capital outlay	25,000	85,199	(60,199)
Total expenditures	<u>192,993</u>	<u>188,690</u>	<u>4,303</u>
Revenues over (under) expenditures	<u>127,907</u>	<u>443,021</u>	<u>315,114</u>
Other financing sources (uses)			
Transfers out	(167,000)	(167,000)	–
Net change in fund balances	<u>\$ (39,093)</u>	<u>276,021</u>	<u>\$ 315,114</u>
Fund balances – January 1		<u>192,159</u>	
Fund balances – December 31		<u>\$ 468,180</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, 2015

Statement 24

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 26,500	\$ 27,535	\$ 1,035
Earnings on investments	–	1,077	1,077
Contributions	32,000	34,050	2,050
Total revenues	<u>58,500</u>	<u>62,662</u>	<u>4,162</u>
Expenditures			
General government			
Current			
Materials and supplies	2,200	1,136	1,064
Contractual services	65,285	66,472	(1,187)
Total expenditures	<u>67,485</u>	<u>67,608</u>	<u>(123)</u>
Revenues over (under) expenditures	<u>(8,985)</u>	<u>(4,946)</u>	<u>4,039</u>
Other financing sources (uses)			
Transfer in	10,000	10,000	–
Net change in fund balances	<u>\$ 1,015</u>	<u>5,054</u>	<u>\$ 4,039</u>
Fund balances – January 1		<u>76,351</u>	
Fund balances – December 31		<u>\$ 81,405</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, 2015

Statement 25

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 90,000	\$ 89,440	\$ (560)
Other	–	77	77
Total general property taxes	<u>90,000</u>	<u>89,517</u>	<u>(483)</u>
Earnings on investments	<u>–</u>	<u>2,449</u>	<u>2,449</u>
Total revenues	<u>90,000</u>	<u>91,966</u>	<u>1,966</u>
Expenditures			
Community development			
Current			
Personal services	49,660	50,852	(1,192)
Supplies	3,200	3,593	(393)
Contractual services	<u>33,020</u>	<u>42,998</u>	<u>(9,978)</u>
Total expenditures	<u>85,880</u>	<u>97,443</u>	<u>(11,563)</u>
Net change in fund balance	<u>\$ 4,120</u>	<u>(5,477)</u>	<u>\$ (9,597)</u>
Fund balances – January 1		<u>209,176</u>	
Fund balances – December 31		<u>\$ 203,699</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, 2015

Statement 26

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 95,000	\$ 94,450	\$ (550)
Other	–	75	75
Total general property taxes	<u>95,000</u>	<u>94,525</u>	<u>(475)</u>
Earnings on investments	–	921	921
Total revenues	<u>95,000</u>	<u>95,446</u>	<u>446</u>
Expenditures			
Community development			
Current			
Personal services	64,668	66,147	(1,479)
Contractual services	20,950	14,062	6,888
Total expenditures	<u>85,618</u>	<u>80,209</u>	<u>5,409</u>
Net change in fund balance	<u>\$ 9,382</u>	<u>15,237</u>	<u>\$ 5,855</u>
Fund balances – January 1		<u>87,943</u>	
Fund balances – December 31		<u>\$ 103,180</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, 2015

Statement 27

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Assets				
Current assets				
Cash and investments	\$ 42,211	\$ 231,351	\$ 1,443,376	\$ 1,716,938
Accrued interest receivable	-	518	3,336	3,854
Accounts receivable	-	-	416	416
Taxes receivable	-	-	4,053	4,053
Total current assets	<u>42,211</u>	<u>231,869</u>	<u>1,451,181</u>	<u>1,725,261</u>
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	5,670,831	5,670,831
Total capital assets	<u>-</u>	<u>-</u>	<u>12,636,503</u>	<u>12,636,503</u>
Less accumulated depreciation	-	-	(4,553,881)	(4,553,881)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>8,082,622</u>	<u>8,082,622</u>
Total assets	<u>42,211</u>	<u>231,869</u>	<u>9,533,803</u>	<u>9,807,883</u>
Deferred outflows of resources				
Deferred pension resources	<u>-</u>	<u>-</u>	<u>16,781</u>	<u>16,781</u>
Liabilities				
Current liabilities				
Accounts payable	-	19,023	17,467	36,490
Salaries payable	2,191	-	6,121	8,312
Accrued bond interest payable	-	-	52,547	52,547
Due to other governmental units	-	-	789	789
Compensated absences payable	-	-	274	274
Bonds payable	-	-	220,000	220,000
Total current liabilities	<u>2,191</u>	<u>19,023</u>	<u>297,198</u>	<u>318,412</u>
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	5,664	5,664
Bonds payable (net of current portion)	-	-	4,617,150	4,617,150
Net pension liability	-	-	121,660	121,660
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,744,474</u>	<u>4,744,474</u>
Total liabilities	<u>2,191</u>	<u>19,023</u>	<u>5,041,672</u>	<u>5,062,886</u>
Deferred inflows of resources				
Deferred pension resources	<u>-</u>	<u>-</u>	<u>14,942</u>	<u>14,942</u>
Net position				
Net investment in capital assets	-	-	3,245,472	3,245,472
Unrestricted	40,020	212,846	1,248,498	1,501,364
Total net position	<u>\$ 40,020</u>	<u>\$ 212,846</u>	<u>\$ 4,493,970</u>	<u>\$ 4,746,836</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, 2015

Statement 28

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 7,820	\$ —	\$ 1,264,028	\$ 1,271,848
Operating expenses				
Personal services	10,281	—	208,121	218,402
Materials and supplies	—	—	238,353	238,353
Contractual services	—	51,949	83,559	135,508
Utilities	—	—	24,453	24,453
Insurance	—	—	22,929	22,929
Depreciation	—	—	655,763	655,763
Total operating expenses	<u>10,281</u>	<u>51,949</u>	<u>1,233,178</u>	<u>1,295,408</u>
Operating income (loss)	<u>(2,461)</u>	<u>(51,949)</u>	<u>30,850</u>	<u>(23,560)</u>
Nonoperating revenues (expenses)				
General property taxes	—	—	207,265	207,265
Earnings on investments	533	2,522	16,398	19,453
Gain on sale of capital assets	—	—	44,577	44,577
Other	—	54,388	4,985	59,373
Interest	—	—	(133,091)	(133,091)
Fiscal charges	—	—	(568)	(568)
Total nonoperating revenues (expenses)	<u>533</u>	<u>56,910</u>	<u>139,566</u>	<u>197,009</u>
Income (loss) before contributions and transfers	<u>(1,928)</u>	<u>4,961</u>	<u>170,416</u>	<u>173,449</u>
Capital contributions	—	—	6,413	6,413
Transfers				
Transfer in	—	—	119,400	119,400
Change in net position	<u>(1,928)</u>	<u>4,961</u>	<u>296,229</u>	<u>299,262</u>
Net position – January 1, as restated (see Note 1V)	41,948	207,885	4,197,741	4,447,574
Net position – December 31	<u>\$ 40,020</u>	<u>\$ 212,846</u>	<u>\$ 4,493,970</u>	<u>\$ 4,746,836</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2015

Statement 29

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 7,820	\$ –	\$ 1,264,028	\$ 1,271,848
Payments to suppliers	–	(34,036)	(381,318)	(415,354)
Payments to employees	(8,928)	–	(204,884)	(213,812)
Miscellaneous revenue	–	61,528	4,985	66,513
Net cash flows from operating activities	<u>(1,108)</u>	<u>27,492</u>	<u>682,811</u>	<u>709,195</u>
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	–	–	120,882	120,882
Acquisition and construction of capital assets	–	–	(555,561)	(555,561)
Receipts from taxpayers	–	–	204,605	204,605
Transfers from other funds	–	–	119,400	119,400
Capital contributions	–	–	38,479	38,479
Principal paid on capital debt	–	–	(5,025,000)	(5,025,000)
Interest and paying agent fees on capital debt	–	–	(202,192)	(202,192)
Net cash flows from capital and related financing activities	<u>–</u>	<u>–</u>	<u>(5,299,387)</u>	<u>(5,299,387)</u>
Cash flows from investing activities				
Earnings on investments	<u>662</u>	<u>2,633</u>	<u>16,274</u>	<u>19,569</u>
Net change in cash and cash equivalents	(446)	30,125	(4,600,302)	(4,570,623)
Cash and cash equivalents – January 1	<u>42,657</u>	<u>201,226</u>	<u>6,043,678</u>	<u>6,287,561</u>
Cash and cash equivalents – December 31	<u>\$ 42,211</u>	<u>\$ 231,351</u>	<u>\$ 1,443,376</u>	<u>\$ 1,716,938</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	<u>\$ (2,461)</u>	<u>\$ (51,949)</u>	<u>\$ 30,850</u>	<u>\$ (23,560)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	–	54,388	4,985	59,373
Depreciation	–	–	655,763	655,763
Decrease (increase) in receivables	–	7,140	1,059	8,199
Decrease (increase) in prepaid items	–	–	1,651	1,651
Decrease (increase) in deferred outflows	–	–	(11,785)	(11,785)
Increase (decrease) in payables	1,353	17,913	(14,654)	4,612
Increase (decrease) in deferred inflows	–	–	14,942	14,942
Total adjustments	<u>1,353</u>	<u>79,441</u>	<u>651,961</u>	<u>732,755</u>
Net cash flows from operating activities	<u>\$ (1,108)</u>	<u>\$ 27,492</u>	<u>\$ 682,811</u>	<u>\$ 709,195</u>
Noncash investing, capital, and financing activities				
Capital assets purchased on account				
Accounts payable	\$ –	\$ –	\$ 508	\$ 508
Due from other governmental units –				
Capital contribution	–	–	(32,066)	(32,066)
Taxes receivable	–	–	2,660	2,660

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, 2015

Statement 30

	Agency			
	Balance – January 1, 2015	Additions	Deletions	Balance – December 31, 2015
Hockey Association				
Assets				
Cash and investments	\$ 402,934	\$ 2,451	\$ 2,750	\$ 402,635
Accrued interest receivable	45	870	45	870
Total assets	<u>\$ 402,979</u>	<u>\$ 3,321</u>	<u>\$ 2,795</u>	<u>\$ 403,505</u>
Liabilities				
Deposits payable	<u>\$ 402,979</u>	<u>\$ 3,321</u>	<u>\$ 2,795</u>	<u>\$ 403,505</u>

**FINANCIAL SECTION –
SUPPLEMENTARY FINANCIAL INFORMATION**

SUPPLEMENTARY FINANCIAL INFORMATION

CITY OF SHOREVIEW, MINNESOTA

Combining Schedule of Indebtedness

December 31, 2015

	<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
2010 Improvement Bonds	1.00–4.00%	12/16/2010	02/01/2015
2013 Refunding Improvement Bonds	2.00%	03/06/2013	02/01/2022
2013 Improvement Bonds	3.00–4.00%	12/05/2013	02/01/2035
2014 Refunding Improvement Bonds	2.00–3.00%	12/04/2014	02/01/2022
2015 Improvement Bonds	2.00–4.00%	09/17/2015	02/01/2026
Total G.O. improvement bonds			
G.O. tax increment bonds			
G.O. Refunding Tax Increment Bonds of 2007	4.00%	11/01/2007	12/01/2015
Other G.O. improvement bonds			
G.O. Street Reconstruction Bonds of 2006	4.00–4.20%	06/01/2006	02/01/2015
G.O. Capital Improvement Plan Bonds of 2010	1.20–5.85%	03/10/2010	02/01/2015
G.O. Refunding Capital Improvement Plan Bonds of 2013	2.00%	03/06/2013	02/01/2020
G.O. Refunding Street Reconstruction Bonds of 2013	2.00%	03/06/2013	02/01/2022
G.O. Street Reconstruction Bonds of 2013	2.00–2.375%	03/06/2013	02/01/2028
G.O. Capital Improvement Plan Refunding Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2030
Total other G.O. improvement bonds			
G.O. revenue bonds			
G.O. Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025
G.O. Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2015
G.O. Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Water Refunding Revenue Bonds of 2013B	2.00%	03/06/2013	02/01/2022
G.O. Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Water Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	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 Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2015
G.O. Sewer Refunding Revenue Bonds of 2013B	2.00%	03/06/2013	02/01/2022
G.O. Sewer Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Sewer Revenue Bonds of 2015	2.00–4.00%	09/17/2015	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 2010	0.75–4.60%	12/16/2010	02/01/2015
G.O. Surface Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Surface Water Refunding Revenue Bonds of 2013B	2.00%	03/06/2013	02/01/2016
G.O. Surface Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Surface Water Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Surface Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	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

* Includes January 1, 2015 pension liability balance related to GASB Statement No. 68 implementation. See Note 1V for further details.

Exhibit 1

Prior Years			2015		Outstanding 12/31/2015	Principal Due in 2016	Interest Due in 2016
Authorized and Issued	Payments	Outstanding 12/31/2014	Issued	Payments			
\$ 330,000	\$ 70,000	\$ 260,000	\$ -	\$ 20,000	\$ 240,000	\$ 20,000	\$ 9,625
235,000	60,000	175,000	-	25,000	150,000	25,000	4,937
140,000	20,000	120,000	-	120,000	-	-	-
235,000	45,000	190,000	-	70,000	120,000	55,000	1,850
1,775,000	-	1,775,000	-	-	1,775,000	85,000	58,035
100,000	-	100,000	-	-	100,000	15,000	2,400
-	-	-	295,000	-	295,000	-	6,629
<u>2,815,000</u>	<u>195,000</u>	<u>2,620,000</u>	<u>295,000</u>	<u>235,000</u>	<u>2,680,000</u>	<u>200,000</u>	<u>83,476</u>
1,090,000	740,000	350,000	-	350,000	-	-	-
2,500,000	950,000	1,550,000	-	1,550,000	-	-	-
5,615,000	590,000	5,025,000	-	5,025,000	-	-	-
750,000	-	750,000	-	120,000	630,000	120,000	11,400
1,380,000	-	1,380,000	-	-	1,380,000	200,000	25,600
2,415,000	145,000	2,270,000	-	140,000	2,130,000	145,000	43,819
4,670,000	-	4,670,000	-	-	4,670,000	220,000	123,912
<u>17,330,000</u>	<u>1,685,000</u>	<u>15,645,000</u>	<u>-</u>	<u>6,835,000</u>	<u>8,810,000</u>	<u>685,000</u>	<u>204,731</u>
845,000	275,000	570,000	-	55,000	515,000	55,000	19,409
2,365,000	570,000	1,795,000	-	130,000	1,665,000	135,000	66,795
1,240,000	220,000	1,020,000	-	1,020,000	-	-	-
775,000	70,000	705,000	-	70,000	635,000	75,000	11,950
610,000	40,000	570,000	-	105,000	465,000	80,000	8,500
305,000	-	305,000	-	30,000	275,000	30,000	7,800
915,000	-	915,000	-	-	915,000	75,000	22,600
-	-	-	6,885,000	-	6,885,000	-	166,509
260,000	85,000	175,000	-	15,000	160,000	15,000	6,069
580,000	140,000	440,000	-	30,000	410,000	35,000	16,401
985,000	175,000	810,000	-	810,000	-	-	-
285,000	40,000	245,000	-	60,000	185,000	60,000	3,100
730,000	-	730,000	-	-	730,000	65,000	17,938
-	-	-	1,650,000	-	1,650,000	-	37,652
600,000	195,000	405,000	-	40,000	365,000	40,000	13,730
230,000	50,000	180,000	-	15,000	165,000	15,000	6,582
1,180,000	390,000	790,000	-	105,000	685,000	105,000	22,825
355,000	60,000	295,000	-	295,000	-	-	-
960,000	90,000	870,000	-	90,000	780,000	90,000	14,700
155,000	55,000	100,000	-	50,000	50,000	50,000	500
190,000	-	190,000	-	15,000	175,000	15,000	5,025
265,000	-	265,000	-	-	265,000	20,000	6,650
-	-	-	860,000	-	860,000	-	19,636
<u>13,830,000</u>	<u>2,455,000</u>	<u>11,375,000</u>	<u>9,395,000</u>	<u>2,935,000</u>	<u>17,835,000</u>	<u>960,000</u>	<u>474,371</u>
<u>35,065,000</u>	<u>5,075,000</u>	<u>29,990,000</u>	<u>9,690,000</u>	<u>10,355,000</u>	<u>29,325,000</u>	<u>1,845,000</u>	<u>762,578</u>
N/A	N/A	632,915	N/A	N/A	869,556	N/A	N/A
4,620,000	985,000	3,635,000	-	360,000	3,275,000	365,000	102,935
6,000,000	-	6,000,000	-	-	6,000,000	-	-
-	-	365,672	472,340	434,498	403,514	18,646	-
N/A	N/A	-	6,071,839	1,205,454	4,866,385	N/A	N/A
<u>\$ 45,685,000</u>	<u>\$ 6,060,000</u>	<u>\$ 40,623,587</u>	<u>\$ 16,234,179</u>	<u>\$ 12,354,952</u>	<u>\$ 44,739,455</u>	<u>\$ 2,228,646</u>	<u>\$ 865,513</u>

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

Exhibit 2

	<u>Tax Capacity Values 2013/2014</u>		<u>Tax Capacity Values 2014/2015</u>	
Taxable valuations				
Real estate	\$ 27,706,866		\$ 30,001,282	
Personal property	192,279		206,444	
Fiscal disparities net	(86,124)		(37,183)	
Less captured tax increment value	<u>(1,319,882)</u>		<u>(920,195)</u>	
Totals	<u>\$ 26,493,139</u>		<u>\$ 29,250,348</u>	
Tax levies				
Year of extension	2013		2014	
Year of collection	2014		2015	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 6,837,154	25.842%	\$ 7,023,335	23.853%
Shoreview EDA	80,000	0.302%	90,000	0.306%
Capital project funds	2,270,000	8.580%	2,402,583	8.160%
Debt service funds	548,000	2.071%	544,000	1.848%
Central Garage Fund	<u>184,000</u>	<u>0.695%</u>	<u>208,000</u>	<u>0.706%</u>
Totals	<u>\$ 9,919,154</u>	<u>37.490%</u>	<u>\$ 10,267,918</u>	<u>34.873%</u>
Shoreview HRA	<u>\$ 90,000</u>	<u>0.345%</u>	<u>\$ 95,000</u>	<u>0.323%</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2015

Exhibit 3

Year of Tax Levy/Collection	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Capital Improvement Plan Bonds of 2010/ Refunding 2014	G.O. Street Reconstruction Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2013	Total
2015/2016	\$ 132,000	\$ 184,000	\$ 212,000	\$ 189,000	\$ 717,000
2016/2017	144,690	405,838	220,290	198,837	969,655
2017/2018	141,960	410,668	221,550	200,937	975,115
2018/2019	139,230	407,098	217,455	197,682	961,465
2019/2020	-	413,871	218,610	199,677	832,158
2020/2021	-	414,921	224,910	201,567	841,398
2021/2022	-	415,656	-	198,102	613,758
2022/2023	-	413,345	-	199,887	613,232
2023/2024	-	410,917	-	201,121	612,038
2024/2025	-	412,755	-	196,987	609,742
2025/2026	-	407,295	-	198,102	605,397
2026/2027	-	406,928	-	198,863	605,791
2027/2028	-	400,995	-	-	400,995
2028/2029	-	400,155	-	-	400,155
Totals	<u>\$ 557,880</u>	<u>\$ 5,504,442</u>	<u>\$ 1,314,815</u>	<u>\$ 2,380,762</u>	<u>\$ 9,757,899</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies
 General Obligation Improvement Bonds
 December 31, 2015

Exhibit 4

Year of Tax Levy/ Collection	G.O. Improvement Bonds				Total
	2009	Refunding 2014	Refunding 2013 B	2013 C	
2015/2016	\$ -	\$ -	\$ 14,000	\$ -	\$ 14,000
2016/2017	4,542	7,431	9,403	12,073	33,449
2017/2018	3,623	1,866	3,943	9,395	18,827
2018/2019	2,704	6,801	9,088	6,718	25,311
2019/2020	1,654	6,329	8,878	9,290	26,151
2020/2021	-	5,855	8,668	11,705	26,228
2021/2022	-	-	-	8,713	8,713
2022/2023	-	-	-	5,720	5,720
2023/2024	-	-	-	13,228	13,228
2024/2025	-	-	-	10,764	10,764
2025/2026	-	-	-	8,076	8,076
2026/2027	-	-	-	10,638	10,638
2027/2028	-	-	-	7,782	7,782
2028/2029	-	-	-	10,176	10,176
2029/2030	-	-	-	10,461	10,461
2030/2031	-	-	-	6,891	6,891
2031/2032	-	-	-	8,571	8,571
2032/2033	-	-	-	10,041	10,041
2033/2034	-	-	-	6,051	6,051
Total	\$ 12,523	\$ 28,282	\$ 53,980	\$ 166,293	\$ 261,078

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2015

Exhibit 5

Page 1 of 2

	Water Revenue Bonds						
	2007	2008	2013A	Refunding 2013B	2013C	Refunding 2014	2015
Bonds payable	\$ 515,000	\$ 1,665,000	\$ 635,000	\$ 465,000	\$ 275,000	\$ 915,000	\$ 6,885,000
Future interest payable	87,813	381,013	52,150	32,350	37,725	138,238	2,215,156
Totals	<u>\$ 602,813</u>	<u>\$ 2,046,013</u>	<u>\$ 687,150</u>	<u>\$ 497,350</u>	<u>\$ 312,725</u>	<u>\$ 1,053,238</u>	<u>\$ 9,100,156</u>
Payments to maturity							
2016	\$ 74,409	\$ 201,795	\$ 86,950	\$ 88,500	\$ 37,800	\$ 97,600	\$ 166,509
2017	77,238	201,295	85,450	62,150	36,900	101,050	401,603
2018	74,943	200,595	83,950	70,950	36,000	99,450	472,877
2019	72,603	204,595	87,400	69,650	35,100	97,450	480,353
2020	75,117	203,175	85,800	68,350	34,200	95,050	479,102
2021	77,400	206,328	84,200	67,050	33,300	92,650	476,153
2022	74,547	204,081	87,550	70,700	32,400	90,250	476,402
2023	76,556	206,431	85,850	–	31,500	93,094	474,653
2024	–	208,234	–	–	35,525	91,181	479,302
2025	–	209,484	–	–	–	99,038	477,153
2026	–	–	–	–	–	96,425	479,852
2027	–	–	–	–	–	–	477,028
2028	–	–	–	–	–	–	473,152
2029	–	–	–	–	–	–	477,971
2030	–	–	–	–	–	–	472,340
2031	–	–	–	–	–	–	476,538
2032	–	–	–	–	–	–	371,455
2033	–	–	–	–	–	–	371,613
2034	–	–	–	–	–	–	370,725
2035	–	–	–	–	–	–	373,988
2036	–	–	–	–	–	–	371,387
	<u>\$ 602,813</u>	<u>\$ 2,046,013</u>	<u>\$ 687,150</u>	<u>\$ 497,350</u>	<u>\$ 312,725</u>	<u>\$ 1,053,238</u>	<u>\$ 9,100,156</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2015

	Sewer Revenue Bonds					
	2007	2008	Refunding 2013B	Refunding 2014	2015	2007
Bonds payable	\$ 160,000	\$ 410,000	\$ 185,000	\$ 730,000	\$ 1,650,000	\$ 365,000
Future interest payable	27,278	92,789	10,850	107,881	374,465	61,709
Totals	<u>\$ 187,278</u>	<u>\$ 502,789</u>	<u>\$ 195,850</u>	<u>\$ 837,881</u>	<u>\$ 2,024,465</u>	<u>\$ 426,709</u>
Payments to maturity						
2016	\$ 21,069	\$ 51,401	\$ 63,100	\$ 82,938	\$ 37,652	\$ 53,730
2017	25,407	50,001	22,300	81,637	116,668	52,220
2018	24,642	48,601	21,900	80,338	133,742	55,594
2019	23,862	52,101	21,500	78,712	136,318	53,839
2020	23,068	50,471	21,100	76,763	134,317	52,050
2021	22,263	48,811	20,700	74,812	131,818	55,138
2022	21,448	52,025	25,250	72,863	133,742	53,100
2023	25,519	50,112	–	71,156	134,968	51,038
2024	–	48,172	–	74,637	131,667	–
2025	–	51,094	–	72,975	134,418	–
2026	–	–	–	71,050	132,117	–
2027	–	–	–	–	134,647	–
2028	–	–	–	–	131,827	–
2029	–	–	–	–	133,609	–
2030	–	–	–	–	135,200	–
2031	–	–	–	–	131,755	–
2032	–	–	–	–	–	–
2033	–	–	–	–	–	–
2034	–	–	–	–	–	–
2035	–	–	–	–	–	–
2036	–	–	–	–	–	–
	<u>\$ 187,278</u>	<u>\$ 502,789</u>	<u>\$ 195,850</u>	<u>\$ 837,881</u>	<u>\$ 2,024,465</u>	<u>\$ 426,709</u>

Surface Water Revenue Bonds							
2008	2009	2013A	Refunding 2013B	2013C	Refunding 2014	2015	Total
\$ 165,000	\$ 685,000	\$ 780,000	\$ 50,000	\$ 175,000	\$ 265,000	\$ 860,000	\$ 17,835,000
37,294	79,750	63,900	500	24,225	41,187	195,197	4,061,470
<u>\$ 202,294</u>	<u>\$ 764,750</u>	<u>\$ 843,900</u>	<u>\$ 50,500</u>	<u>\$ 199,225</u>	<u>\$ 306,187</u>	<u>\$ 1,055,197</u>	<u>\$ 21,896,470</u>
\$ 21,582	\$ 127,825	\$ 104,700	\$ 50,500	\$ 20,025	\$ 26,650	\$ 19,636	\$ 1,434,371
20,983	129,463	107,850	-	24,500	26,250	61,712	1,684,677
20,382	125,750	105,950	-	23,900	25,850	70,162	1,775,576
19,782	126,812	104,050	-	23,300	30,275	68,913	1,786,615
19,171	127,400	107,100	-	22,700	29,525	67,912	1,772,371
18,549	127,500	105,100	-	22,100	28,775	71,588	1,764,235
17,919	-	103,100	-	21,500	28,025	69,937	1,634,839
22,175	-	106,050	-	20,900	27,369	68,013	1,545,384
21,313	-	-	-	20,300	26,806	71,312	1,208,449
20,438	-	-	-	-	26,212	70,113	1,160,925
-	-	-	-	-	30,450	68,912	878,806
-	-	-	-	-	-	67,653	679,328
-	-	-	-	-	-	71,180	676,159
-	-	-	-	-	-	69,474	681,054
-	-	-	-	-	-	67,735	675,275
-	-	-	-	-	-	70,945	679,238
-	-	-	-	-	-	-	371,455
-	-	-	-	-	-	-	371,613
-	-	-	-	-	-	-	370,725
-	-	-	-	-	-	-	373,988
-	-	-	-	-	-	-	371,387
<u>\$ 202,294</u>	<u>\$ 764,750</u>	<u>\$ 843,900</u>	<u>\$ 50,500</u>	<u>\$ 199,225</u>	<u>\$ 306,187</u>	<u>\$ 1,055,197</u>	<u>\$ 21,896,470</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity
 General Obligation Improvement Bonds
 December 31, 2015

Exhibit 6

	G.O. Improvement Bonds						Total
	2008	2009	Refunding 2013B	2013C	Refunding 2014	2015	
Bonds payable	\$ 240,000	\$ 150,000	\$ 120,000	\$ 1,775,000	\$ 100,000	\$ 295,000	\$ 2,680,000
Future interest payable	55,276	16,843	5,300	636,215	9,825	46,429	769,888
Total	\$ 295,276	\$ 166,843	\$ 125,300	\$ 2,411,215	\$ 109,825	\$ 341,429	\$ 3,449,888
Payments to maturity							
2016	\$ 29,625	\$ 29,937	\$ 56,850	\$ 143,035	\$ 17,400	\$ 6,629	\$ 283,476
2017	28,825	29,156	21,100	140,485	17,100	17,400	254,066
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
Total	\$ 295,276	\$ 166,843	\$ 125,300	\$ 2,411,215	\$ 109,825	\$ 341,429	\$ 3,449,888

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity
 Other General Obligation Bonds
 December 31, 2015

Exhibit 7

	Capital Plan Refunding 2013	Street Refunding 2013	Street 2013	Capital Plan Refunding 2014	Total
Bonds payable	\$ 630,000	\$ 1,380,000	\$ 2,130,000	\$ 4,670,000	\$ 8,810,000
Future interest payable	32,100	97,700	317,397	1,061,856	1,509,053
Total	<u>\$ 662,100</u>	<u>\$ 1,477,700</u>	<u>\$ 2,447,397</u>	<u>\$ 5,731,856</u>	<u>\$ 10,319,053</u>
Payments to maturity					
2016	\$ 131,400	\$ 225,600	\$ 188,819	\$ 343,912	\$ 889,731
2017	129,000	211,700	190,869	379,113	910,682
2018	136,500	207,900	187,868	383,812	916,080
2019	133,900	209,050	189,819	386,913	919,682
2020	131,300	205,150	186,719	383,437	906,606
2021	–	206,200	188,569	389,663	784,432
2022	–	212,100	190,318	390,512	792,930
2023	–	–	187,019	392,263	579,282
2024	–	–	188,456	390,006	578,462
2025	–	–	189,575	387,225	576,800
2026	–	–	185,638	388,000	573,638
2027	–	–	186,531	382,725	569,256
2028	–	–	187,197	382,225	569,422
2029	–	–	–	376,500	376,500
2030	–	–	–	375,550	375,550
	<u>\$ 662,100</u>	<u>\$ 1,477,700</u>	<u>\$ 2,447,397</u>	<u>\$ 5,731,856</u>	<u>\$ 10,319,053</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2015

Exhibit 8

	Refunding Certificates of Participation 2011
Bonds payable	\$ 3,275,000
Future interest payable	517,723
Total	<u>\$ 3,792,723</u>
Payments to maturity	
2016	\$ 467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
	<u>\$ 3,792,723</u>

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CITY OF SHOREVIEW, MINNESOTA

Combining Schedule of Property and Equipment

For The Year Ended December 31, 2015

	Capital Assets				Balance – December 31, 2015
	Balance – January 1, 2015	Additions	Deletions	Reclassification	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,688,052	\$ –	\$ –	\$ –	\$ 7,688,052
Buildings and structures	28,015,745	118,448	8,349	365,071	28,490,915
Machinery and equipment	2,972,258	193,332	9,230	–	3,156,360
Infrastructure	58,912,093	238,000	168,052	1,179,479	60,161,520
Construction in progress	2,307,313	1,073,865	–	(1,544,550)	1,836,628
Total	<u>99,895,461</u>	<u>1,623,645</u>	<u>185,631</u>	<u>–</u>	<u>101,333,475</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,929,379	–	–	–	6,929,379
Machinery and equipment	5,393,870	556,069	279,108	–	5,670,831
Total central garage	<u>12,359,542</u>	<u>556,069</u>	<u>279,108</u>	<u>–</u>	<u>12,636,503</u>
Total governmental activities	<u>112,255,003</u>	<u>2,179,714</u>	<u>464,739</u>	<u>–</u>	<u>113,969,978</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	6,733,215	–	–	–	6,733,215
Machinery and equipment	2,471,025	–	–	–	2,471,025
Distribution system	16,739,474	100,000	–	946,842	17,786,316
Construction in progress	934,745	8,683,067	–	(946,842)	8,670,970
Total water utility	<u>26,906,036</u>	<u>8,783,067</u>	<u>–</u>	<u>–</u>	<u>35,689,103</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	1,667,009	–	–	249,036	1,916,045
Machinery and equipment	40,327	–	–	–	40,327
Collection system	11,845,366	180,000	–	216,485	12,241,851
Construction in progress	235,292	593,351	–	(465,521)	363,122
Total sewer utility	<u>13,799,453</u>	<u>773,351</u>	<u>–</u>	<u>–</u>	<u>14,572,804</u>
Surface water management utility					
Land	286,166	–	–	–	286,166
Machinery and equipment	8,538	–	–	–	8,538
Collection system	12,137,731	300,000	–	409,506	12,847,237
Construction in progress	533,000	427,143	–	(409,506)	550,637
Total surface water management utility	<u>12,965,435</u>	<u>727,143</u>	<u>–</u>	<u>–</u>	<u>13,692,578</u>
Street light utility					
Machinery and equipment	723	–	–	–	723
Distribution system	2,026,971	38,735	15,996	228,684	2,278,394
Construction in progress	101,420	232,684	–	(228,684)	105,420
Total street light utility	<u>2,129,114</u>	<u>271,419</u>	<u>15,996</u>	<u>–</u>	<u>2,384,537</u>
Total business-type activities	<u>55,800,038</u>	<u>10,554,980</u>	<u>15,996</u>	<u>–</u>	<u>66,339,022</u>
Total government	<u>\$ 168,055,041</u>	<u>\$ 12,734,694</u>	<u>\$ 480,735</u>	<u>\$ –</u>	<u>\$ 180,309,000</u>

Exhibit 9

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2015	Additions	Deletions	Reclassification	Balance – December 31, 2015	Balance – January 1, 2015	Balance – December 31, 2015
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,688,052	\$ 7,688,052
9,187,544	592,455	8,349	–	9,771,650	18,828,201	18,719,265
1,912,146	156,679	9,230	–	2,059,595	1,060,112	1,096,765
33,917,072	1,624,701	151,757	–	35,390,016	24,995,021	24,771,504
–	–	–	–	–	2,307,313	1,836,628
<u>45,016,762</u>	<u>2,373,835</u>	<u>169,336</u>	<u>–</u>	<u>47,221,261</u>	<u>54,878,699</u>	<u>54,112,214</u>
–	–	–	–	–	36,293	36,293
1,730,675	254,010	–	–	1,984,685	5,198,704	4,944,694
2,370,246	401,753	202,803	–	2,569,196	3,023,624	3,101,635
<u>4,100,921</u>	<u>655,763</u>	<u>202,803</u>	<u>–</u>	<u>4,553,881</u>	<u>8,258,621</u>	<u>8,082,622</u>
<u>49,117,683</u>	<u>3,029,598</u>	<u>372,139</u>	<u>–</u>	<u>51,775,142</u>	<u>63,137,320</u>	<u>62,194,836</u>
–	–	–	–	–	27,577	27,577
2,974,542	184,923	–	–	3,159,465	3,758,673	3,573,750
515,536	97,881	–	–	613,417	1,955,489	1,857,608
8,777,524	364,748	–	–	9,142,272	7,961,950	8,644,044
–	–	–	–	–	934,745	8,670,970
<u>12,267,602</u>	<u>647,552</u>	<u>–</u>	<u>–</u>	<u>12,915,154</u>	<u>14,638,434</u>	<u>22,773,949</u>
–	–	–	–	–	11,459	11,459
625,451	72,120	–	–	697,571	1,041,558	1,218,474
28,539	2,777	–	–	31,316	11,788	9,011
6,905,676	264,945	–	–	7,170,621	4,939,690	5,071,230
–	–	–	–	–	235,292	363,122
<u>7,559,666</u>	<u>339,842</u>	<u>–</u>	<u>–</u>	<u>7,899,508</u>	<u>6,239,787</u>	<u>6,673,296</u>
–	–	–	–	–	286,166	286,166
7,574	175	–	–	7,749	964	789
2,596,193	260,410	–	–	2,856,603	9,541,538	9,990,634
–	–	–	–	–	533,000	550,637
<u>2,603,767</u>	<u>260,585</u>	<u>–</u>	<u>–</u>	<u>2,864,352</u>	<u>10,361,668</u>	<u>10,828,226</u>
324	73	–	–	397	399	326
1,033,060	61,409	15,963	–	1,078,506	993,911	1,199,888
–	–	–	–	–	101,420	105,420
<u>1,033,384</u>	<u>61,482</u>	<u>15,963</u>	<u>–</u>	<u>1,078,903</u>	<u>1,095,730</u>	<u>1,305,634</u>
<u>23,464,419</u>	<u>1,309,461</u>	<u>15,963</u>	<u>–</u>	<u>24,757,917</u>	<u>32,335,619</u>	<u>41,581,105</u>
<u>\$ 72,582,102</u>	<u>\$ 4,339,059</u>	<u>\$ 388,102</u>	<u>\$ –</u>	<u>\$ 76,533,059</u>	<u>\$ 95,472,939</u>	<u>\$ 103,775,941</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.

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

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

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 37,146,161	\$ 37,992,925	\$ 38,182,484	\$ 39,316,149
Restricted	3,944,143	4,570,921	3,453,661	4,507,834
Unrestricted	9,746,983	10,283,862	9,760,917	8,899,115
Total governmental activities net position	<u>\$ 50,837,287</u>	<u>\$ 52,847,708</u>	<u>\$ 51,397,062</u>	<u>\$ 52,723,098</u>
Business-type activities				
Net investment in capital assets	\$ 19,844,055	\$ 19,677,375	\$ 19,623,905	\$ 20,721,589
Restricted	550,207	437,425	441,550	432,375
Unrestricted	5,625,299	6,259,855	6,621,360	6,904,000
Total business-type activities net position	<u>\$ 26,019,561</u>	<u>\$ 26,374,655</u>	<u>\$ 26,686,815</u>	<u>\$ 28,057,964</u>
Primary government				
Net investment in capital assets	\$ 56,990,216	\$ 57,670,300	\$ 57,806,389	\$ 60,037,738
Restricted	4,494,350	5,008,346	3,895,211	4,940,209
Unrestricted	15,372,282	16,543,717	16,382,277	15,803,115
Total primary government net position	<u>\$ 76,856,848</u>	<u>\$ 79,222,363</u>	<u>\$ 78,083,877</u>	<u>\$ 80,781,062</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					
2010	2011	2012	2013	2014	2015
\$ 39,050,369	\$ 40,029,233	\$ 40,154,929	\$41,391,324	\$40,908,853	\$41,037,296
5,329,637	6,325,795	5,364,477	4,646,335	7,253,717	7,856,109
10,475,310	10,991,847	12,597,300	10,639,322	13,905,130	12,962,834
<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>	<u>\$ 58,116,706</u>	<u>\$56,676,981</u>	<u>\$62,067,700</u>	<u>\$61,856,239</u>
\$ 20,512,610	\$ 20,704,816	\$ 21,585,799	\$21,332,825	\$22,829,472	\$24,444,045
408,379	246,811	183,496	217,442	224,368	23,338
7,090,656	6,974,381	7,185,024	8,556,468	8,141,056	7,264,111
<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>	<u>\$ 28,954,319</u>	<u>\$30,106,735</u>	<u>\$31,194,896</u>	<u>\$31,731,494</u>
\$ 59,562,979	\$ 60,734,049	\$ 61,740,728	\$62,724,149	\$63,738,325	\$65,481,341
5,738,016	6,572,606	5,547,973	4,863,777	7,478,085	7,879,447
17,565,966	17,966,228	19,782,324	19,195,790	22,046,186	20,226,945
<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>	<u>\$ 87,071,025</u>	<u>\$86,783,716</u>	<u>\$93,262,596</u>	<u>\$93,587,733</u>

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

	Fiscal Year		
	2006	2007	2008
Expenses			
Governmental activities			
General government	\$ 2,012,555	\$ 2,128,804	\$ 2,225,081
Public safety	2,280,770	2,283,009	2,659,654
Public works	3,249,104	3,520,883	3,860,277
Parks and recreation	5,030,570	4,980,839	5,862,962
Community development	979,173	886,415	2,555,177
Interest on long-term debt	576,390	675,827	572,356
Total governmental activities expenses	<u>14,128,562</u>	<u>14,475,777</u>	<u>17,735,507</u>
Business-type activities			
Water	1,776,555	1,792,092	1,927,324
Sewer	2,704,443	2,683,832	2,883,638
Surface water	659,539	700,644	753,179
Street lights	257,344	255,020	258,168
Total business-type activities expenses	<u>5,397,881</u>	<u>5,431,588</u>	<u>5,822,309</u>
Total primary government expenses	<u>\$ 19,526,443</u>	<u>\$ 19,907,365</u>	<u>\$ 23,557,816</u>
Program revenues			
Government activities			
Charges for services			
General government	\$ 1,007,442	\$ 1,073,599	\$ 1,053,965
Public safety	61,161	53,697	59,091
Public works	541,602	675,276	702,876
Parks and recreation	2,791,453	2,748,584	2,877,161
Community development	610,697	709,768	575,989
Operating grants and contributions	277,233	241,590	118,437
Capital grants and contributions	1,029,830	78,181	131,876
Total governmental activities program revenues	<u>6,319,418</u>	<u>5,580,695</u>	<u>5,519,395</u>
Business-type activities			
Charges for services			
Water	1,649,154	1,847,847	1,920,360
Sewer	2,616,043	2,695,914	2,849,000
Surface water	632,155	684,387	749,967
Street lights	218,101	232,419	303,697
Operating grants and contributions	-	-	-
Capital grants and contributions	32,290	220,512	87,063
Total business-type activities program revenues	<u>5,147,743</u>	<u>5,681,079</u>	<u>5,910,087</u>
Total primary government program revenues	<u>\$ 11,467,161</u>	<u>\$ 11,261,774</u>	<u>\$ 11,429,482</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						
2009	2010	2011	2012	2013	2014	2015
\$ 2,199,814	\$ 2,192,010	\$ 2,227,952	\$ 2,349,276	\$ 2,582,399	\$ 2,529,960	\$ 2,561,018
2,612,926	2,642,094	2,783,332	3,113,032	3,543,388	3,568,459	3,676,952
3,737,382	3,512,821	3,909,642	3,998,390	6,798,886	5,178,104	4,201,869
5,931,822	5,737,675	6,169,365	6,128,769	6,123,840	6,726,335	6,800,000
1,357,296	1,472,700	1,398,228	2,904,944	2,210,253	1,580,709	1,459,408
524,858	697,523	911,854	595,009	730,200	680,281	409,442
<u>16,364,098</u>	<u>16,254,823</u>	<u>17,400,373</u>	<u>19,089,420</u>	<u>21,988,966</u>	<u>20,263,848</u>	<u>19,108,689</u>
1,912,770	2,051,213	2,281,299	2,206,516	2,238,481	2,251,547	2,376,328
3,320,551	3,173,831	3,315,044	3,283,498	3,498,374	3,569,836	3,599,737
755,520	906,527	966,638	1,019,008	954,828	1,032,375	1,095,693
255,038	282,638	318,063	275,412	295,949	305,615	305,572
<u>6,243,879</u>	<u>6,414,209</u>	<u>6,881,044</u>	<u>6,784,434</u>	<u>6,987,632</u>	<u>7,159,373</u>	<u>7,377,330</u>
<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>	<u>\$ 24,281,417</u>	<u>\$ 25,873,854</u>	<u>\$ 28,976,598</u>	<u>\$ 27,423,221</u>	<u>\$ 26,486,019</u>
\$ 1,103,341	\$ 1,210,068	\$ 1,309,819	\$ 1,248,377	\$ 1,405,214	\$ 1,286,854	\$ 1,493,962
61,578	36,315	64,225	70,304	55,362	52,034	56,076
815,048	692,040	741,563	828,857	918,543	833,176	840,649
3,144,695	3,385,971	3,620,548	3,651,544	3,744,316	3,837,325	3,866,453
388,087	579,792	479,074	611,623	758,157	746,075	541,413
236,381	250,264	311,246	320,347	1,345,155	1,401,114	670,100
920,597	881,392	1,145,697	852,396	911,375	3,360,726	1,342,886
<u>6,669,727</u>	<u>7,035,842</u>	<u>7,672,172</u>	<u>7,583,448</u>	<u>9,138,122</u>	<u>11,517,304</u>	<u>8,811,539</u>
2,225,830	2,009,301	2,186,139	2,918,022	2,694,959	2,481,331	2,589,260
3,151,607	3,254,199	3,548,325	3,568,777	3,777,352	3,859,639	3,945,284
809,111	926,154	1,008,151	1,147,539	1,221,047	1,371,166	1,474,485
334,047	348,778	365,475	456,284	474,872	495,367	521,184
-	-	-	-	-	-	129,750
1,088,613	37,176	27,878	109,985	76,008	173,961	656,855
<u>7,609,208</u>	<u>6,575,608</u>	<u>7,135,968</u>	<u>8,200,607</u>	<u>8,244,238</u>	<u>8,381,464</u>	<u>9,316,818</u>
<u>\$ 14,278,935</u>	<u>\$ 13,611,450</u>	<u>\$ 14,808,140</u>	<u>\$ 15,784,055</u>	<u>\$ 17,382,360</u>	<u>\$ 19,898,768</u>	<u>\$ 18,128,357</u>

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

	Fiscal Year		
	2006	2007	2008
Net (expense) revenue			
Governmental activities	\$ (7,809,144)	\$ (8,895,082)	\$ (12,216,112)
Business-type activities	(250,138)	249,491	87,778
Total primary government net expense	<u>\$ (8,059,282)</u>	<u>\$ (8,645,591)</u>	<u>\$ (12,128,334)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 6,966,696	\$ 7,584,996	\$ 7,919,725
Tax increments	1,638,599	1,785,481	1,840,640
Franchise tax	239,281	259,107	279,644
Unrestricted grants and contributions	36,342	311,849	187,030
Investment earnings	565,522	776,753	503,337
Gain on disposal of capital assets	32,762	7,317	31,090
Transfers	141,743	180,000	4,000
Total governmental activities	<u>9,620,945</u>	<u>10,905,503</u>	<u>10,765,466</u>
Business-type activities			
Investment earnings	227,434	285,603	228,382
Transfers	(141,743)	(180,000)	(4,000)
Total business-type activities	<u>85,691</u>	<u>105,603</u>	<u>224,382</u>
Total primary government	<u>\$ 9,706,636</u>	<u>\$ 11,011,106</u>	<u>\$ 10,989,848</u>
Change in net position			
Governmental activities	\$ 1,811,801	\$ 2,010,421	\$ (1,450,646)
Business-type activities	(164,447)	355,094	312,160
Total primary government	<u>\$ 1,647,354</u>	<u>\$ 2,365,515</u>	<u>\$ (1,138,486)</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 2 of 2

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ (9,694,371)	\$ (9,218,981)	\$ (9,728,201)	\$ (11,505,972)	\$ (12,850,844)	\$ (8,746,544)	\$ (10,297,150)
1,365,329	161,399	254,924	1,416,173	1,256,606	1,222,091	1,939,488
<u>\$ (8,329,042)</u>	<u>\$ (9,057,582)</u>	<u>\$ (9,473,277)</u>	<u>\$ (10,089,799)</u>	<u>\$ (11,594,238)</u>	<u>\$ (7,524,453)</u>	<u>\$ (8,357,662)</u>
\$ 8,328,002	\$ 8,620,022	\$ 8,911,670	\$ 9,243,083	\$ 9,666,218	\$ 9,776,446	\$ 10,347,760
2,007,418	1,935,523	2,035,627	1,980,051	1,882,775	1,816,702	1,148,397
280,687	283,344	287,206	301,530	456,242	1,120,948	1,395,125
44,876	40,762	41,851	33,369	33,500	33,218	35,331
192,083	168,822	374,378	231,716	(553,422)	849,339	294,151
60,749	29,473	64,709	26,561	56,763	78,143	44,577
106,592	273,253	504,319	459,493	(130,957)	462,467	588,446
<u>11,020,407</u>	<u>11,351,199</u>	<u>12,219,760</u>	<u>12,275,803</u>	<u>11,411,119</u>	<u>14,137,263</u>	<u>13,853,787</u>
112,412	65,535	163,758	71,631	(235,147)	328,537	98,325
(106,592)	(273,253)	(504,319)	(459,493)	130,957	(462,467)	(588,446)
<u>5,820</u>	<u>(207,718)</u>	<u>(340,561)</u>	<u>(387,862)</u>	<u>(104,190)</u>	<u>(133,930)</u>	<u>(490,121)</u>
<u>\$ 11,026,227</u>	<u>\$ 11,143,481</u>	<u>\$ 11,879,199</u>	<u>\$ 11,887,941</u>	<u>\$ 11,306,929</u>	<u>\$ 14,003,333</u>	<u>\$ 13,363,666</u>
\$ 1,326,036	\$ 2,132,218	\$ 2,491,559	\$ 769,831	\$ (1,439,725)	\$ 5,390,719	\$ 3,556,637
1,371,149	(46,319)	(85,637)	1,028,311	1,152,416	1,088,161	1,449,367
<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>	<u>\$ 2,405,922</u>	<u>\$ 1,798,142</u>	<u>\$ (287,309)</u>	<u>\$ 6,478,880</u>	<u>\$ 5,006,004</u>

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CITY OF SHOREVIEW

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

Table 3

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
2006	\$ 6,966,696	\$ 1,638,599	\$ 239,281	\$ 8,844,576
2007	7,584,996	1,785,481	259,107	9,629,584
2008	7,919,725	1,840,640	279,644	10,040,009
2009	8,328,002	2,007,418	280,687	10,616,107
2010	8,620,022	1,935,523	283,344	10,838,889
2011	8,911,670	2,035,627	287,206	11,234,503
2012	9,243,083	1,980,051	301,530	11,524,664
2013	9,666,218	1,882,775	456,242	12,005,235
2014	9,776,446	1,816,702	1,120,948	12,714,096
2015	10,347,760	1,148,397	1,395,125	12,891,282

CITY OF SHOREVIEW

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Reserved	41,139	46,887	47,363	48,559
Unreserved	<u>3,010,210</u>	<u>3,394,008</u>	<u>3,555,239</u>	<u>3,814,089</u>
Total General Fund	<u>\$ 3,051,349</u>	<u>\$ 3,440,895</u>	<u>\$ 3,602,602</u>	<u>\$ 3,862,648</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	3,572,300	5,402,601	3,299,496	4,204,725
Unreserved, reported in				
Special revenue funds	930,430	922,183	952,644	1,083,914
Capital projects funds	<u>6,300,458</u>	<u>5,366,600</u>	<u>4,441,511</u>	<u>3,499,574</u>
Total all other governmental funds	<u>\$ 10,803,188</u>	<u>\$ 11,691,384</u>	<u>\$ 8,693,651</u>	<u>\$ 8,788,213</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					
2010	2011 (1)	2012	2013	2014	2015
\$ -	\$ 17,954	\$ 69,213	\$ 82,971	\$ 63,953	\$ 11,164
-	3,958,458	4,066,796	4,220,635	4,383,445	4,615,960
6,463	-	-	-	-	-
3,914,672	-	-	-	-	-
<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>	<u>\$ 4,136,009</u>	<u>\$ 4,303,606</u>	<u>\$ 4,447,398</u>	<u>\$ 4,627,124</u>
\$ -	\$ 9,924	\$ 8,680	\$ 14,642	\$ 2,350	\$ 3,925
-	5,955,357	5,105,880	6,832,418	7,097,111	6,220,156
-	5,030,274	5,562,550	5,517,902	7,046,321	8,957,012
-	1,200,724	1,858,594	967,183	2,090,550	2,804,058
-	(46,333)	(222,622)	(1,294,351)	(907,931)	(1,104,502)
5,336,946	-	-	-	-	-
1,338,648	-	-	-	-	-
3,884,575	-	-	-	-	-
<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>	<u>\$ 12,313,082</u>	<u>\$ 12,037,794</u>	<u>\$ 15,328,401</u>	<u>\$ 16,880,649</u>

CITY OF SHOREVIEW

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes				
General property taxes	\$ 6,964,113	\$ 7,578,220	\$ 7,897,145	\$ 8,274,948
Tax increments	1,638,599	1,785,481	1,840,640	2,007,418
Franchise tax	239,281	259,107	279,644	280,687
Special assessments	217,849	152,745	159,197	260,209
Licenses and permits	519,666	653,392	531,895	368,878
Intergovernmental	950,668	409,907	280,361	404,823
Charges for services	4,157,841	4,282,726	4,403,209	4,773,333
Fines and forfeits	52,605	49,462	55,814	55,582
Earnings on investments	527,272	727,810	477,652	179,965
Payments in lieu of taxes	110,000	110,000	110,000	110,000
Billboard fees	—	—	—	—
Antenna fees	142,183	147,056	156,934	178,643
Loan payments	14,500	14,500	21,750	21,750
Miscellaneous	238,796	198,053	81,209	68,358
Total revenues	<u>15,773,173</u>	<u>16,368,459</u>	<u>16,295,450</u>	<u>16,984,594</u>
Expenditures				
Current				
General government	1,837,668	1,929,640	2,009,234	1,982,564
Public safety	2,188,814	2,175,694	2,550,216	2,515,416
Public works	1,776,118	1,986,180	2,215,994	2,135,743
Parks and recreation	4,638,698	4,579,140	5,322,799	5,442,013
Community development	971,118	894,001	2,558,932	1,347,855
Miscellaneous	100,375	110,135	117,609	145,689
Capital outlay	8,078,575	2,472,723	1,520,192	1,932,761
Debt service				
Principal	1,670,000	1,550,000	1,705,000	1,115,000
Interest	569,286	650,836	601,052	525,063
Paying agent fees	11,206	33,913	14,172	10,463
Payment to refunded bond escrow agent	—	—	—	—
Total expenditures	<u>21,841,858</u>	<u>16,382,262</u>	<u>18,615,200</u>	<u>17,152,567</u>
Revenues over (under) expenditures	<u>(6,068,685)</u>	<u>(13,803)</u>	<u>(2,319,750)</u>	<u>(167,973)</u>
Other financing sources (uses)				
Issuance of refunding debt	—	1,090,000	—	—
Loan issued	6,000,000	—	—	—
Bonds issued	2,705,000	—	330,000	235,000
Premium on debt issuance	—	17,027	—	6,150
Discount on debt issuance	(10,869)	—	(1,676)	—
Payments to refunded bond escrow agent	—	—	(1,085,000)	—
Sale of capital assets	5,159	—	400	8,431
Transfers in	240,000	244,518	240,000	273,000
Transfers out	—	(60,000)	—	—
Total other financing sources (uses)	<u>8,939,290</u>	<u>1,291,545</u>	<u>(516,276)</u>	<u>522,581</u>
Net change in fund balances	<u>\$ 2,870,605</u>	<u>\$ 1,277,742</u>	<u>\$ (2,836,026)</u>	<u>\$ 354,608</u>
Debt service as a percentage of noncapital expenditures	<u>16.3%</u>	<u>15.8%</u>	<u>13.5%</u>	<u>10.8%</u>

Table 5

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 8,649,002	\$ 8,843,965	\$ 9,011,334	\$ 9,463,973	\$ 9,617,824	\$ 10,124,526
1,935,523	2,035,627	1,980,051	1,882,775	1,811,837	1,193,506
283,344	287,206	301,530	456,242	1,120,948	1,395,125
208,473	193,372	181,035	149,647	262,313	294,239
501,198	441,243	540,755	648,306	628,033	500,102
449,736	1,180,975	913,123	1,973,301	2,474,156	1,341,381
5,012,643	5,272,954	5,380,786	5,857,355	5,698,863	5,886,182
32,813	62,135	67,000	52,440	49,430	52,581
133,828	352,042	216,714	(508,781)	787,765	274,698
110,000	110,000	110,000	–	–	–
–	–	43,557	51,667	50,300	51,809
228,607	319,150	246,611	243,606	300,670	359,711
21,750	21,750	–	–	–	–
88,001	87,816	154,427	147,399	365,766	155,786
<u>17,654,918</u>	<u>19,208,235</u>	<u>19,146,923</u>	<u>20,417,930</u>	<u>23,167,905</u>	<u>21,629,646</u>
2,086,403	2,062,470	2,205,967	2,385,455	2,352,792	2,355,197
2,557,182	2,697,842	3,027,782	3,458,358	3,483,427	3,592,309
1,913,770	2,235,780	2,335,935	5,172,372	2,614,448	2,551,991
5,213,371	5,746,983	5,620,067	5,634,141	6,218,662	6,260,728
1,468,725	1,392,619	2,903,360	2,206,684	1,581,136	1,444,053
120,007	–	–	–	–	–
1,295,891	2,191,037	1,362,235	6,938,968	1,600,173	1,498,097
1,120,000	1,125,000	1,335,000	1,395,000	1,265,000	1,265,000
495,569	359,612	397,416	329,902	408,211	326,013
16,511	7,601	10,407	126,892	5,254	9,526
–	85,989	–	–	–	–
<u>16,287,429</u>	<u>17,904,933</u>	<u>19,198,169</u>	<u>27,647,772</u>	<u>19,529,103</u>	<u>19,302,914</u>
<u>1,367,489</u>	<u>1,303,302</u>	<u>(51,246)</u>	<u>(7,229,842)</u>	<u>3,638,802</u>	<u>2,326,732</u>
–	4,620,000	–	2,365,000	100,000	–
–	–	–	–	–	–
140,000	–	–	4,190,000	–	295,000
–	–	–	285,435	5,822	14,637
(1,120)	(44,759)	–	–	–	–
–	(4,575,241)	–	(135,000)	(860,000)	(1,490,000)
–	752	250	3,290	7,914	4,107
324,074	341,000	373,729	413,426	541,861	581,498
–	–	–	–	–	–
<u>462,954</u>	<u>341,752</u>	<u>373,979</u>	<u>7,122,151</u>	<u>(204,403)</u>	<u>(594,758)</u>
<u>\$ 1,830,443</u>	<u>\$ 1,645,054</u>	<u>\$ 322,733</u>	<u>\$ (107,691)</u>	<u>\$ 3,434,399</u>	<u>\$ 1,731,974</u>
<u>10.8%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>8.3%</u>	<u>9.3%</u>	<u>8.9%</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							
2006	\$ 25,308,639	\$6,526,392	\$ 280,671	\$ 24,285	\$ 1,665,131	\$ 30,474,856	23.974%	\$2,844,890,400	1.1%
2007	27,747,993	7,310,552	287,179	29,364	1,830,461	33,544,627	23.299%	3,124,914,300	1.1%
2008	28,781,938	8,444,482	278,268	23,059	2,129,346	35,398,401	23.532%	3,276,232,000	1.1%
2009	28,005,715	8,329,045	272,674	25,617	2,033,697	34,599,354	25.129%	3,198,277,000	1.1%
2010	26,372,797	8,238,244	269,727	8,996	1,933,124	32,956,640	27.569%	3,015,578,000	1.1%
2011	24,749,422	7,524,515	276,239	23,332	1,784,852	30,788,656	30.671%	2,838,577,100	1.1%
2012	22,153,383	7,228,211	296,285	21,668	1,549,078	28,150,469	33.252%	2,568,566,800	1.1%
2013	20,538,954	6,704,036	311,101	60,854	1,379,783	26,235,162	36.970%	2,404,938,000	1.1%
2014	20,887,523	6,674,198	192,279	59,021	1,319,882	26,493,139	37.490%	2,412,883,200	1.1%
2015	23,239,953	6,664,044	206,444	60,102	920,195	29,250,348	34.873%	2,640,693,400	1.1%

Percentage of Total Net Tax Capacity Value									
2006	83.0%	21.4%	0.9%	0.1%	5.5%	100.0%			
2007	82.7%	21.8%	0.9%	0.1%	5.5%	100.0%			
2008	81.3%	23.9%	0.8%	0.1%	6.0%	100.0%			
2009	80.9%	24.1%	0.8%	0.1%	5.9%	100.0%			
2010	80.0%	25.0%	0.8%	0.1%	6.0%	100.0%			
2011	80.4%	24.4%	0.9%	0.1%	5.8%	100.0%			
2012	78.7%	25.7%	1.0%	0.1%	5.5%	100.0%			
2013	78.3%	25.6%	1.2%	0.2%	5.3%	100.0%			
2014	78.9%	25.2%	0.7%	0.3%	5.1%	100.0%			
2015	79.4%	22.8%	0.7%	0.2%	3.1%	100.0%			

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

Source: Ramsey County Assessor's Office

CITY OF SHOREVIEW

Property Tax Rates
 Direct and Overlapping (1) Governments
 Last Ten Fiscal Years

City of Shoreview	2006	2007	2008
Tax Capacity Rates:			
City of Shoreview			
General Fund	18.244%	17.164%	16.972%
Special revenue	-	-	-
Capital project	4.632%	4.403%	4.863%
Debt service	1.098%	1.732%	1.697%
Internal service	-	-	-
Total city tax rate	23.974%	23.299%	23.532%
Shoreview HRA	-	-	-
Overlapping rates			
Ramsey County	43.554%	41.967%	41.158%
Ramsey County Library	3.069%	2.976%	2.865%
Total county tax rate	46.623%	44.943%	44.023%
Rice Creek Watershed	1.794%	1.315%	1.608%
Metro Watershed	-	-	-
School Districts			
District No. 621	23.419%	23.264%	20.380%
District No. 623	16.664%	12.372%	10.175%
District No. 916	0.066%	-	-
Other			
Regional rail	2.453%	3.956%	3.454%
Metropolitan Council	2.491%	2.174%	2.051%
Mosquito Control	0.523%	0.501%	0.479%
Total Direct and Overlapping Tax Capacity Rates:			
Grass Lake, No. 621 and No. 916	99.549%	98.137%	93.919%
Rice Creek, No. 621 and No. 916	101.343%	99.452%	95.527%
Metro Watershed, No. 621 and No. 916	-	-	-
Grass Lake, No. 623 and No. 916	92.794%	87.245%	83.714%
Rice Creek, No. 623 and No. 916	94.588%	88.560%	85.322%
Metro Watershed, No. 623 and No. 916	-	-	-
State-Wide Tax Capacity Rates:			
Commercial, industrial, and non-electric public utilities	50.827%	48.032%	45.949%
Cabins	28.385%	24.225%	20.385%
Market Value Tax Rates:			
Overlapping rates			
School Districts			
District No. 621	0.12803%	0.18163%	0.18924%
District No. 623	0.15115%	0.16932%	0.18134%

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

2009	2010	2011	2012	2013	2014	2015
18.346%	20.053%	21.634%	23.148%	25.557%	25.842%	23.853%
–	–	0.085%	0.197%	0.231%	0.302%	0.306%
5.175%	5.786%	6.821%	7.552%	8.545%	8.580%	8.160%
1.608%	1.730%	1.797%	1.582%	1.929%	2.071%	1.848%
–	–	0.334%	0.773%	0.708%	0.695%	0.706%
25.129%	27.569%	30.671%	33.252%	36.970%	37.490%	34.873%
–	0.169%	0.198%	0.254%	0.289%	0.345%	0.323%
43.171%	46.598%	50.801%	56.945%	60.638%	59.105%	54.462%
3.375%	3.650%	3.877%	4.372%	4.602%	4.630%	4.460%
46.546%	50.248%	54.678%	61.317%	65.240%	63.735%	58.922%
1.545%	1.511%	1.618%	2.348%	2.322%	2.346%	2.205%
–	–	–	3.043%	3.643%	4.499%	4.259%
22.937%	24.560%	25.573%	29.044%	29.444%	29.734%	27.378%
10.624%	13.065%	14.566%	17.065%	15.464%	16.251%	17.180%
–	–	–	–	–	–	–
3.521%	3.700%	3.921%	4.330%	4.528%	4.196%	3.938%
2.084%	2.261%	2.313%	2.706%	2.776%	2.729%	2.524%
0.487%	0.480%	0.503%	0.571%	0.573%	0.554%	0.511%
100.704%	108.987%	117.857%	131.474%	139.820%	138.783%	128.469%
102.249%	110.498%	119.475%	133.822%	142.142%	141.129%	130.674%
–	–	–	134.517%	143.463%	143.282%	132.728%
88.391%	97.492%	106.850%	119.495%	125.840%	125.300%	118.271%
89.936%	99.003%	108.468%	121.843%	128.162%	127.646%	120.476%
–	–	–	122.538%	129.483%	129.799%	122.530%
45.535%	45.881%	49.043%	51.100%	52.523%	52.160%	50.840%
18.214%	17.755%	19.145%	20.750%	22.327%	22.836%	21.703%
0.18685%	0.18882%	0.19536%	0.21242%	0.22834%	0.21069%	0.21901%
0.20390%	0.20374%	0.19715%	0.19591%	0.24553%	0.25826%	0.25930%

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

Table 8

Taxpayer	2015				2006			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
JPMCC 2006-LDP7 Gramsie Rd LLC	\$ 37,650,000	\$ 752,250	1	2.57%	\$ -	\$ -	-	-
Wells Fargo	36,898,500	737,220	2	2.52%	44,100,000	881,250	1	2.89%
Deluxe Corporation	20,805,000	415,350	3	1.42%	30,804,800	615,346	3	2.02%
Dayton Hudson Corporation	14,380,800	286,866	4	0.98%	17,000,000	339,250	4	1.11%
Terrace Apartments Company	22,740,300	284,255	5	0.97%	26,148,200	332,852	5	1.09%
Medtronic	14,126,500	281,780	6	0.96%	14,629,000	291,830	6	0.96%
TSI Inc.	12,600,000	251,250	7	0.86%	-	-	-	-
Carroll Ventures Company	17,175,900	214,699	8	0.73%	-	-	-	-
Northern States Power Co./Xcel Energy	9,422,000	182,705	9	0.62%	13,307,900	266,158	8	0.87%
Forstrom and Torgerson SLL LLC	7,753,200	154,314	10	0.53%	-	-	-	-
Shoreview Owner, LLC	-	-	-	-	34,696,100	693,172	2	2.27%
Canis Major Development LP	-	-	-	-	13,403,600	266,572	7	0.87%
Lakeshore Oaks Apartments LLP	-	-	-	-	14,400,000	180,000	9	0.59%
Carroll Ventures Company	-	-	-	-	14,400,000	180,000	10	0.59%
Total	\$ 193,552,200	\$ 3,560,689		12.16%	\$ 222,889,600	\$ 4,046,430		13.26%

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						
		2006	2007	2008	2009	2010	2011	2012
Property Taxes:								
2005 and prior	\$ 6,567,362	\$ 48,174	\$ (1,315)	\$ 5,233	\$ 982	\$ 175	\$ 205	\$ -
2006	7,028,114	6,907,441	74,370	(20,580)	1,585	981	(6,484)	127
2007	7,557,202	-	7,498,003	2,782	3,568	5,152	(10,043)	369
2008	8,045,252	-	-	7,906,905	38,347	767	(16,093)	908
2009	8,350,663	-	-	-	8,224,205	23,468	(27,916)	(4,727)
2010	8,731,773	-	-	-	-	8,608,884	29,965	(69,854)
2011	9,051,713	-	-	-	-	-	8,980,471	(7,542)
2012	9,360,028	-	-	-	-	-	-	9,262,995
2013	9,679,510	-	-	-	-	-	-	-
2014	10,009,093	-	-	-	-	-	-	-
2015	10,362,788	-	-	-	-	-	-	-
Non-levy collections (2)		8,498	7,162	2,805	6,261	9,575	(8,254)	43,440
Total collections within fiscal year		<u>\$ 6,964,113</u>	<u>\$ 7,578,220</u>	<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>	<u>\$ 8,941,851</u>	<u>\$ 9,225,716</u>
Tax Increments:								
2005 and prior	\$ 1,612,519	\$ (4,357)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	1,651,885	1,642,956	-	-	-	-	-	-
2007	1,785,481	-	1,785,481	-	-	-	-	-
2008	1,990,510	-	-	1,840,640	-	-	-	-
2009	2,037,210	-	-	-	2,007,418	-	-	-
2010	2,096,947	-	-	-	-	1,935,523	9,302	-
2011	2,094,246	-	-	-	-	-	2,026,325	9,864
2012	2,013,059	-	-	-	-	-	-	1,939,529
2013	1,917,808	-	-	-	-	-	-	-
2014	1,837,507	-	-	-	-	-	-	-
2015	1,193,512	-	-	-	-	-	-	-
Non-levy collections (2)		-	-	-	-	-	-	30,658
Total collections within fiscal year		<u>\$ 1,638,599</u>	<u>\$ 1,785,481</u>	<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>	<u>\$ 2,035,627</u>	<u>\$ 1,980,051</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	
2013	2014	2015		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -						
-	-	-	98.3%	\$ 6,957,440	99.0%	(70,674)	-	0.00%
1,183	-	-	99.2%	7,501,014	99.3%	(56,188)	-	0.00%
785	830	-	98.3%	7,932,449	98.6%	(112,803)	-	0.00%
962	1,404	3,271	98.5%	8,220,667	98.4%	(130,676)	(680)	-0.01%
(5,977)	3,529	476	98.6%	8,567,023	98.1%	(160,769)	3,981	0.05%
(11,727)	(65,999)	759	99.2%	8,895,962	98.3%	(153,512)	2,239	0.02%
28,098	(40,783)	(36,120)	99.0%	9,214,190	98.4%	(138,368)	7,470	0.08%
9,607,386	14,812	(26,344)	99.3%	9,595,854	99.1%	(80,531)	3,125	0.03%
-	9,922,551	11,781	99.1%	9,934,332	99.3%	(58,269)	16,492	0.16%
-	-	10,283,315	99.2%	10,283,315	99.2%	(31,453)	48,020	0.46%
26,253	(38,859)	94,302						
<u>\$ 9,646,963</u>	<u>\$ 9,797,485</u>	<u>\$ 10,331,440</u>					<u>\$ 80,647</u>	
\$ -	\$ -	\$ -						
-	-	-	99.5%	1,642,956	99.5%	(8,929)	-	0.00%
-	-	-	100.0%	1,785,481	100.0%	-	-	0.00%
-	-	-	92.5%	1,840,640	92.5%	(149,870)	-	0.00%
-	-	-	98.5%	2,007,418	98.5%	(29,792)	-	0.00%
-	-	-	92.3%	1,944,825	92.7%	(152,122)	-	0.00%
-	(13,785)	-	96.8%	2,022,404	96.6%	(71,842)	-	0.00%
(8,553)	(7,020)	-	96.3%	1,923,956	95.6%	(89,103)	-	0.00%
1,891,327	10,706	-	98.6%	1,902,033	99.2%	(15,775)	-	0.00%
-	1,821,936	25	99.2%	1,821,961	99.2%	(15,546)	-	0.00%
-	-	1,193,481	100.0%	1,193,481	100.0%	(8)	23	0.00%
-	-	-						
<u>\$ 1,882,774</u>	<u>\$ 1,811,837</u>	<u>\$ 1,193,506</u>					<u>\$ 23</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		
2006	389.0	266.7	160.0		815.7
2007	387.0	260.4	190.6		838.0
2008	381.5	254.2	141.8		777.5
2009	389.9	280.8	171.5		842.2
	(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
2006	38.9%		26.7%	16.0%	81.6%
2007	37.1%		24.9%	18.2%	80.2%
2008	38.9%		25.9%	14.4%	79.2%
2009	36.4%		26.2%	16.0%	78.6%
2010	39.8%		25.3%	10.4%	75.5%
2011	40.6%		24.9%	10.6%	76.1%
2012	19.5%	16.2%	24.6%	14.6%	74.9%
2013	22.1%	17.8%	24.0%	11.8%	75.7%
2014	25.3%	19.6%	23.6%	7.0%	75.5%
2015	25.7%	19.5%	22.4%	8.0%	75.6%

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

Source: City of Shoreview utility billing department

Table 10

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

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

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

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

Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial, Etc.	Shoreview City Accounts (2)	Total Water Sold
28.2	151.5	49.5	229.2	26.0	1,019.4
27.0	135.3	39.1	201.4	20.2	911.1
26.7	126.0	26.4	179.1	16.8	796.5
26.8	118.8	26.0	171.6	21.6	789.4

Percentage of Total Water Sold

0.0%	18.4%	0.0%	18.4%	0.0%	100.0%
0.0%	18.1%	0.0%	18.1%	1.7%	100.0%
0.0%	19.0%	0.0%	19.0%	1.8%	100.0%
0.0%	19.2%	0.0%	19.2%	2.2%	100.0%
3.0%	15.5%	3.5%	22.0%	2.5%	100.0%
2.9%	14.2%	4.7%	21.8%	2.1%	100.0%
2.8%	14.8%	4.9%	22.5%	2.6%	100.0%
3.0%	14.8%	4.3%	22.1%	2.2%	100.0%
3.4%	15.7%	3.3%	22.4%	2.1%	100.0%
3.4%	15.0%	3.3%	21.7%	2.7%	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
2006	\$ 9.08	\$ 0.770	\$ 1.359	\$ 1.972	\$ 10.28	\$ 10.90	\$ 70.97	\$ 86.07
2007	10.90	0.770	1.468	2.268	10.90	11.55	75.23	91.23
2008	12.54	0.816	1.644	2.608	12.00	12.71	82.75	100.35
2009	13.17	0.857	1.726	2.738	13.20	13.98	91.03	110.40

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

	(2) Water					Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons				Per Unit		Per Acre	
		Tier 1 First 5,000 Gallons	Tier 2 Second 5,000 Gallons	Tier 2 Third 20,000 Gallons	Tier 3 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2012	\$ 13.00	\$ 1.04	\$ 1.69	\$ 2.34	\$ 3.84	\$ 17.57	\$ 18.61	\$ 146.94	\$ 146.94
2013	13.40	1.08	1.74	2.41	3.96	19.33	20.47	161.63	161.63
2014	13.96	1.13	1.81	2.51	4.13	21.26	22.52	177.79	177.79
2015	14.94	1.21	1.94	2.69	4.42	23.39	24.77	195.57	195.57

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	
Use Rate (Based on Winter Water Use)						Per Unit	
Base Rate	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
\$ 31.93	\$ 10.10	\$ 15.37	\$ 20.63	\$ 25.90	\$ 31.16	\$ 4.40	\$ 3.30
28.74	11.11	18.44	26.82	34.97	43.62	4.66	3.50
27.88	11.78	20.28	31.11	42.31	54.96	6.06	4.55
30.67	12.96	22.31	34.22	46.54	60.46	6.67	5.00

Sewer						Street Lighting	
Use Rate per unit (Based on Winter Water Use)						Per Unit	
Base Rate 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	
Use Rate per unit (Based on Winter Water Use)						Per Unit	
Base Rate 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

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)	
2006	\$ 20.39	\$ 1.359
2007	22.02	1.468
2008	24.66	1.644
2009	25.89	1.726

Fiscal Year	Base Rate Per Account	Rate per 1,000 gallons		
		First 50,000	Next 1,150,000	All Remaining
2010	\$ 10.00	\$ 1.40	\$ 1.86	\$ 2.95
2011	11.00	1.54	2.05	3.25
2012	13.00	1.69	2.34	3.84
2013	13.40	1.74	2.41	3.96
2014	13.96	1.81	2.51	4.13
2015	14.94	1.94	2.69	4.42

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
\$ 52.56	\$ 2.64	\$ 86.07	\$ 13.20
55.56	2.798	91.23	14.00
58.99	2.970	100.35	18.20
64.89	3.270	110.40	20.02

Sewer		Surface Water Management	Street Lights
Sewer Availability Charge Per Account	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 32.51	\$ 3.47	\$ 121.44	\$ 20.82
35.76	3.82	133.58	21.86
35.76	3.82	146.94	27.33
37.91	4.05	161.63	28.42
39.05	4.17	177.79	29.56
40.22	4.30	195.57	30.74

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
2006	\$ 2,120,000	\$ 4,035,000	\$ 4,770,000	\$ 5,660,000	\$ 6,000,000	\$ 2,495,000
2007	1,820,000	3,950,000	4,925,000	5,430,000	6,000,000	3,120,000
2008	1,835,000	3,795,000	2,845,000	5,190,000	6,000,000	5,210,000
2009	1,765,000	3,570,000	2,510,000	4,940,000	6,000,000	4,895,000
2010	1,610,000	8,950,000	2,180,000	4,680,000	6,000,000	5,710,000
2011	1,350,000	8,705,000	1,830,000	4,620,000	6,000,000	5,250,000
2012	1,065,000	8,355,000	1,320,000	4,330,000	6,000,000	4,700,000
2013	2,780,000	12,395,000	690,000	3,985,000	6,000,000	5,930,000
2014	2,620,000	15,645,000	350,000	3,635,000	6,000,000	5,880,000
2015	2,680,000	8,810,000	-	3,275,000	6,000,000	11,355,000

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

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

Table 13

<u>Business-Type Activities</u>				Percentage of	Percentage of	
<u>Sewer</u>	<u>Surface</u>	<u>Unamortized</u>	<u>Total Primary</u>	<u>Estimated</u>	<u>Estimated actual</u>	
<u>Bonds</u>	<u>Water</u>	<u>Premium</u>	<u>Government</u>	<u>Personal</u>	<u>Market Value of</u>	<u>Per Capita (2)</u>
	<u>Bonds</u>			<u>Income (2)</u>	<u>Property (1)</u>	
\$ 605,000	\$ 815,000	\$ -	\$ 26,500,000	2.40%	0.93%	\$ 1,021
835,000	1,335,000	-	27,415,000	2.37%	0.88%	1,051
1,370,000	1,485,000	-	27,730,000	2.34%	0.85%	1,060
1,315,000	2,555,000	-	27,550,000	2.47%	0.86%	1,058
2,220,000	2,780,000	-	34,130,000	3.07%	1.13%	1,319
2,130,000	2,555,000	-	32,440,000	2.89%	1.14%	1,295
1,985,000	2,300,000	-	30,055,000	2.59%	1.17%	1,197
1,995,000	3,190,000	403,427	37,368,427	3.16%	1.55%	1,470
2,400,000	3,095,000	632,915	40,257,915	3.34%	1.67%	1,571
3,135,000	3,345,000	869,556	39,469,556	3.04%	1.49%	1,534

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
2006	\$2,120,000	\$4,035,000	\$ 4,770,000	\$ 2,495,000	\$ 605,000	\$ 815,000
2007	1,820,000	3,950,000	4,925,000	3,120,000	835,000	1,335,000
2008	1,835,000	3,795,000	2,845,000	5,210,000	1,370,000	1,485,000
2009	1,765,000	3,570,000	2,510,000	4,895,000	1,315,000	2,555,000
2010	1,610,000	8,950,000	2,180,000	5,710,000	2,220,000	2,780,000
2011	1,350,000	8,705,000	1,830,000	5,250,000	2,130,000	2,555,000
2012	1,065,000	8,355,000	1,320,000	4,700,000	1,985,000	2,300,000
2013	2,780,000	12,395,000	690,000	5,930,000	1,995,000	3,190,000
2014	2,620,000	15,645,000	350,000	5,880,000	2,400,000	3,095,000
2015	2,680,000	8,810,000	-	11,355,000	3,135,000	3,345,000

- 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>
\$ -	\$14,840,000	\$ 638,152	\$14,201,848	0.50%	\$ 547
-	15,985,000	1,829,311	14,155,689	0.45%	543
-	16,540,000	862,984	15,677,016	0.48%	599
-	16,610,000	884,321	15,725,679	0.49%	604
-	23,450,000	939,736	22,510,264	0.75%	870
-	21,820,000	980,000	20,840,000	0.73%	832
-	19,725,000	881,898	18,843,102	0.73%	750
403,427	27,383,427	3,325,237	24,058,190	1.00%	946
632,915	30,622,915	2,577,845	28,045,070	1.16%	1,094
869,556	30,194,556	1,136,688	29,057,868	1.10%	1,130

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CITY OF SHOREVIEW

Direct and Overlapping Governmental Activities Debt
as of December 31, 2015

Table 15

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 207,722,000	7.037%	\$ 14,618,304
Independent School District No. 621 (Mounds View)	118,030,000	31.689%	37,403,037
Independent School District No. 623 (Roseville)	39,470,000	3.584%	1,414,408
Special Independent School District No. 916 (Vo-Tech)	82,995,000	12.047%	9,998,510
Metropolitan Council	1,419,891,649	0.891%	<u>12,645,265</u>
Total overlapping debt			76,079,524
City of Shoreview direct debt (1)			<u>21,165,783</u>
Total direct and overlapping debt			<u><u>\$ 97,245,307</u></u>

Debt Ratios

Ratio of debt per capita (25,723 population, Table 18)	\$ 3,780
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$29,250,348, Table 6)	332.46%
Ratio of debt to estimated actual market value of property (\$2,640,693,400, Table 6)	3.68%

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 SHOREVIEWLegal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 56,897,808	\$ 62,498,286	\$ 98,286,960	\$ 95,948,310
Total net debt applicable to limit	<u>9,055,007</u>	<u>8,614,289</u>	<u>8,075,009</u>	<u>7,611,185</u>
Legal debt margin	<u>\$ 47,842,801</u>	<u>\$ 53,883,997</u>	<u>\$ 90,211,951</u>	<u>\$ 88,337,125</u>
Total net debt applicable to the limit as a percentage of debt limit	15.91%	13.78%	8.22%	7.93%

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

Table 16

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 90,467,340	\$ 85,157,333	\$ 77,057,004	\$ 72,148,140	\$ 72,386,496	\$ 79,220,802
12,747,163	12,442,328	11,798,714	13,168,149	16,872,663	11,095,214
<u>\$ 77,720,177</u>	<u>\$ 72,715,005</u>	<u>\$ 65,258,290</u>	<u>\$ 58,979,991</u>	<u>\$ 55,513,833</u>	<u>\$ 68,125,588</u>
14.09%	14.61%	15.31%	18.25%	23.31%	14.01%

Legal Debt Margin Calculation for Fiscal Year 2015

Market value (payable 2015 value, Table 6)	\$2,640,693,400
Debt limit (3% of market value)	79,220,802
Debt applicable to limit	
Other general obligation bonds	8,810,000
Certificates of participation	3,275,000
Less cash set aside for repayment of general obligation debt	<u>(989,786)</u>
Total net debt applicable to limit	<u>11,095,214</u>
Legal debt margin	<u>\$ 68,125,588</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	
Water Revenue Bonds						
2006	\$ 1,749,143	\$ 1,243,722	\$ 505,421	\$ 215,000	\$ 101,273	1.60
2007	1,981,574	1,239,931	741,643	220,000	103,071	2.30
2008	2,033,018	1,329,619	703,399	275,000	126,890	1.75
2009	2,282,465	1,245,066	1,037,399	315,000	197,535	2.02
2010	2,042,580	1,339,306	703,274	425,000	192,894	1.14
2011	2,279,802	1,368,874	910,928	460,000	202,063	1.38
2012	2,966,297	1,405,259	1,561,038	550,000	183,921	2.13
2013	2,585,461	1,403,838	1,181,623	460,000	183,026	1.84
2014	2,668,132	1,432,452	1,235,680	965,000	163,432	1.10
2015	2,639,110	1,430,934	1,208,176	1,410,000	181,749	0.76
Sewer Revenue Bonds						
2006	\$ 2,704,890	\$ 2,455,406	\$ 249,484	\$ 30,000	\$ 21,362	4.86
2007	2,799,893	2,416,145	383,748	30,000	23,635	7.15
2008	2,923,581	2,590,220	333,361	45,000	34,913	4.17
2009	3,187,514	3,013,766	173,748	55,000	50,951	1.64
2010	3,274,000	2,869,607	404,393	80,000	57,495	2.94
2011	3,617,492	2,953,041	664,451	90,000	76,061	4.00
2012	3,604,257	2,893,667	710,590	145,000	72,489	3.27
2013	3,718,390	3,100,871	617,519	275,000	67,690	1.80
2014	3,973,536	3,163,229	810,307	325,000	58,703	2.11
2015	3,981,855	3,191,670	790,185	915,000	53,375	0.82
Surface Water Management Revenue Bonds						
2006	\$ 670,491	\$ 491,989	\$ 178,502	\$ 80,000	\$ 26,492	1.68
2007	751,760	516,526	235,234	80,000	32,303	2.09
2008	837,128	545,757	291,371	80,000	48,344	2.27
2009	826,536	565,250	261,286	110,000	26,179	1.92
2010	937,550	656,073	281,477	130,000	90,408	1.28
2011	1,032,620	669,298	363,322	225,000	91,277	1.15
2012	1,159,830	710,054	449,776	255,000	84,797	1.32
2013	1,188,105	621,960	566,145	415,000	84,608	1.13
2014	1,411,270	695,548	715,722	360,000	80,992	1.62
2015	1,485,119	752,030	733,089	610,000	73,517	1.07

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

(1) Operating expenses do not include depreciation.

<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>
2006	25,964	\$ 1,103,184,396	\$ 42,489	10,234	6,296	3.1 %
2007	26,093	1,156,102,551	44,307	10,116	6,373	3.5 %
2008	26,159	1,183,485,478	45,242	9,914	6,391	4.4 %
2009	26,036	1,113,924,224	42,784	9,901	6,481	6.1 %
2010	25,882	1,111,062,496	42,928	9,849	6,489	6.5 %
*2011	25,043	1,122,903,077	44,839	9,914	6,593	5.6 %
2012	25,118	1,158,818,930	46,135	10,006	6,765	4.7 %
2013	25,429	1,183,185,941	46,529	10,233	6,902	4.0 %
2014	25,630	1,205,096,970	47,019	10,734	7,437	3.2 %
2015	25,723	1,300,066,143	50,541	10,759	7,547	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.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2006–2014 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2015 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

* 2010 Federal Census data

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CITY OF SHOREVIEW

Principal Employers

Current Year and Nine Years Ago

Table 19

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	11.07%	2,000	1	14.94%
Deluxe Corporation	1,150	2	10.61%	1,044	3	7.80%
Land O'Lakes	800	3	7.38%	–	–	–
Cummins Power Generation	600	4	5.54%	–	–	–
Target Corporation	500	5	4.61%	500	4	3.74%
TSI Inc.	485	6	4.47%	395	5	2.95%
DJO Global – Empi Inc.	430	7	3.97%	310	6	2.32%
Westinghouse (PaR Nuclear)	300	8	2.77%	–	–	–
Fiserv	200	9	1.85%	–	–	–
PaR Systems	200	10	1.85%	215	7	1.61%
Medtronic	–	–	–	1,200	2	8.97%
Curtis 1000	–	–	–	175	8	1.31%
Kozlaks	–	–	–	120	9	0.90%
AGS Publishing	–	–	–	120	10	0.90%
Total	5,865		54.11%	6,079		45.42%

Source: Official Statement for 2015 and MN DEED for 2006

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,			
	2006	2007	2008	2009
General government	13.36	12.16	13.61	12.25
Public safety				
Emergency services	0.20	0.16	0.16	0.16
Public works				
Engineering	4.39	4.39	4.05	4.05
Maintenance	6.93	6.99	7.36	7.35
Parks and recreation				
Administration	6.31	6.27	6.26	6.15
Maintenance	9.04	9.40	9.87	9.45
Community center	45.81	43.72	39.51	37.29
Recreation programs	23.06	22.12	25.42	26.41
Community development	5.60	5.75	5.75	5.77
Water	7.82	8.11	8.36	8.43
Sewer	6.56	6.83	7.08	7.22
Surface water	2.87	2.88	3.33	3.37
Street lights	0.10	0.10	0.20	0.20
Central garage	2.40	2.40	2.40	2.40
Total	134.45	131.28	133.36	130.50
Full-time	77.00	76.00	77.25	78.68
Part-time	–	–	0.75	0.75
Associate	57.45	55.28	55.36	51.07
Total	134.45	131.28	133.36	130.50

Source: City Finance Department

Table 20

Budgeted Full-Time Equivalent Employees as of December 31,

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
14.05	12.66	14.69	13.46	14.22	13.80
0.08	0.08	0.07	0.08	0.08	-
4.05	4.05	4.03	4.03	4.03	3.83
6.83	6.83	6.84	7.12	7.68	7.68
6.00	5.00	4.00	4.00	4.44	4.50
9.51	9.71	9.95	9.95	10.00	10.00
36.03	36.68	36.44	36.61	38.44	38.52
26.08	28.54	29.13	29.74	32.73	31.52
5.82	5.82	5.84	6.56	6.95	7.00
8.33	8.35	8.40	8.39	8.41	8.28
7.34	7.35	7.41	7.41	7.44	7.30
3.52	3.52	3.55	3.55	3.67	3.74
0.20	0.20	0.20	0.20	0.28	0.20
<u>2.40</u>	<u>2.40</u>	<u>2.40</u>	<u>2.40</u>	<u>2.40</u>	<u>2.40</u>
<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>	<u>140.77</u>	<u>138.77</u>
79.75	79.00	79.00	79.00	83.36	82.00
0.75	0.75	1.55	1.55	0.42	1.10
<u>49.74</u>	<u>51.44</u>	<u>52.40</u>	<u>52.95</u>	<u>56.99</u>	<u>55.67</u>
<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>	<u>140.77</u>	<u>138.77</u>

CITY OF SHOREVIEW

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year		
	2006	2007	2008
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	6,508	6,526	6,719
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	274	302	307
Public works			
Salt (tons)	715	705	938
Crack sealant (pounds)	18,000	18,000	10,000
Asphalt repairs (tons of asphalt)	684	595	795
Recyclables collected (tons)	3,942	3,723	3,385
Trails resurfaced (miles)	4.50	5.75	5.00
Parks and recreation			
Recreation program users (registered participants)	15,228	14,828	16,369
Community program attendance (non-fee programs)	–	–	–
Community center users	423,314	415,886	449,811
Community development			
Permits issued	1,146	3,057	2,350
Permit valuation (millions)	\$ 40.3	\$ 32.3	\$ 26.6
Water			
Water main breaks	5	7	21
Meters replaced	524	128	372
Curb box repairs (water valves)	225	180	485
Hydrants repaired	22	32	192
Average annual residential water use per household	88,068	91,881	82,600
Average daily consumption (millions of gallons)	3.28	3.50	3.24
Maximum daily gallons pumped (millions)	9.77	10.10	8.33
Sewer			
Sewage flow (millions of gallons)	886	920	926
Miles jetted	58	60	68
Miles rodded	8	9	28
Miles inspected	40	40	49
Surface water management			
Material dredged from ponds (yards)	425	425	500
Sweepings collected (tons of material)	450	200	300
Miles of street swept	450	450	360
Street sweeping rounds per year	5	5	4
Lake augmentation, gallons pumped (millions)	10.4	135.9	–
Central garage			
Gallons of gas	20,000	17,500	18,512
Gallons of diesel	17,500	20,000	18,901
Oil changes	101	115	108
Tires replaced	81	34	51

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						
2009	2010	2011	2012	2013	2014	2015
6,441	6,298	6,443	6,661	7,057	8,128	9,281
306	806	988	1,060	1,275	1,449	1,597
350	525	438	373	500	460	250
11,250	9,000	13,500	9,000	12,000	7,500	12,600
578	579	775	505	380	278	265
3,204	3,342	2,985	3,165	3,242	2,762	2,735
5.50	4.50	5.00	9.90	5.00	–	6.20
17,997	20,679	26,317	28,601	25,726	29,270	28,404
–	–	* 57,055	49,542	47,964	39,261	43,218
507,951	627,822	699,025	692,616	698,892	593,172	700,000
1,352	1,044	922	867	1,312	1,053	1,141
\$ 18.3	\$ 42.1	\$ 21.9	\$ 29.9	\$ 42.4	\$ 40.3	\$ 21.7
9	14	3	3	10	15	5
8,100	61	25	16	23	45	34
1,130	458	385	225	75	105	97
39	42	75	18	25	35	11
89,050	82,742	81,368	91,605	82,554	73,557	72,575
3.30	2.91	2.69	3.01	2.69	2.43	2.14
8.17	9.46	5.91	6.97	7.68	5.88	5.24
874	865	914	791	871	813	792
65	72	82	82	62	81	52
25	38	32	35	32	30	22
48	40	60	40	40	44	62
432	795	–	–	–	–	–
200	250	200	250	350	350	250
270	405	353	405	794	794	904
3	5	4	5	9	9	8
32.5	221.2	–	110.7	8.7	–	–
15,409	17,500	14,676	14,980	17,333	14,469	19,780
22,265	20,000	20,002	23,183	24,727	20,914	17,677
97	164	116	114	78	89	90
29	42	17	54	53	39	29

CITY OF SHOREVIEW

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2006	2007	2008	2009
Public safety				
Police (contractual service with Ramsey County Sheriff's Department)				
Patrol units (24-hour)	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)				
Fire stations in service	4	4	4	4
Number of firefighters	65	65	66	61
Public works				
Streets (miles)	87.6	87.6	87.6	87.6
Culture and recreation				
Parks acreage	268	268	268	268
Parks	10	10	10	10
Park buildings	8	8	8	8
Picnic shelters	5	5	5	6
Community center (square footage)	111,000	111,000	111,000	111,000
Water				
Water mains (miles)	102.8	102.8	102.8	102.8
Fire hydrants	1,312	1,312	1,318	1,318
Wells	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4
Sewer				
Sanitary sewers (miles)	107.9	107.9	107.9	107.9
Lift stations	17	17	17	17
Surface water management				
Storm water lift stations	3	4	4	5
Storm ponds	200	200	200	200
Street lights	659	659	659	681

Sources: Various city departments

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

Table 22

Fiscal Year					
2010	2011	2012	2013	2014	2015
2	2	2	2	2	2
4	4	4	4	4	4
60	60	60	60	60	60
88.2	89.0	89.0	89.0	89.4	89.4
268	268	268	268	268	268
10	10	10	10	10	10
8	8	8	8	8	8
6	6	6	7	7	7
111,000	111,000	111,000	111,000	111,000	111,000
102.8	103.0	103.0	103.0	103.0	103.0
1,318	1,325	1,327	1,328	1,330	1,328
6	6	6	6	6	6
4	4	4	4	4	4
107.9	108.2	108.2	108.2	108.5	108.5
17	17	17	17	17	18
5	4	4	4	4	4
200	200	200	201	202	198
692	692	701	717	731	764

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