

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

For the year ended December 31, 2016

CITY OF ROBBINSDALE

ROBBINSDALE, MINNESOTA



ISSUED BY THE FINANCE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ROBBINSDALE, MINNESOTA

For the Fiscal Year Ended

December 31, 2016

Prepared by the
City of Robbinsdale Finance Department

Larry Jacobson, Finance Director
Jeff Zuba, Accountant



READER'S NOTES:

CITY OF ROBBINSDALE

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READER'S NOTES:

INTRODUCTORY SECTION



May 22, 2017

To the Honorable Mayor and Members of the City Council
City of Robbinsdale, Minnesota

Mayor and City Council Members:

Minnesota Statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Robbinsdale, Minnesota (the City) for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation for the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of the internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2016 are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component 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. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City is a first ring suburb located northwest of the City of Minneapolis. The City has a land area of 2.7 square miles with a population of 14,757. The City continues to maintain a small-town feel, yet is located just minutes from downtown Minneapolis.

The City provides its residents and businesses with a full range of basic governmental services consisting of public safety, public works, parks and recreation, and general administrative services. In addition to basic governmental services, the governing body exercises financial accountability over the Robbinsdale Economic Development Authority (REDA). The REDA's governing board is made up exclusively of city council members; therefore, all its activities are included as part of the reporting entity. The Robbinsdale Fire Relief Association (the Association) has not met the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report. The Association is not a component unit because it is organized independently under state law. The Association's audited annual financial reports are available in its offices, as well as at City Hall.

Local Economy and Housing

The City's downtown area maintains a mix of retail, professional businesses, and a variety of restaurants. National notice has been given to Travail, which recently partnered with the REDA to construct a new 96-seat restaurant, as well as Pig Ate My Pizza, which took on the previous location. The downtown area also has regional draws with Hackenmueller's Meat Market, Wuollet Bakery, Wicked Wort craft beer brewery, and Nonna Rosa's restaurant. Outside of the downtown area, there are two shopping centers, a new Hy-Vee grocery under construction and the North Memorial Healthcare (NMHC) campus.

The extension of the Blue Line light rail service from the airport continuing north with a station in downtown Robbinsdale, will have construction plans 100 percent complete by year-end and has an anticipated start of operations in 2021. The potential for light rail has resulted in an increase in development discussion in and around the downtown area.

The City is home to the NMHC, a regional medical facility. The NMHC has a large hospital facility and multiple associated medical office buildings. The NMHC is the City's largest employer, with over 4,300 employees.

The City's housing market is primarily single family homes that are pre-World War II vintage. During 2004, the REDA entered into an agreement with a developer for the redevelopment of an old school site, which added 166 housing units (mostly townhomes) to the City's tax base. The project was fully completed with the addition of the last single family home in 2015.

Although the City is fully developed, there are a few in-fill projects:

- A six-home redevelopment site on Scott Avenue, north of County Road 9, involved bringing in a sanitary sewer main with an easement across the adjacent church property. The first home was built in 2011 and the remaining five were constructed in 2013.
- A large area was acquired in the northwestern part of the City from the Minnesota Department of Transportation. Five homes were constructed from 2008–2010, four more homes were completed in 2013–2015, the remaining three lots are approved for construction with expected completion in 2017, and one lot is being used for growing produce for a local restaurant. A four-home redevelopment site on Twin Oak Lane is being readied for 2016 construction.
- A development agreement is under review for another four-home development, including two lots on South Twin Lake, on land acquired from the Minnesota Department of Transportation. The property is adjacent to the new Three Rivers Park boat landing and bike trails. A model home is to be completed in 2017 after the developer completes pre-development extension of utilities and regrading of the property. The remaining three homes are expected to be completed by 2020.
- Typically, three to four scattered sites are acquired, cleared, and sold each year.

Long-Term Financial Planning

The City receives local governmental aid (LGA) through the state of Minnesota to help pay for basic governmental services. This aid is based on a funding formula that includes volatility in the calculations that determine how the amount is allocated among cities in the state.

Since 2002, the City has had its state aids for LGA and market value homestead credit reduced by as much as 50 percent in 2008. The level of LGA has recovered beginning in 2014 and the 2016 LGA saw an amount that was reduced by 14 percent from the 2002 level. The reduction in state aid by the state of Minnesota was to assist in balancing the state budget. The City received a total of \$1,706,053 in LGA in 2016, an increase of \$21,971.

In 2017, the amount of LGA funding at the state level was increased slightly. The City expects to receive \$1,714,182 in state aid in 2017, an increase of \$8,129. This will assist in relieving budget stress imposed in prior years as the City has made up a majority of the state aid loss through an increase to its property tax levy, other fees, and spending reductions.

Additionally, the City extended, through June 2019, a 4 percent franchise fee on revenues that gas and electric utilities receive from customers located within the City. This fee had been in place since 2003. This fee helps support some basic governmental services and provides additional funds towards the City's long-term Street Replacement Program.

The City annually prepares and adopts a Five-Year Capital Improvement Plan (CIP), which serves as a planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating efficiently. The CIP is a planning tool that forecasts the City's capital needs over a five-year period based on city-adopted long-range plans, goals, and policies. The CIP includes detailed descriptions of every capital project the City anticipates to initiate during the five-year period.

Key priorities for the City for 2017–2018 are to:

- Continue the community policing connection with residents and falling crime rates
- Maintain the Infrastructure Replacement Program, including LED street lighting replacements and planning for water tower replacement
- Provide safe and fun places in parks, focusing on quality rather than quantity of facilities
 - Complete the Pavilion Project in Lakeview Terrace Park
 - Plan for and implement Triangle Park improvements
- Encourage partnerships for improvements in parks
- Uphold aggressive housing rental licensing and point of sale standards
- Prepare for Light Rail Transit (LRT)
 - LRT design detail engagement
 - Option agreements for key downtown properties
 - Identify a developer for the LRT parking ramp wrap/Hubbard Marketplace and other potential downtown redevelopment areas
- Enhance the downtown area
 - Plan for the 41½ promenade from LRT to West Broadway
 - Address downtown parking challenges
- Liquor store marketing, sales improvements, and relocation

The City subscribes to the “pooled cash” concept of investing, which means that all funds with cash balances participate in an investment pool. This permits some funds to be overdrawn and others to show cash balances when, in fact, the City as a whole has a cash balance. This pooled cash concept provides for investing greater amounts of money at more favorable rates. Investment earnings are then allocated yearly based on quarterly cash balances to the participating funds. For further information on the City's cash and investments, please see Note 3 of the City's notes to basic financial statements.

The City belongs to two organizations that were created for insurance purposes. The League of Minnesota Cities Insurance Trust (LMCIT) was founded to provide general liability and workers' compensation insurance to LMCIT members. The program provides coverage for damages up to \$2,000,000 per incident and limits the City's liability to \$25,000 per claim and \$100,000 per year for general liability. Also, Minnesota Statutes provide limits on liability claims to cities. The LOGIS Insurance Group is a joint powers agreement between local government agencies that have combined their group size for pooling of health and life insurance experience ratings. The group annually reviews coverage and costs offered by health maintenance organizations (HMOs) that provide insurance to the members and bids group life insurance.

Relevant Financial Policies

The City Council will continue to review its policy on the level of the General Fund balance reserves, which is currently 40 to 50 percent of the subsequent year's expenditures. Due to recent cuts in state aid, to assist in balancing the state budget, this will become an important element of future budget planning. As in prior years, the City Council may determine to use a portion of the General Fund balance to assist in balancing future budgets. This will help to reduce the amount that property tax levies will increase to property owners, or minimize reductions in services. The City Council will continue to provide that the balance is adequate to finance cash flow needs for subsequent years.

Major Initiatives

While continuing to reconstruct various streets throughout the City, the 2017 budget includes an increased investment being made to resurface local streets which were seeing surface degradation, but not scheduled to be reconstructed in a 10+ year horizon. The 2016 projects included completion of County Road 9 on the east half of the City as well as local streets spanning the Josephine Lane area. Each project included replacing street lights with energy saving LED lights.

Significant city council and staff engagement was invested in reviewing LRT plans proposed for extension of the Blue Line through the City inside the BNSF right-of-way. Municipal consent was given in early 2016.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2015. The City has received a Certificate of Achievement for the last 37 years (1979–2015). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to express our appreciation to the Mayor and the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. We also want to express our appreciation to the entire Finance Department staff for their efficient and dedicated services in the preparation of this report.

Respectfully submitted,



Marcia Glick
City Manager



Larry Jacobson, CPA
Finance Director



Government Finance Officers Association

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

Presented to

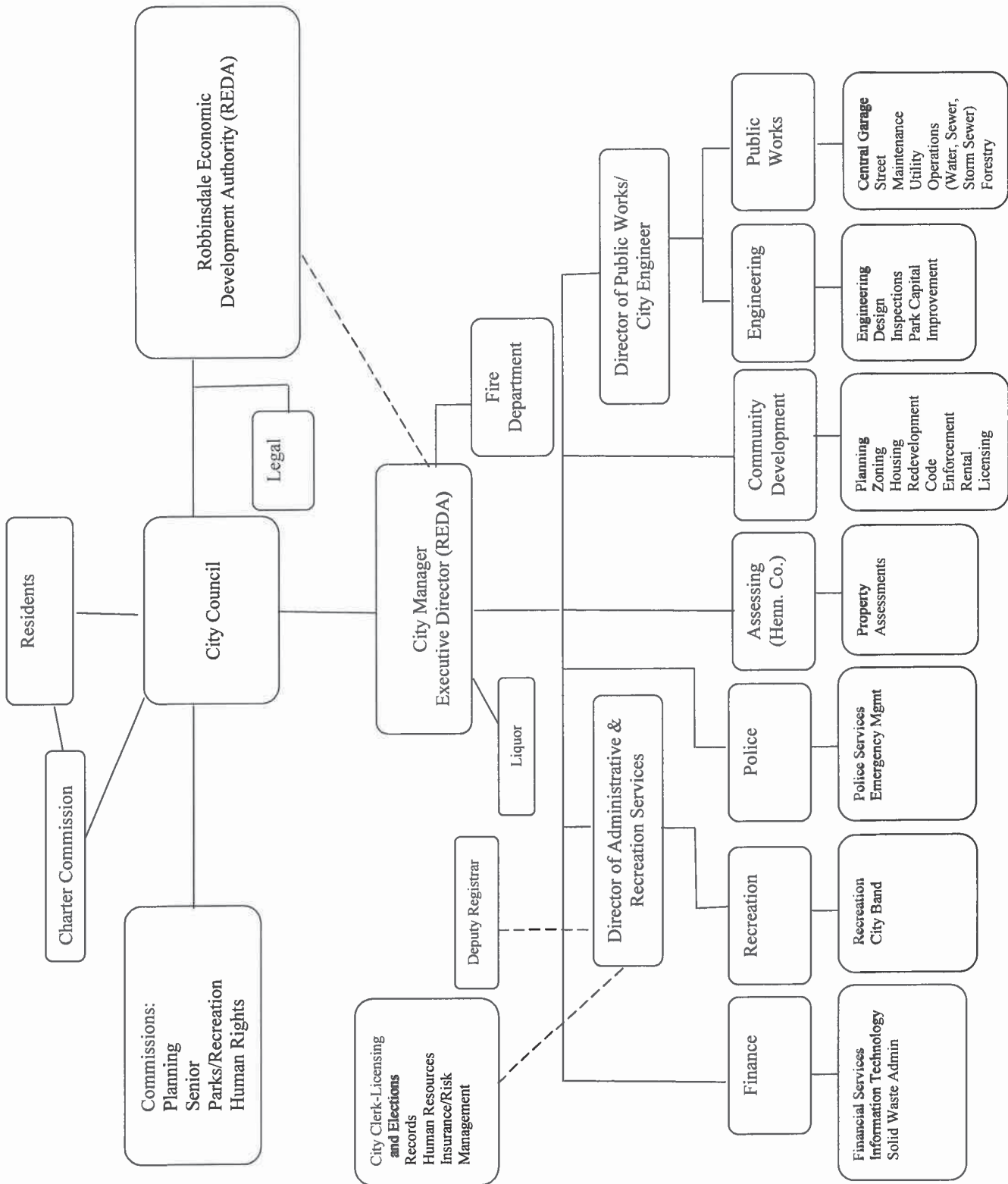
**City of Robbinsdale
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Robbinsdale Organization Chart



CITY OF ROBBINSDALE, MINNESOTA

Elected and Administrative Officials
December 31, 2016

ELECTED OFFICIALS

		<u>Term Expires</u>
Regan Murphy	Mayor	December 31, 2020
William Blonigan	First Ward Councilperson	December 31, 2020
Dan Rogan	Second Ward Councilperson	December 31, 2020
George Selman	Third Ward Councilperson	December 31, 2018
Pat Backen	Fourth Ward Councilperson	December 31, 2018

ADMINISTRATIVE OFFICIALS

Marcia Glick	City Manager
Larry Jacobson	Finance Director
Richard McCoy	Director of Public Works/City Engineer
Tom Marshall	Director of Administrative and Recreation Services/City Clerk
Jim Franzen	Chief of Police
Guy Dorholt	Fire Chief
Andrew Biggerstaff	Attorney



READER'S NOTES:

FINANCIAL SECTION



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Robbinsdale, 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 Robbinsdale, Minnesota (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental 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 supplemental information is the responsibility of management and was derived from and relates 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
May 22, 2017



READER'S NOTES:

CITY OF ROBBINSDALE

Management's Discussion and Analysis Year Ended December 31, 2016

As management of the City of Robbinsdale, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, located earlier in this report.

FINANCIAL HIGHLIGHTS

- The overall net position of the City decreased \$372,492 in the current year. The change in net position related to governmental activities was a decrease of \$1,902,416, while the net result of business-type activities was an increase of \$1,529,924.
- 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 \$71,136,053 (net position), as compared to \$71,508,545 at the end of 2015. Of this amount, \$15,853,940 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors. At year-end, the City was able to report a positive balance in all categories of net position.
- At the end of the fiscal year, the unassigned fund balance for the City's General Fund was \$4,877,747, which represents 54.0 percent of total General Fund expenditures for 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements, which are comprised of 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.

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 private sector businesses.

The Statement of Net Position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 for some items that will only result in cash flows in future fiscal periods (delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, community development, public safety, recreation, public works, and human services. The business-type activities of the City include utilities (water, sanitary sewer, storm sewer, and solid waste removal), liquor operations, Broadway Court, and deputy registrar.

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 funds of the City 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains five individual major governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balances for the General Fund, Robbinsdale Economic Development Authority (REDA) General Development Special Revenue Fund, REDA Tax Increment Financing (TIF) Development Special Revenue Fund, REDA Tax Increment Debt Service Fund, and the Permanent Improvement Revolving (PIR) Capital Projects Fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and major special revenue funds. A budgetary comparison statement has been provided for those major governmental funds to demonstrate compliance with this budget.

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. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City’s various functions. The City uses internal service funds to account for the following operations: central garage, central services (general office, information technology, and government buildings), equipment replacement, risk insurance, and benefit accrual. Because these services predominately 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 funds financial statements provide separate information for the water utility, sanitary sewer utility, storm sewer utility, solid waste removal, liquor operations, and Broadway Court, all of which are considered to be major funds of the City. Conversely, nonmajor enterprise operations (Deputy Registrar) and internal service funds are combined into single, aggregated presentations 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.

Fiduciary Funds – These 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.

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – Required supplementary information (RSI) is presented following the notes to basic financial statements. Combining and individual fund statements and schedules for nonmajor funds and other schedules are presented immediately following the RSI. Statistical tables are presented as the last section in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71,136,053 at the close of the most recent fiscal year.

Net Position – The City has 64.1 percent of its total net position invested in capital assets (land, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress) 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 liquidate these liabilities. An additional 13.6 percent of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 22.3 percent of net position is unrestricted and may be used to meet the City’s ongoing obligations.

The following is a summary of the City’s net position:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 27,540,582	\$ 28,171,663	\$ 12,124,092	\$ 12,524,214	\$ 39,664,674	\$ 40,695,877
Capital assets	33,158,099	33,836,431	29,795,981	29,376,580	62,954,080	63,213,011
Total assets	60,698,681	62,008,094	41,920,073	41,900,794	102,618,754	103,908,888
Deferred outflows of resources						
Deferred charge on refunding	–	–	198,340	213,596	198,340	213,596
Pension plan deferments	7,217,845	969,051	450,289	92,812	7,668,134	1,061,863
Total deferred outflows	7,217,845	969,051	648,629	306,408	7,866,474	1,275,459
Noncurrent liabilities						
(including current portion)	23,239,657	16,868,917	12,233,415	13,042,774	35,473,072	29,911,691
Other liabilities	1,686,455	1,869,768	579,407	983,730	2,265,862	2,853,498
Total liabilities	24,926,112	18,738,685	12,812,822	14,026,504	37,738,934	32,765,189
Deferred inflows of resources						
Pension plan deferments	1,491,562	837,192	118,679	73,421	1,610,241	910,613
Net position						
Net investment in capital assets	26,710,715	26,904,236	18,886,770	17,274,903	45,597,485	44,179,139
Restricted	9,684,628	9,510,363	–	–	9,684,628	9,510,363
Unrestricted	5,103,509	6,986,669	10,750,431	10,832,374	15,853,940	17,819,043
Total net position	\$ 41,498,852	\$ 43,401,268	\$ 29,637,201	\$ 28,107,277	\$ 71,136,053	\$ 71,508,545

Increases in the City’s proportionate share of state-wide pension obligations contributed to the changes in amounts presented as deferred outflows, noncurrent liabilities, and deferred inflows in the table above.

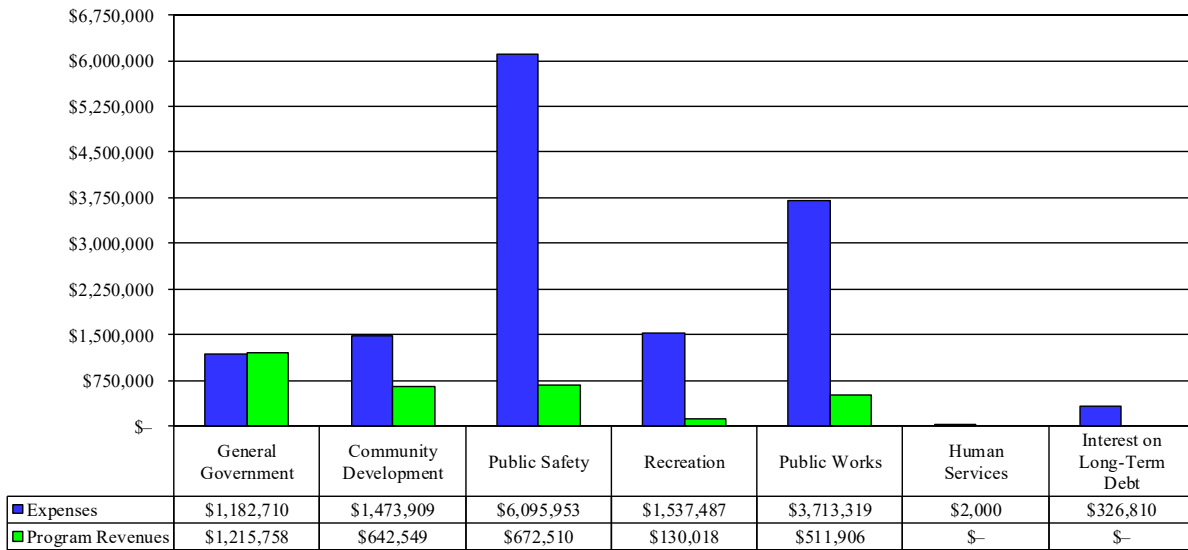
The following is a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 2,468,926	\$ 1,754,625	\$ 8,434,624	\$ 8,088,262	\$ 10,903,550	\$ 9,842,887
Operating grants and contributions	484,711	472,137	50,125	47,132	534,836	519,269
Capital grants and contributions	219,104	1,824,891	–	483,000	219,104	2,307,891
General revenues						
Property taxes	5,809,896	5,748,706	–	–	5,809,896	5,748,706
Tax increments	414,904	353,947	–	–	414,904	353,947
Unrestricted grants and contributions	1,715,317	1,692,688	–	–	1,715,317	1,692,688
Franchise fee tax	553,744	575,494	–	–	553,744	575,494
Unrestricted investment earnings	217,410	333,736	88,735	135,440	306,145	469,176
Net change in fair value of investments	(46,537)	(138,901)	(18,656)	(56,111)	(65,193)	(195,012)
Land sales	50,000	503,549	–	–	50,000	503,549
Gain on sale of assets	48,600	19,901	–	–	48,600	19,901
Total revenues	<u>11,936,075</u>	<u>13,140,773</u>	<u>8,554,828</u>	<u>8,697,723</u>	<u>20,490,903</u>	<u>21,838,496</u>
Expenses						
General government	1,182,710	1,042,240	–	–	1,182,710	1,042,240
Community development	1,473,909	1,777,385	–	–	1,473,909	1,777,385
Public safety	6,095,953	4,850,345	–	–	6,095,953	4,850,345
Recreation	1,537,487	1,475,916	–	–	1,537,487	1,475,916
Public works	3,713,319	2,252,185	–	–	3,713,319	2,252,185
Human services	2,000	1,800	–	–	2,000	1,800
Interest on long-term debt	326,810	393,147	–	–	326,810	393,147
Water utility	–	–	977,856	1,071,815	977,856	1,071,815
Sanitary sewer utility	–	–	1,654,586	1,628,374	1,654,586	1,628,374
Storm sewer utility	–	–	822,570	786,404	822,570	786,404
Solid waste removal	–	–	1,194,888	1,195,337	1,194,888	1,195,337
Liquor operations	–	–	807,541	724,292	807,541	724,292
Broadway Court	–	–	658,662	764,961	658,662	764,961
Deputy Registrar	–	–	415,104	380,960	415,104	380,960
Total expenses	<u>14,332,188</u>	<u>11,793,018</u>	<u>6,531,207</u>	<u>6,552,143</u>	<u>20,863,395</u>	<u>18,345,161</u>
Change in net position before transfers	(2,396,113)	1,347,755	2,023,621	2,145,580	(372,492)	3,493,335
Transfers	493,697	505,059	(493,697)	(505,059)	–	–
Change in net position	(1,902,416)	1,852,814	1,529,924	1,640,521	(372,492)	3,493,335
Net position – beginning,	<u>43,401,268</u>	<u>41,548,454</u>	<u>28,107,277</u>	<u>26,466,756</u>	<u>71,508,545</u>	<u>68,015,210</u>
Net position – ending	<u>\$ 41,498,852</u>	<u>\$ 43,401,268</u>	<u>\$ 29,637,201</u>	<u>\$ 28,107,277</u>	<u>\$ 71,136,053</u>	<u>\$ 71,508,545</u>

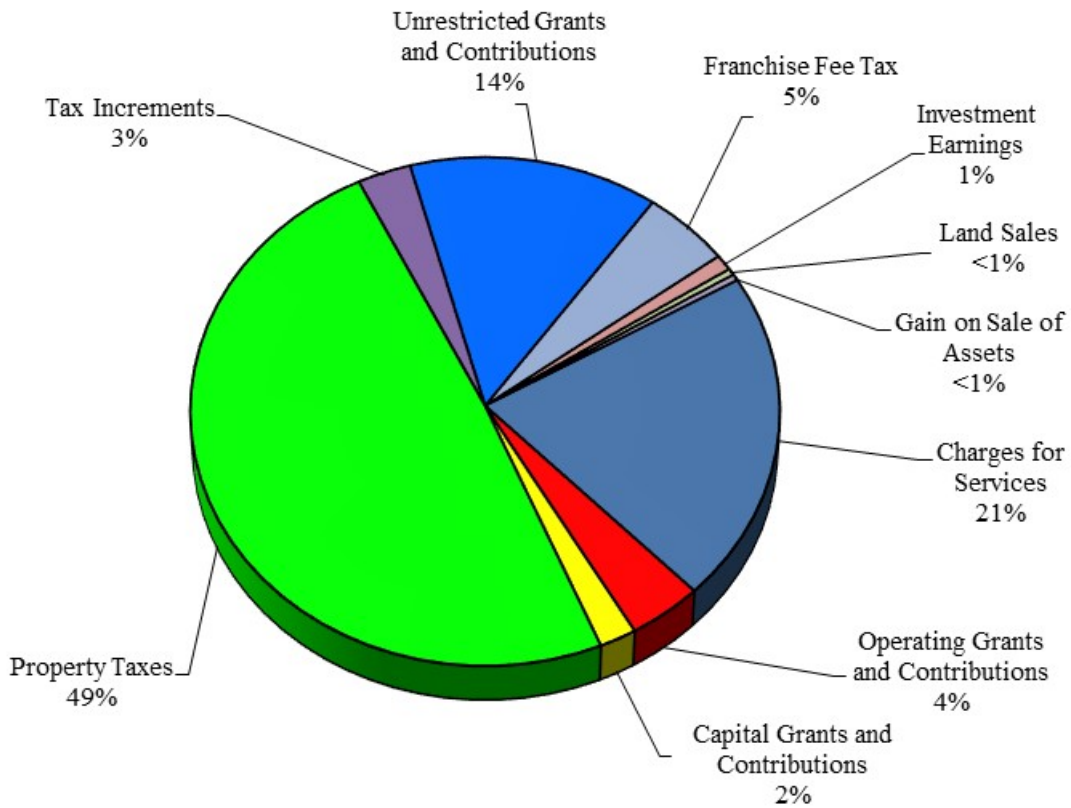
Governmental Activities – Governmental activities decreased the City's net position by \$1,902,416. Key elements of this net decrease include:

- Governmental activities recognized a decrease before transfers of \$2,396,113.
- Transfers from business-type activities contributed \$493,697 of the total change in net position.
- Revenues decreased by \$1,204,698, or 9.2 percent, due to a reduction in capital grants and contributions for special assessments on properties certified to the county and Minnesota Supplemental Aid state funds recognized last year.
- Expenses increased by \$2,539,170, or 21.5 percent, with the largest changes occurring in public safety for pension related obligations and in public works for street repairs in the current year.

**Expenses vs. Program Revenues
Governmental Activities**



Revenue by Source – Governmental Activities



Business-Type Activities – Business-type activities increased the City’s net position by \$1,529,924, after \$493,697 of net transfers to governmental activities.

The water utility increased net position by \$736,974. Operating revenues increased by 3.1 percent primarily due to a rate increase. Operating expenses decreased 8.1 percent, due to a reduction in other services and charges and depreciation associated with the water utility system. Rate increases are monitored and planned within the City’s Five-Year Capital Improvement Plan (CIP), which is updated annually.

The sanitary sewer utility increased net position by \$212,724. The operating revenues increased by 3.2 percent, due in part to rate increases. Operating expenses increased by 2.7 percent for personal services and other services and charges for sanitary sewer services. Rate increases are monitored and planned within the City’s CIP, which is updated annually.

The storm sewer utility increased net position by \$76,030. Operating revenue increased 8.0 percent, primarily due to an approved rate increase. Operating expenses increased 6.7 percent for personal services, supplies, and depreciation on storm sewer infrastructure. Rate increases are monitored and planned within the City’s CIP, which is updated annually.

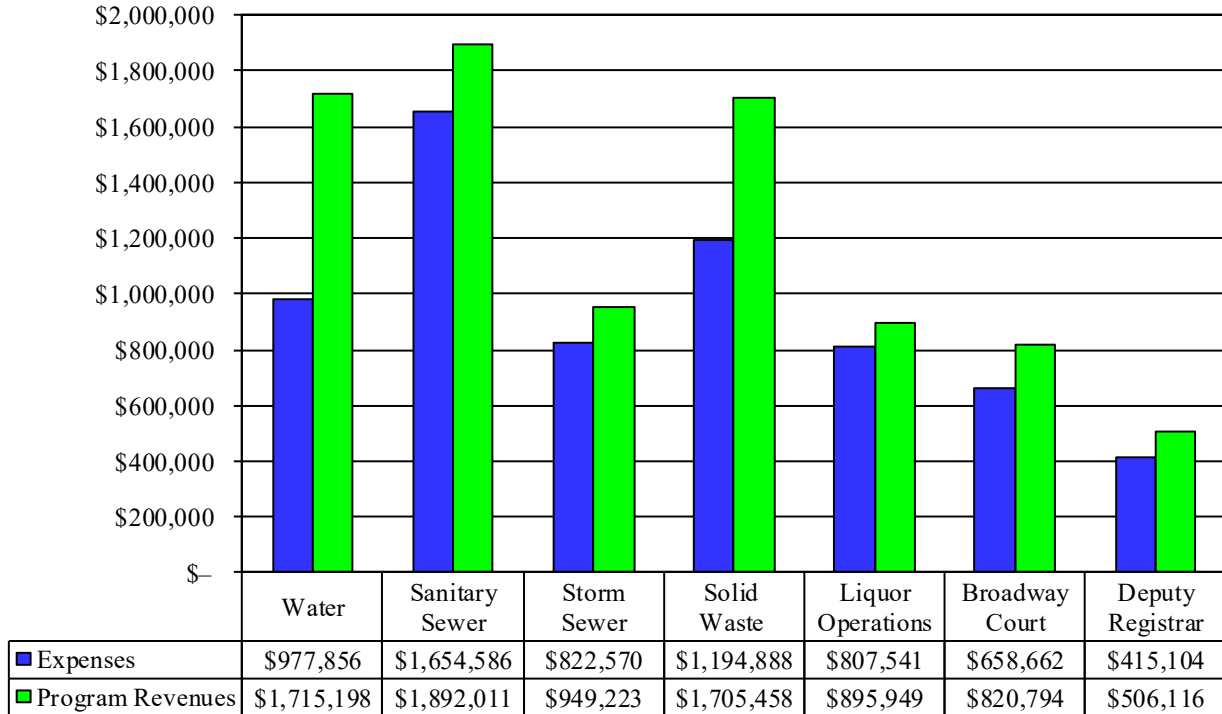
Solid waste removal increased net position by \$349,251. Operating revenue increased by 3.3 percent in the current year, primarily due to a rate increase approved for 2016. Operating expenses remained consistent in the current year, with a slight decrease of \$449 from the prior year. Rate increases are reviewed and updated annually. This operation had income before transfers of \$529,251 in 2016, allowing transfers of \$180,000 to other city funds in the current year.

Liquor operations reduced net position by \$57,488. Gross profit was 26.0 percent of net sales, which is consistent with the 25.0 percent target. The fund had income before transfers of \$92,512 in 2016. Transfers to other funds totaled \$150,000 in the current year.

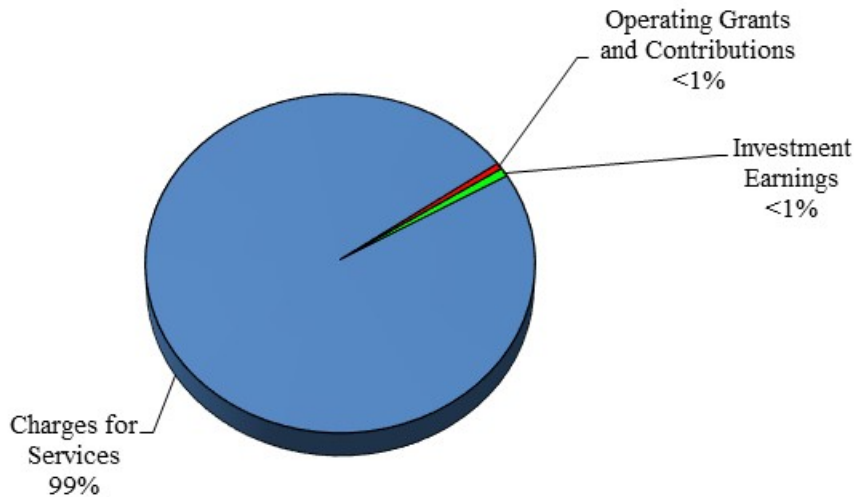
Broadway Court, which relates to the rental operations of the Broadway Court Senior Housing Complex, owned and operated by the REDA, increased net position by \$167,006. Operating revenues were more than the prior year, increasing by \$28,293. Operating expenses increased by 1.3 percent in 2016, mostly from maintenance-related spending.

The Deputy Registrar increased net position by \$45,427. Operating revenue increased by 3.2 percent, while operating expenses increased by 9.0 percent. Transfers to other funds totaled \$50,000 in the current year.

**Expenses vs. Program Revenues
Business-Type Activities**



Revenue by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY AT THE FUND LEVEL

Governmental Funds – The City’s governmental funds reported combined ending fund balances of \$16,722,542, a decrease of \$345,925. The fund balance is comprised of nonspendable, restricted, committed, and assigned items which equal 95.6 percent of the fund balance. Unassigned fund balance is 4.4 percent.

General Fund – The fund balance decreased by \$8,857 before transfers. The fund balance at year-end is \$5,180,854. This is equal to 57.3 percent of total 2016 expenditures in the General Fund, which puts the General Fund in an excellent financial position. During 2016, \$200,369 of net transfers from other funds were made as approved by the City Council.

General Fund operating results are summarized as follows:

	2016	2015
Fund balance – beginning of year	\$ 4,989,342	\$ 4,582,412
Additions		
Revenue	9,026,974	8,916,927
Other sources – transfers in	250,369	313,342
Total additions	<u>9,277,343</u>	<u>9,230,269</u>
Deletions		
Expenditures	9,035,831	8,773,339
Other uses – transfers out	50,000	50,000
Total deletions	<u>9,085,831</u>	<u>8,823,339</u>
Fund balance – end of year	<u>\$ 5,180,854</u>	<u>\$ 4,989,342</u>

Of this fund balance, \$4,877,747 is unassigned. The City has established a minimum unassigned fund balance policy of 40.0–50.0 percent of the subsequent year’s budgeted expenditures. At year-end, the unassigned fund balance of the General Fund was 51.1 percent of the subsequent year’s budgeted expenditures. This amount is needed to provide for General Fund operations during the first half of the year, since the City does not receive any significant money from its main revenue source—property taxes—until July of each year. Also, \$301,757 was assigned for senior programs and the subsequent year’s budget, while \$1,350 was considered nonspendable for prepaids.

General Fund Revenues – The following is an analysis of 2016 General Fund revenue:

Revenue	Original and Final 2016 Budget	2016 Actual	Over (Under) Budget	Percent Over (Under) Budget
Property taxes	\$ 5,089,500	\$ 5,179,206	\$ 89,706	1.8 %
Special assessments	–	8,754	8,754	–
Licenses and permits	374,500	478,680	104,180	27.8
Intergovernmental	2,054,811	2,100,544	45,733	2.2
Charges for services	574,620	613,847	39,227	6.8
Fines and forfeitures	331,100	242,682	(88,418)	(26.7)
Franchise fee tax	426,000	363,102	(62,898)	(14.8)
Interest and dividends	70,000	41,324	(28,676)	(41.0)
Net change in fair value of investments	–	(8,846)	(8,846)	–
Miscellaneous	7,500	7,681	181	2.4
Totals	<u>\$ 8,928,031</u>	<u>\$ 9,026,974</u>	<u>\$ 98,943</u>	1.1

Property taxes were over budget due to favorable excess tax increment and delinquent collections. Licenses and permits revenues were higher due to additional construction activity. Intergovernmental revenue was more as the result of additional grants not anticipated in the budget. Fines and forfeitures were less than expected from traffic enforcement throughout the City. Earnings on investments were below anticipated amounts as a result of an unrealized market value adjustment on the City’s investment portfolio due to market conditions, which the City does not include in the budget.

General Fund Expenditures – The following is an analysis of 2016 General Fund expenditures:

Category	Original and Final 2016 Budget	2016 Actual	Over (Under) Budget	Percent Over (Under) Budget
General government	\$ 1,058,722	\$ 1,028,967	\$ (29,755)	(2.8) %
Community development	388,124	374,615	(13,509)	(3.5)
Public safety	4,968,040	4,879,714	(88,326)	(1.8)
Recreation	1,015,786	1,101,461	85,675	8.4
Public works	1,808,784	1,649,074	(159,710)	(8.8)
Human services	2,000	2,000	–	–
Totals	<u>\$ 9,241,456</u>	<u>\$ 9,035,831</u>	<u>\$ (205,625)</u>	(2.2)

General Fund expenditures were under budget in nearly every function as presented in the table above. A mild winter, open positions, and delays in spending contributed to the overall savings. Expenditures were under budget due in part to shared restraint by all departments.

There were no budget amendments during the year.

Other Major Governmental Funds – The City reported four other major governmental funds in 2016:

REDA General Development Special Revenue Fund – The REDA General Development Special Revenue Fund has a total fund balance of \$7,027,432, which is restricted for community development. The net increase in fund balance during the year was \$35,837, with community development revenue exceeding spending in the current year.

REDA TIF Development Special Revenue Fund – The REDA TIF Development Special Revenue Fund has a total fund deficit of \$3,170,000, which will be reduced with the sale of property held for resale and future tax increments. The net decrease in fund balance during the year was \$200,832 as the result of increased development costs.

REDA Tax Increment Debt Service Fund – The REDA Tax Increment Debt Service Fund has a total fund deficit of \$965,697, which will be reduced as future tax increments are received. The fund has a long-term interfund loan payable to the REDA General Development Special Revenue Fund that was advanced to pay on the temporary bonds that were retired. The net decrease in fund balance during the year was \$30,947.

PIR Capital Projects Fund – The PIR Capital Projects Fund has a total fund balance of \$5,777,612, which is dedicated to street reconstruction projects. The net decrease in fund balance for the year was \$685,824. The results are in line with the City's CIP.

Proprietary Funds – The City's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. Unrestricted net position of the City's enterprise funds totaled \$10,750,431 at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At the end of 2016, the City had \$62,954,080 invested, net of depreciation, in a broad range of capital assets. This amount represents a net decrease of \$258,931, or 0.4 percent, from the prior year. During 2016, the City made expenditures for a variety of capital needs, including infrastructure improvements, for both governmental and business-type activities. The City records all capital assets, including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the citizens. The City’s infrastructure assets are being recorded at historical or estimated historical costs in the government-wide and proprietary fund financial statements. Additional information on the City’s capital assets can be found in Note 5 in the notes to basic financial statements in this report.

Long-Term Debt – At year-end, the City had \$22,557,570 in long-term liabilities outstanding, excluding the net other post-employment benefits liability and net pension liability, versus \$24,340,299 last year, a decrease of \$1,782,729. The decrease was due to continuing payments being made per the debt agreements. More detailed information about the City’s long-term debt is presented as Note 8 in the notes to basic financial statements.

The City carries an “AA+” bond rating from Standard & Poor’s.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic factors affect the preparation of the annual budgets. The City considered the following major factors when setting the fiscal 2016 budget:

- The City received additional local government aid (LGA) in 2016 as scheduled. The LGA formula and funding is expected to remain at the higher level for future years.
- The 2017 General Fund levy provides for a 2017 budget to allow compliance with the City’s unassigned fund balance policy.
- Investment income is expected to remain at low levels due to the low interest rate environment.
- Extension of franchise fees to June 2019.
- There has been an increase in building permit activity the past couple of years and it is expected to continue at a moderate rate in 2017.
- Continued progress with the City’s Long-Term Infrastructure Replacement Program.

Additionally, the following actions were taken in regards to the current year budget that will be continued:

- Decision to maintain fund balance levels to offset any potential future state aid reductions to balance General Fund budgets.
- Increase in utility rates and planning for the sale of utility improvement bonds to pay for needed capital improvements.
- Review of staffing as vacancies occur to determine options for organizational changes or service reductions.

REQUESTS FOR INFORMATION

This CAFR is designated to provide a general overview of the City's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Director, 4100 Lakeview Avenue North, Robbinsdale, MN 55422. This report is also available on the City's website at <http://www.ci.robbinsdale.mn.us/city-government/city-departments/finance>.



READER'S NOTES:

BASIC FINANCIAL STATEMENTS

CITY OF ROBBINSDALE

Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,439,526	\$ 4,628,496	\$ 8,068,022
Investments	19,215,249	5,289,334	24,504,583
Receivables			
Accrued interest	105,636	42,890	148,526
Taxes	92,560	-	92,560
Special assessments	1,999,148	305,799	2,304,947
Accounts	188,080	1,403,104	1,591,184
Due from other governments	83,979	353	84,332
Notes	1,159,797	-	1,159,797
Inventories	-	446,116	446,116
Properties held for resale	939,367	-	939,367
Prepaid items	72,601	8,000	80,601
Net pension asset – fire relief	244,639	-	244,639
Capital assets			
Not depreciated	3,351,862	5,072,796	8,424,658
Depreciated, net of accumulated depreciation	29,806,237	24,723,185	54,529,422
Total assets	<u>60,698,681</u>	<u>41,920,073</u>	<u>102,618,754</u>
Deferred outflows of resources			
Deferred charge on refunding	-	198,340	198,340
Pension plan deferments – PERA	7,142,985	450,289	7,593,274
Pension plan deferments – fire relief	74,860	-	74,860
Total deferred outflows of resources	<u>7,217,845</u>	<u>648,629</u>	<u>7,866,474</u>
Total assets and deferred outflows of resources	<u>\$ 67,916,526</u>	<u>\$ 42,568,702</u>	<u>\$ 110,485,228</u>
Liabilities			
Accounts payable	\$ 403,535	\$ 329,154	\$ 732,689
Accrued salaries and benefits	350,563	-	350,563
Contracts payable	89,991	30	90,021
Due to other governments	20,938	72,152	93,090
Accrued interest payable	129,868	107,055	236,923
Unearned revenue	683,772	2,624	686,396
Deposits	7,788	68,392	76,180
Long-term liabilities			
Net OPEB liability	458,794	67,393	526,187
Net pension liability	11,330,844	1,058,471	12,389,315
Due within one year	995,000	1,440,000	2,435,000
Due in more than one year	10,455,019	9,667,551	20,122,570
Total liabilities	<u>24,926,112</u>	<u>12,812,822</u>	<u>37,738,934</u>
Deferred inflows of resources			
Pension plan deferments – PERA	1,353,424	118,679	1,472,103
Pension plan deferments – fire relief	138,138	-	138,138
Total deferred inflows of resources	<u>1,491,562</u>	<u>118,679</u>	<u>1,610,241</u>
Net position			
Net investment in capital assets	26,710,715	18,886,770	45,597,485
Restricted for			
Public safety equipment	22,889	-	22,889
Debt service	2,210,999	-	2,210,999
Fire relief pensions	181,361	-	181,361
Community development	7,269,379	-	7,269,379
Unrestricted	5,103,509	10,750,431	15,853,940
Total net position	<u>41,498,852</u>	<u>29,637,201</u>	<u>71,136,053</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 67,916,526</u>	<u>\$ 42,568,702</u>	<u>\$ 110,485,228</u>

See notes to basic financial statements

CITY OF ROBBINSDALE

Statement of Activities
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 1,182,710	\$ 1,050,836	\$ 164,922	\$ -	\$ 33,048	\$ -	\$ 33,048
Community development	1,473,909	636,369	6,180	-	(831,360)	-	(831,360)
Public safety	6,095,953	377,376	295,134	-	(5,423,443)	-	(5,423,443)
Recreation	1,537,487	101,618	3,400	25,000	(1,407,469)	-	(1,407,469)
Public works	3,713,319	302,727	15,075	194,104	(3,201,413)	-	(3,201,413)
Human services	2,000	-	-	-	(2,000)	-	(2,000)
Interest on long-term debt	326,810	-	-	-	(326,810)	-	(326,810)
Total governmental activities	14,332,188	2,468,926	484,711	219,104	(11,159,447)	-	(11,159,447)
Business-type activities							
Water utility	977,856	1,714,506	692	-	-	737,342	737,342
Sanitary sewer utility	1,654,586	1,891,384	627	-	-	237,425	237,425
Storm sewer utility	822,570	948,942	281	-	-	126,653	126,653
Solid waste removal	1,194,888	1,659,602	45,856	-	-	510,570	510,570
Liquor operations	807,541	894,389	1,560	-	-	88,408	88,408
Broadway Court	658,662	820,794	-	-	-	162,132	162,132
Deputy Registrar	415,104	505,007	1,109	-	-	91,012	91,012
Total business-type activities	6,531,207	8,434,624	50,125	-	-	1,953,542	1,953,542
Total government	<u>\$20,863,395</u>	<u>\$10,903,550</u>	<u>\$ 534,836</u>	<u>\$ 219,104</u>	(11,159,447)	1,953,542	(9,205,905)
General revenues							
Property taxes					5,809,896	-	5,809,896
Tax increments					414,904	-	414,904
Unrestricted grants and contributions					1,715,317	-	1,715,317
Franchise fee tax					553,744	-	553,744
Unrestricted investment earnings					217,410	88,735	306,145
Net change in fair value of investments					(46,537)	(18,656)	(65,193)
Land sales					50,000	-	50,000
Gain on sale of assets					48,600	-	48,600
Transfers					493,697	(493,697)	-
Total general revenues and transfers					<u>9,257,031</u>	<u>(423,618)</u>	<u>8,833,413</u>
Change in net position					(1,902,416)	1,529,924	(372,492)
Net position – beginning					<u>43,401,268</u>	<u>28,107,277</u>	<u>71,508,545</u>
Net position – ending					<u>\$41,498,852</u>	<u>\$29,637,201</u>	<u>\$71,136,053</u>

See notes to basic financial statements



READER'S NOTES:

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is established to account for the revenue and expenditures to carryout basic governmental services to the residents of the City, such as general government, community development, public safety, recreation, public works, and human services. Revenue is recorded by source; i.e., taxes, licenses and permits, intergovernmental, charges for services, fines and forfeitures, and miscellaneous revenue. General Fund expenditures are made primarily for current day-to-day operations and operating equipment and are recorded by major functional classifications and by operating departments. This fund accounts for all financial transactions not accounted for in another fund.

SPECIAL REVENUE FUNDS

Robbinsdale Economic Development Authority (REDA) General Development Fund

This fund was established by the REDA to promote development and/or redevelopment with the use of funds other than tax increment financing (TIF). Revenue is generated through the repayment of business assistance loans, sale of land and redeveloped houses, and a small property tax levy (limited by state statute). Uses of these funds are at the discretion of the REDA Board.

REDA TIF Development Fund

This fund was established by the REDA to promote development and/or redevelopment through the use of TIF. Revenue is generated by the additional property taxes generated by new development facilitated by the REDA. Uses of these funds include land acquisition, demolition, and construction of public infrastructure.

DEBT SERVICE FUND

REDA Tax Increment Fund

The fund was established to account for the payment of principal and interest on the tax increment bond issues. The City issued tax increment bonds backed by the full faith and credit of the City on behalf of the REDA. The tax increment income generated by the REDA is pledged for the retirement of these bonds.

CAPITAL PROJECT FUND

Permanent Improvement Revolving (PIR) Fund

The PIR Fund was established by the City Charter, Chapter 7, and designated per Section 315 of the City Code to finance the construction, maintenance, and/or repair of assessable and non-assessable improvements related to the City's Traffic and Transportation Program. It also accounts for funds allocated to the City as municipal state aid for highway construction.

CITY OF ROBBINSDALE

Balance Sheet
Governmental Funds
December 31, 2016

	Special Revenue			Debt Service
	General Fund	REDA General Development Fund	REDA TIF Development Fund	REDA Tax Increment Fund
Assets				
Cash	\$ 461,865	\$ 151,366	\$ 10,188	\$ 19,478
Investments	4,739,868	1,630,849	—	173,514
Receivables				
Accrued interest	25,253	8,688	—	925
Taxes	81,899	3,079	—	5,678
Special assessments	33,513	—	—	—
Accounts	77,880	6,000	—	—
Due from other governments	80,498	—	—	—
Notes	—	239,654	336,250	—
Property held for resale	—	879,367	60,000	—
Prepays	1,350	—	—	—
Advance to other funds	—	4,397,904	—	—
Total assets	\$ 5,502,126	\$ 7,316,907	\$ 406,438	\$ 199,595
Liabilities				
Accounts payable	\$ 108,255	\$ 42,440	\$ 5,413	\$ 2,036
Contracts payable	—	—	—	—
Due to other governments	20,811	—	127	—
Unearned revenue	99,879	—	—	—
Deposits	2,700	5,088	—	—
Advance from other funds	—	—	3,234,648	1,163,256
Total liabilities	231,645	47,528	3,240,188	1,165,292
Deferred inflows of resources				
Unavailable revenue – property taxes	56,415	2,293	—	—
Unavailable revenue – special assessments	33,212	—	—	—
Unavailable revenue – notes	—	239,654	336,250	—
Total deferred inflows of resources	89,627	241,947	336,250	—
Fund balances (deficits)				
Nonspendable	1,350	—	—	—
Restricted	—	7,027,432	—	—
Committed	—	—	—	—
Assigned	301,757	—	—	—
Unassigned	4,877,747	—	(3,170,000)	(965,697)
Total fund balances (deficits)	5,180,854	7,027,432	(3,170,000)	(965,697)
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,502,126	\$ 7,316,907	\$ 406,438	\$ 199,595

See notes to basic financial statements

Capital Projects

<u>Permanent Improvement Revolving Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 459,401	\$ 256,946	\$ 1,359,244
5,369,833	2,631,210	14,545,274
24,105	14,016	72,987
—	1,904	92,560
849,889	1,115,746	1,999,148
42,307	56,913	183,100
—	3,228	83,726
120,229	463,664	1,159,797
—	—	939,367
—	—	1,350
—	—	4,397,904
<u>\$ 6,865,764</u>	<u>\$ 4,543,627</u>	<u>\$ 24,834,457</u>
\$ 112,135	\$ 25,661	\$ 295,940
9,316	68,110	77,426
—	—	20,938
120,229	463,664	683,772
—	—	7,788
—	—	4,397,904
<u>241,680</u>	<u>557,435</u>	<u>5,483,768</u>
—	—	58,708
846,472	1,113,851	1,993,535
—	—	575,904
<u>846,472</u>	<u>1,113,851</u>	<u>2,628,147</u>
—	—	1,350
—	1,450,066	8,477,498
230,120	1,100,153	1,330,273
5,547,492	322,122	6,171,371
—	—	742,050
<u>5,777,612</u>	<u>2,872,341</u>	<u>16,722,542</u>
<u>\$ 6,865,764</u>	<u>\$ 4,543,627</u>	<u>\$ 24,834,457</u>



READER'S NOTES:

CITY OF ROBBINSDALE

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2016

Total fund balances – governmental funds \$ 16,722,542

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 governmental funds.

Capital assets	45,892,728
Accumulated depreciation	(15,791,572)

Net pension assets are only recorded in the government-wide financial statements as they are not current financial resources to governmental funds.

244,639

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under the full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Property taxes receivable	58,708
Special assessments receivable	1,993,535
Notes receivable	575,904

Internal service funds are used by management to charge the costs associated with central garage operations, central government services (general office, information technology, and government buildings), equipment replacement, risk insurance, and accrued benefit liabilities. The balances of these internal service funds are included in governmental activities in the Statement of Net Position.

8,605,969

Long-term liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net OPEB liability	(458,794)
Net pension liability	(10,948,001)
Bonds and notes payable, net of unamortized discounts and premiums	(10,872,384)
Accrued interest payable	(129,868)

Governmental funds do not report certain long-term amounts related to pensions that are included in net position.

Deferred outflows – pension plan deferments	7,054,076
Deferred inflows – pension plan deferments	(1,448,630)

Total net position – governmental activities \$ 41,498,852

See notes to basic financial statements

CITY OF ROBBINSDALE

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2016

	General Fund	Special Revenue		Debt Service
		REDA General Development Fund	REDA TIF Development Fund	REDA Tax Increment Fund
Revenues				
Property taxes	\$ 5,179,206	\$ 165,075	\$ -	\$ -
Tax increments	-	-	100,579	314,325
Special assessments	8,754	-	-	-
Licenses and permits	478,680	-	-	-
Intergovernmental	2,100,544	6,180	-	-
Charges for services	613,847	323,831	209,728	-
Land sales	-	10,500	39,500	-
Fines and forfeitures	242,682	-	-	-
Franchise fee tax	363,102	-	-	-
Interest and dividends	41,324	23,240	1,500	429
Net change in fair value of investments	(8,846)	(5,296)	-	(92)
Miscellaneous	7,681	23,359	-	-
Total revenues	<u>9,026,974</u>	<u>546,889</u>	<u>351,307</u>	<u>314,662</u>
Expenditures				
Current				
General government	1,028,967	-	-	-
Community development	374,615	511,052	552,161	3,583
Public safety	4,862,111	-	-	-
Recreation	1,101,461	-	-	-
Public works	1,644,874	-	-	-
Human services	2,000	-	-	-
Debt service				
Principal	-	-	-	140,000
Interest and fiscal charges	-	-	-	202,004
Capital outlay and improvements	21,803	-	-	-
Total expenditures	<u>9,035,831</u>	<u>511,052</u>	<u>552,161</u>	<u>345,587</u>
Excess (deficiency) of revenues over (under) expenditures	(8,857)	35,837	(200,854)	(30,925)
Other financing sources (uses)				
Transfers in	250,369	-	22	-
Transfers (out)	(50,000)	-	-	(22)
Total other financing sources (uses)	<u>200,369</u>	<u>-</u>	<u>22</u>	<u>(22)</u>
Net change in fund balance	191,512	35,837	(200,832)	(30,947)
Fund balances (deficits)				
Beginning of year	<u>4,989,342</u>	<u>6,991,595</u>	<u>(2,969,168)</u>	<u>(934,750)</u>
End of year	<u>\$ 5,180,854</u>	<u>\$ 7,027,432</u>	<u>\$ (3,170,000)</u>	<u>\$ (965,697)</u>

See notes to basic financial statements

Capital Projects

<u>Permanent Improvement Revolving Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 454,696	\$ 5,798,977
-	-	414,904
380,022	308,105	696,881
-	-	478,680
92,862	58,728	2,258,314
74,519	207,685	1,429,610
-	-	50,000
-	-	242,682
190,642	-	553,744
61,708	23,292	151,493
(13,209)	(4,989)	(32,432)
29	18,099	49,168
<u>786,573</u>	<u>1,065,616</u>	<u>12,092,021</u>
-	38,106	1,067,073
-	-	1,441,411
-	113,484	4,975,595
-	55,424	1,156,885
1,188,729	-	2,833,603
-	-	2,000
-	445,000	585,000
-	188,354	390,358
489,320	379,513	890,636
<u>1,678,049</u>	<u>1,219,881</u>	<u>13,342,561</u>
(891,476)	(154,265)	(1,250,540)
608,704	505,231	1,364,326
<u>(403,052)</u>	<u>(6,637)</u>	<u>(459,711)</u>
<u>205,652</u>	<u>498,594</u>	<u>904,615</u>
(685,824)	344,329	(345,925)
<u>6,463,436</u>	<u>2,528,012</u>	<u>17,068,467</u>
<u>\$ 5,777,612</u>	<u>\$ 2,872,341</u>	<u>\$ 16,722,542</u>



READER'S NOTES:

CITY OF ROBBINSDALE

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2016

Net change in fund balances – total governmental funds \$ (345,925)

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

Revenues in the government-wide Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes revenue	10,919
Special assessments revenue	(348,495)
Principal payments received on notes receivable	42,405

Net change due to internal service funds are incorporated into the Statement of Activities.

Net change in operations (net of investment income)	119,011
Investment income recognized in the Statement of Activities	51,812

Governmental funds report capital outlays and improvements as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and improvements exceeded depreciation in the current period.

Capital outlay and improvements	966,359
Depreciation expense	(1,350,052)
Capital contributions to enterprise funds	(458,704)

Net pension assets are included in net position, but are excluded from fund balances because they do not represent financial resources.

84,875

The issuance of long-term debt 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 affect on net position. Also, governmental funds report the affect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of premiums and discounts	39,811
General obligation principal repayments	585,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in net OPEB liability	(51,558)
Change in net pension liability	(6,752,179)
Change in accrued interest payable	23,737

Governmental funds do not report additions or deletions to certain long-term amounts related to pensions that are included in the change in net position.

Deferred outflows – pension plan deferments	6,118,434
Deferred inflows – pension plan deferments	(637,866)

Change in net position – governmental activities \$ (1,902,416)

See notes to basic financial statements

CITY OF ROBBINSDALE

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended December 31, 2016

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenues				
Property taxes				
Current ad valorem	\$ 3,870,432	\$ 3,870,432	\$ 3,858,319	\$ (12,113)
Delinquent ad valorem	–	–	26,317	26,317
Other tax levy revenue	–	–	24,965	24,965
Fiscal disparities	1,219,068	1,219,068	1,215,567	(3,501)
Tax increment excess	–	–	54,038	54,038
Total property taxes	<u>5,089,500</u>	<u>5,089,500</u>	<u>5,179,206</u>	<u>89,706</u>
Special assessments	–	–	8,754	8,754
Licenses and permits				
Business	74,500	74,500	66,961	(7,539)
Non-business	<u>300,000</u>	<u>300,000</u>	<u>411,719</u>	<u>111,719</u>
Total licenses and permits	<u>374,500</u>	<u>374,500</u>	<u>478,680</u>	<u>104,180</u>
Intergovernmental				
Federal grants	84,000	84,000	79,390	(4,610)
State aids				
Local government aid	1,706,053	1,706,053	1,706,053	–
Police and fire pension	237,189	237,189	254,691	17,502
PERA aid	15,819	15,819	15,819	–
Other state aids	<u>11,750</u>	<u>11,750</u>	<u>44,591</u>	<u>32,841</u>
Total state aid	<u>1,970,811</u>	<u>1,970,811</u>	<u>2,021,154</u>	<u>50,343</u>
Total intergovernmental	2,054,811	2,054,811	2,100,544	45,733
Charges for services				
General government	364,620	364,620	398,352	33,732
Public safety	96,000	96,000	104,896	8,896
Recreation	<u>114,000</u>	<u>114,000</u>	<u>110,599</u>	<u>(3,401)</u>
Total charges for services	<u>574,620</u>	<u>574,620</u>	<u>613,847</u>	<u>39,227</u>
Fines and forfeitures	331,100	331,100	242,682	(88,418)
Franchise fee tax	426,000	426,000	363,102	(62,898)
Interest and dividends	70,000	70,000	41,324	(28,676)
Net change in fair value of investments	–	–	(8,846)	(8,846)
Miscellaneous	<u>7,500</u>	<u>7,500</u>	<u>7,681</u>	<u>181</u>
Total revenues	<u>8,928,031</u>	<u>8,928,031</u>	<u>9,026,974</u>	<u>98,943</u>
Other financing sources				
Transfers in	<u>245,000</u>	<u>245,000</u>	<u>250,369</u>	<u>5,369</u>
Total revenues and other financing sources	9,173,031	9,173,031	9,277,343	104,312

(continued)

CITY OF ROBBINSDALE

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 General Fund
 Year Ended December 31, 2016

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Expenditures				
General government				
Personal services	962,444	962,444	931,220	(31,224)
Supplies	17,650	17,650	16,988	(662)
Other services and charges	597,376	597,376	599,531	2,155
Amounts charged to other funds	(518,748)	(518,748)	(518,772)	(24)
Total general government	<u>1,058,722</u>	<u>1,058,722</u>	<u>1,028,967</u>	<u>(29,755)</u>
Community development				
Personal services	348,178	348,178	331,065	(17,113)
Supplies	590	590	3,214	2,624
Other services and charges	39,356	39,356	40,336	980
Total community development	<u>388,124</u>	<u>388,124</u>	<u>374,615</u>	<u>(13,509)</u>
Public safety				
Personal services	3,540,344	3,540,344	3,482,764	(57,580)
Supplies	125,550	125,550	118,861	(6,689)
Other services and charges	1,368,199	1,368,199	1,353,342	(14,857)
Capital outlay	26,800	26,800	17,603	(9,197)
Amounts charged to other funds	(92,853)	(92,853)	(92,856)	(3)
Total public safety	<u>4,968,040</u>	<u>4,968,040</u>	<u>4,879,714</u>	<u>(88,326)</u>
Recreation				
Personal services	688,463	688,463	717,733	29,270
Supplies	46,970	46,970	71,144	24,174
Other services and charges	275,853	275,853	312,584	36,731
Capital outlay	4,500	4,500	-	(4,500)
Total recreation	<u>1,015,786</u>	<u>1,015,786</u>	<u>1,101,461</u>	<u>85,675</u>
Public works				
Personal services	988,440	988,440	937,868	(50,572)
Supplies	162,685	162,685	112,826	(49,859)
Other services and charges	745,498	745,498	682,020	(63,478)
Capital outlay	-	-	4,200	4,200
Amounts charged to other funds	(87,839)	(87,839)	(87,840)	(1)
Total public works	<u>1,808,784</u>	<u>1,808,784</u>	<u>1,649,074</u>	<u>(159,710)</u>
Human services				
Other services and charges	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>9,241,456</u>	<u>9,241,456</u>	<u>9,035,831</u>	<u>(205,625)</u>
Other financing uses				
Transfers out	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>9,291,456</u>	<u>9,291,456</u>	<u>9,085,831</u>	<u>(205,625)</u>
Net change in fund balances	<u>\$ (118,425)</u>	<u>\$ (118,425)</u>	191,512	<u>\$ 309,937</u>
Fund balances				
Beginning of year			<u>4,989,342</u>	
End of year			<u>\$ 5,180,854</u>	

See notes to basic financial statements

CITY OF ROBBINSDALE

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Robbinsdale Economic Development Authority
 General Development Special Revenue Fund
 Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Property taxes				
Current ad valorem	\$ 165,147	\$ 165,147	\$ 130,833	\$ (34,314)
Delinquent ad valorem	–	–	721	721
Other tax levy revenue	–	–	372	372
Fiscal disparities	–	–	33,149	33,149
Total property taxes	<u>165,147</u>	<u>165,147</u>	<u>165,075</u>	<u>(72)</u>
Intergovernmental				
Local grants	–	6,000	6,180	180
Charges for services				
Community development				
Loan repayments and rents	141,700	289,000	323,831	34,831
Land sales	290,000	20,500	10,500	(10,000)
Interest and dividends	32,000	32,000	23,240	(8,760)
Net change in fair value of investments	–	–	(5,296)	(5,296)
Miscellaneous	10,000	10,000	23,359	13,359
Total revenues	<u>638,847</u>	<u>522,647</u>	<u>546,889</u>	<u>24,242</u>
Expenditures				
Community development				
Personal services	3,600	3,600	3,510	(90)
Supplies	1,000	1,000	630	(370)
Project costs	833,300	363,351	320,074	(43,277)
Other services and charges	217,159	187,659	186,838	(821)
Total expenditures	<u>1,055,059</u>	<u>555,610</u>	<u>511,052</u>	<u>(44,558)</u>
Excess (deficiency) of revenue over expenditures	(416,212)	(32,963)	35,837	68,800
Other financing sources				
Transfers in	<u>350,000</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net change in fund balance	<u>\$ (66,212)</u>	<u>\$ (32,963)</u>	<u>35,837</u>	<u>\$ 68,800</u>
Fund balances				
Beginning of year			<u>6,991,595</u>	
End of year			<u>\$ 7,027,432</u>	

See notes to basic financial statements

CITY OF ROBBINSDALE

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Robbinsdale Economic Development Authority
 TIF Development Special Revenue Fund
 Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Tax increment	\$ 75,700	\$ 79,514	\$ 100,579	\$ 21,065
Charges for services				
Loan repayments	19,468	19,468	209,728	190,260
Land sales	–	391,678	39,500	(352,178)
Interest and dividends	–	45	1,500	1,455
Total revenues	<u>95,168</u>	<u>490,705</u>	<u>351,307</u>	<u>(139,398)</u>
Expenditures				
Community development				
Supplies	50	50	–	(50)
Other services and charges	9,580	23,213	22,774	(439)
Project costs	123,030	416,318	394,675	(21,643)
Interest and fiscal charges	109,300	115,200	134,712	19,512
Total expenditures	<u>241,960</u>	<u>554,781</u>	<u>552,161</u>	<u>(2,620)</u>
Excess (deficiency) of revenue over expenditures	(146,792)	(64,076)	(200,854)	(136,778)
Other financing sources				
Transfers in	–	–	22	22
Net change in fund balance	<u>\$ (146,792)</u>	<u>\$ (64,076)</u>	(200,832)	<u>\$ (136,756)</u>
Fund balances (deficits)				
Beginning of year			<u>(2,969,168)</u>	
End of year			<u>\$ (3,170,000)</u>	

See notes to basic financial statements



READER'S NOTES:

PROPRIETARY FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render goods or services to the general public on a user charge basis.

MAJOR ENTERPRISE FUNDS

Below is a list of the major enterprise funds reported in the basic financial statements. These funds are included within the business-type activities section of the government-wide financial statements.

Water Utility Fund

The fund was established by the City Charter, Chapter 11, to account for the water system, owned and operated by the City.

Sanitary Sewer Utility Fund

The fund was established by the City Charter, Chapter 11, to account for the sanitary sewer system. The City is provided services, for a fee based on usage, by the Metropolitan Council Environmental Services (MCES). The City is responsible for all lateral lines, while the MCES is responsible for all trunk lines and the treatment and disposal of wastewater.

Storm Sewer Utility Fund

The City Council established the fund under provisions of the utility ordinance, to account for revenue collected and expenditures made to maintain the City's storm drainage system.

Solid Waste Removal Fund

The City Council established the fund, under provisions of the utility ordinance, to account for revenue collected and expenditures made to provide garbage removal on a city-wide basis.

Liquor Operations Fund

Minnesota Statutes allow municipalities to operate off-sale liquor establishments to control the sale of alcohol to minors. The City operates an off-sale liquor business to control this substance and as a source of revenue to the Capital Improvement Fund – Park Improvement Program.

Broadway Court Fund

This fund was established in 1999 to account for the rental operations of the Broadway Court Senior Housing Complex. Broadway Court is owned by the Robbinsdale Economic Development Authority (REDA), and operated by a management firm under contract with the REDA. The operations include rental of apartments to active seniors and the rental of retail space on the first level.

NONMAJOR ENTERPRISE FUND

Deputy Registrar Fund

The City Council established the fund in 1991 to segregate this self-supporting activity. The City has contractual agreements with the Minnesota Department of Vehicle Services and the Minnesota Department of Natural Resources to provide this service. The City collects a fee for each transaction processed. Excess earnings are generally used to support the General Fund.

CITY OF ROBBINSDALE

Statement of Net Position
 Proprietary Funds
 December 31, 2016

	Business-Type Activities – Enterprise Funds			
	Water Utility Fund	Sanitary Sewer Utility Fund	Storm Sewer Utility Fund	Solid Waste Removal Fund
Assets				
Current assets				
Cash and cash equivalents	\$ 1,008,435	\$ 479,185	\$ 55,872	\$ 706,794
Investments	2,273,557	244,021	129,034	1,672,834
Receivables				
Accrued interest	15,895	7,617	902	11,695
Special assessments	305,799	–	–	–
Accounts	370,023	503,642	179,267	345,292
Due from other governments	27	104	222	–
Inventories	7,905	–	–	–
Prepaid items	–	–	–	–
Total current assets	<u>3,981,641</u>	<u>1,234,569</u>	<u>365,297</u>	<u>2,736,615</u>
Noncurrent assets				
Capital assets				
Land	56,155	23,000	217,389	–
Buildings and structures	201,302	354,923	–	–
Utility system	11,455,456	8,416,674	6,464,365	–
Other improvements	762,476	421,851	1,734,884	–
Leasehold improvements	–	–	–	–
Mobile equipment	–	317,208	177,790	–
Machinery and office equipment	209,122	93,795	64,219	–
Work in progress	945,213	2,751,466	964,573	–
Accumulated depreciation	(6,226,740)	(3,022,232)	(1,961,249)	–
Total capital assets, net of depreciation	<u>7,402,984</u>	<u>9,356,685</u>	<u>7,661,971</u>	<u>–</u>
Total assets	<u>11,384,625</u>	<u>10,591,254</u>	<u>8,027,268</u>	<u>2,736,615</u>
Deferred outflows of resources				
Deferred charge on refunding	–	–	–	–
Pension plan deferments – PERA	75,618	66,428	28,660	–
Total deferred outflows of resources	<u>75,618</u>	<u>66,428</u>	<u>28,660</u>	<u>–</u>
Total assets and deferred outflows of resources	<u>\$ 11,460,243</u>	<u>\$ 10,657,682</u>	<u>\$ 8,055,928</u>	<u>\$ 2,736,615</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 31,068	\$ 12,339	\$ 34,462	\$ 85,827
Accrued salaries and benefits	–	–	–	–
Contracts payable	–	–	30	–
Due to other governments	651	19,295	–	19,449
Accrued interest payable	22,924	32,550	20,362	–
Unearned revenue	–	–	–	–
Deposits	–	–	–	–
Compensated absences	–	–	–	–
Bonds payable	390,000	500,000	315,000	–
Total current liabilities	<u>444,643</u>	<u>564,184</u>	<u>369,854</u>	<u>105,276</u>
Noncurrent liabilities				
Net OPEB liability	15,285	10,418	5,851	–
Compensated absences	–	–	–	–
Net pension liability	190,771	157,568	62,480	–
Bonds payable (net of unamortized discounts and premiums)	2,026,606	2,806,862	1,579,727	–
Total noncurrent liabilities	<u>2,232,662</u>	<u>2,974,848</u>	<u>1,648,058</u>	<u>–</u>
Total liabilities	<u>2,677,305</u>	<u>3,539,032</u>	<u>2,017,912</u>	<u>105,276</u>
Deferred inflows of resources				
Pension plan deferments – PERA	21,344	17,662	7,023	–
Net position				
Net investment in capital assets	4,986,378	6,049,823	5,767,244	–
Unrestricted	3,775,216	1,051,165	263,749	2,631,339
Total net position	<u>8,761,594</u>	<u>7,100,988</u>	<u>6,030,993</u>	<u>2,631,339</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 11,460,243</u>	<u>\$ 10,657,682</u>	<u>\$ 8,055,928</u>	<u>\$ 2,736,615</u>

See notes to basic financial statements

Liquor Operations Fund	Broadway Court Fund	Nonmajor Deputy Registrar Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 324,609	\$ 1,930,254	\$ 123,347	\$ 4,628,496	\$ 2,080,282
286,837	342,477	340,574	5,289,334	4,669,975
2,005	2,379	2,397	42,890	32,649
-	-	-	305,799	-
-	-	4,880	1,403,104	4,980
-	-	-	353	253
438,211	-	-	446,116	-
8,000	-	-	8,000	71,251
<u>1,059,662</u>	<u>2,275,110</u>	<u>471,198</u>	<u>12,124,092</u>	<u>6,859,390</u>
-	115,000	-	411,544	98,773
-	6,933,486	-	7,489,711	1,860,395
-	-	-	26,336,495	-
-	-	-	2,919,211	960,377
499,031	39,309	-	538,340	-
-	-	-	494,998	4,622,556
134,074	278,990	18,137	798,337	2,500,002
-	-	-	4,661,252	67,554
(287,650)	(2,337,899)	(18,137)	(13,853,907)	(7,052,714)
<u>345,455</u>	<u>5,028,886</u>	<u>-</u>	<u>29,795,981</u>	<u>3,056,943</u>
1,405,117	7,303,996	471,198	41,920,073	9,916,333
-	198,340	-	198,340	-
162,133	-	117,450	450,289	163,769
<u>162,133</u>	<u>198,340</u>	<u>117,450</u>	<u>648,629</u>	<u>163,769</u>
<u>\$ 1,567,250</u>	<u>\$ 7,502,336</u>	<u>\$ 588,648</u>	<u>\$ 42,568,702</u>	<u>\$ 10,080,102</u>
\$ 138,948	\$ 25,952	\$ 558	\$ 329,154	\$ 107,595
-	-	-	-	350,563
-	-	-	30	12,565
32,689	-	68	72,152	-
-	31,219	-	107,055	-
2,624	-	-	2,624	-
-	68,392	-	68,392	-
-	-	-	-	35,000
-	235,000	-	1,440,000	-
<u>174,261</u>	<u>360,563</u>	<u>626</u>	<u>2,019,407</u>	<u>505,723</u>
15,459	-	20,380	67,393	-
-	-	-	-	542,635
369,213	-	278,439	1,058,471	382,843
-	3,254,356	-	9,667,551	-
<u>384,672</u>	<u>3,254,356</u>	<u>298,819</u>	<u>10,793,415</u>	<u>925,478</u>
558,933	3,614,919	299,445	12,812,822	1,431,201
41,439	-	31,211	118,679	42,932
345,455	1,737,870	-	18,886,770	3,056,943
621,423	2,149,547	257,992	10,750,431	5,549,026
<u>966,878</u>	<u>3,887,417</u>	<u>257,992</u>	<u>29,637,201</u>	<u>8,605,969</u>
<u>\$ 1,567,250</u>	<u>\$ 7,502,336</u>	<u>\$ 588,648</u>	<u>\$ 42,568,702</u>	<u>\$ 10,080,102</u>

CITY OF ROBBINSDALE

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2016

	Business-Type Activities – Enterprise Funds			
	Water Utility Fund	Sanitary Sewer Utility Fund	Storm Sewer Utility Fund	Solid Waste Removal Fund
Sales and cost of sales				
Net sales	\$ –	\$ –	\$ –	\$ –
Cost of sales	–	–	–	–
Gross profit	–	–	–	–
Operating revenues				
Sales, fees, and charges	1,714,506	1,891,384	948,942	1,659,602
Total gross profit and operating revenues	1,714,506	1,891,384	948,942	1,659,602
Operating expenses				
Personal services	204,960	184,800	70,442	–
Supplies	43,747	2,970	119,140	2,296
Other services and charges	497,370	1,198,391	224,202	1,192,592
Rental charges	–	–	–	–
Depreciation	182,824	199,714	367,710	–
Total operating expenses	928,901	1,585,875	781,494	1,194,888
Operating income	785,605	305,509	167,448	464,714
Nonoperating revenues (expenses)				
Intergovernmental	692	627	281	45,856
Interest and dividends	30,642	15,953	1,514	23,769
Net change in fair value of investments	(6,462)	(3,318)	(324)	(5,088)
Gain (loss) on disposal of capital assets	–	–	–	–
Interest and fiscal charges	(48,955)	(68,711)	(41,076)	–
Total nonoperating revenues (expenses)	(24,083)	(55,449)	(39,605)	64,537
Income before contributions and transfers	761,522	250,060	127,843	529,251
Contributions and transfers				
Contributions – from governmental funds	–	458,704	–	–
Transfers in	–	–	–	–
Transfers (out)	(24,548)	(496,040)	(51,813)	(180,000)
Total contributions and transfers	(24,548)	(37,336)	(51,813)	(180,000)
Change in net position	736,974	212,724	76,030	349,251
Net position				
Beginning of year	8,024,620	6,888,264	5,954,963	2,282,088
End of year	\$ 8,761,594	\$ 7,100,988	\$ 6,030,993	\$ 2,631,339

See notes to basic financial statements

Liquor Operations Fund	Broadway Court Fund	Nonmajor Deputy Registrar Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 3,439,771 (2,545,382)	\$ - -	\$ - -	\$ 3,439,771 (2,545,382)	\$ - -
894,389	-	-	894,389	-
-	820,794	505,007	7,540,235	2,420,356
894,389	820,794	505,007	8,434,624	2,420,356
442,289	77,399	337,523	1,317,413	425,711
9,582	9,483	3,834	191,052	233,464
193,814	325,612	73,747	3,705,728	1,383,360
98,578	-	-	98,578	-
63,278	159,934	-	973,460	364,460
807,541	572,428	415,104	6,286,231	2,406,995
86,848	248,366	89,903	2,148,393	13,361
1,560	-	1,109	50,125	9,264
5,222	6,017	5,618	88,735	65,917
(1,118)	(1,143)	(1,203)	(18,656)	(14,105)
-	-	-	-	48,600
-	(86,234)	-	(244,976)	-
5,664	(81,360)	5,524	(124,772)	109,676
92,512	167,006	95,427	2,023,621	123,037
	-	-	458,704	-
	-	-	-	105,309
(150,000)	-	(50,000)	(952,401)	(57,523)
(150,000)	-	(50,000)	(493,697)	47,786
(57,488)	167,006	45,427	1,529,924	170,823
1,024,366	3,720,411	212,565	28,107,277	8,435,146
\$ 966,878	\$ 3,887,417	\$ 257,992	\$ 29,637,201	\$ 8,605,969

CITY OF ROBBINSDALE

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2016

	Business-Type Activities – Enterprise Funds			
	Water Utility Fund	Sanitary Sewer Utility Fund	Storm Sewer Utility Fund	Solid Waste Removal Fund
Cash flows from operating activities				
Cash received from customers and users, including deposits	\$ 1,476,443	\$ 1,977,190	\$ 991,429	\$ 1,755,563
Cash payments to suppliers	(517,090)	(1,173,949)	(327,987)	(1,194,895)
Cash payments to employees	(190,757)	(172,226)	(64,686)	–
Net cash flows from operating activities	<u>768,596</u>	<u>631,015</u>	<u>598,756</u>	<u>560,668</u>
Cash flows from noncapital financing activities				
Payments made on interfund balances	–	–	(29,047)	–
Payments received on interfund balances	–	–	–	29,047
Transfers (to) other funds	–	–	–	(180,000)
Intergovernmental	692	627	281	45,856
Net cash flows from noncapital financing activities	<u>692</u>	<u>627</u>	<u>(28,766)</u>	<u>(105,097)</u>
Cash flows from capital and related financing activities				
Transfers from other funds	–	–	–	–
Transfers (to) other funds	(24,548)	(496,040)	(51,813)	–
Acquisition of property and equipment	(183,599)	(639,599)	(393,432)	–
Proceeds from the disposal of property and equipment	–	–	–	–
Principal payments on bonds	(315,000)	(420,000)	(190,000)	–
Interest and fiscal charges on bonds	(63,619)	(89,444)	(59,951)	–
Net cash flows from capital and related financing activities	<u>(586,766)</u>	<u>(1,645,083)</u>	<u>(695,196)</u>	<u>–</u>
Cash flows from investing activities				
Proceeds from maturities of investments	269,383	688,205	251,566	–
Purchases of investments	(1,310,665)	(205,558)	(74,343)	(1,050,027)
Interest on investments	27,852	16,059	3,855	18,717
Net cash flows from investing activities	<u>(1,013,430)</u>	<u>498,706</u>	<u>181,078</u>	<u>(1,031,310)</u>
Net change in cash and cash equivalents	(830,908)	(514,735)	55,872	(575,739)
Cash and cash equivalents at beginning of year	<u>1,839,343</u>	<u>993,920</u>	<u>–</u>	<u>1,282,533</u>
Cash and cash equivalents at end of year	<u>\$ 1,008,435</u>	<u>\$ 479,185</u>	<u>\$ 55,872</u>	<u>\$ 706,794</u>

See notes to basic financial statements

Liquor Operations Fund	Broadway Court Fund	Nonmajor Deputy Registrar Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 3,441,081	\$ 822,421	\$ 516,073	\$ 10,980,200	\$ 2,597,436
(2,888,866)	(341,432)	(81,182)	(6,525,401)	(1,659,695)
(411,344)	(77,399)	(314,857)	(1,231,269)	(397,557)
<u>140,871</u>	<u>403,590</u>	<u>120,034</u>	<u>3,223,530</u>	<u>540,184</u>
-	-	-	(29,047)	-
-	-	-	29,047	-
(150,000)	-	(50,000)	(380,000)	-
<u>1,560</u>	<u>-</u>	<u>1,109</u>	<u>50,125</u>	<u>9,264</u>
(148,440)	-	(48,891)	(329,875)	9,264
-	-	-	-	105,309
-	-	-	(572,401)	(57,523)
(4,520)	(124,830)	-	(1,345,980)	(515,960)
-	-	-	-	48,600
-	(250,000)	-	(1,175,000)	-
<u>-</u>	<u>(94,969)</u>	<u>-</u>	<u>(307,983)</u>	<u>-</u>
(4,520)	(469,799)	-	(3,401,364)	(419,574)
-	205,930	20,298	1,435,382	980,267
(188,198)	(197,604)	(196,570)	(3,222,965)	(2,692,990)
4,272	7,346	4,988	83,089	64,703
<u>(183,926)</u>	<u>15,672</u>	<u>(171,284)</u>	<u>(1,704,494)</u>	<u>(1,648,020)</u>
(196,015)	(50,537)	(100,141)	(2,212,203)	(1,518,146)
<u>520,624</u>	<u>1,980,791</u>	<u>223,488</u>	<u>6,840,699</u>	<u>3,598,428</u>
<u>\$ 324,609</u>	<u>\$ 1,930,254</u>	<u>\$ 123,347</u>	<u>\$ 4,628,496</u>	<u>\$ 2,080,282</u>

(continued)

CITY OF ROBBINSDALE

Statement of Cash Flows (continued)
 Proprietary Funds
 Year Ended December 31, 2016

	Business-Type Activities – Enterprise Funds			
	Water Utility Fund	Sanitary Sewer Utility Fund	Storm Sewer Utility Fund	Solid Waste Removal Fund
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income	\$ 785,605	\$ 305,509	\$ 167,448	\$ 464,714
Adjustments to reconcile operating income to net cash flows from operating activities				
Depreciation	182,824	199,714	367,710	–
(Increase) decrease in assets and deferred outflows of resources				
Special assessments receivable	(176,762)	94,174	32,861	95,782
Accounts receivable	(61,301)	(8,368)	9,626	(23,387)
Due from other governments	–	–	–	23,566
Inventories	448	–	–	–
Prepaid items	–	–	–	–
Deferred outflows of resources for pensions	(57,904)	(52,504)	(23,552)	–
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable	22,928	8,117	15,355	(19,456)
Accrued salaries and benefits	–	–	–	–
Due to other governments	651	19,295	–	19,449
Unearned revenue	–	–	–	–
Deposits	–	–	–	–
Net OPEB liability	1,697	1,235	669	–
Compensated absences payable	–	–	–	–
Net pension liability	63,079	57,196	25,657	–
Deferred inflows of resources for pensions	7,331	6,647	2,982	–
Total adjustments	(17,009)	325,506	431,308	95,954
Net cash flows from operating activities	<u>\$ 768,596</u>	<u>\$ 631,015</u>	<u>\$ 598,756</u>	<u>\$ 560,668</u>
Noncash investing, capital, and financing activities				
Net increase (decrease) in fair value of investments	\$ (6,462)	\$ (3,318)	\$ (324)	\$ (5,088)
Capital assets purchased on account	\$ (110,099)	\$ (166,826)	\$ (134,898)	\$ –
Contributions of capital assets from governmental funds	\$ –	\$ 458,704	\$ –	\$ –

See notes to basic financial statements

Liquor Operations Fund	Broadway Court Fund	Nonmajor Deputy Registrar Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 86,848	\$ 248,366	\$ 89,903	\$ 2,148,393	\$ 13,361
63,278	159,934	–	973,460	364,460
–	–	–	46,055	–
–	356	11,176	(71,898)	20,713
–	–	–	23,566	–
(35,403)	–	–	(34,955)	–
(278)	–	–	(278)	59,348
(130,660)	–	(92,857)	(357,477)	(130,360)
(38,518)	(6,337)	(381)	(18,292)	(34,834)
–	–	–	–	39,178
32,689	–	(3,220)	68,864	–
1,310	–	–	1,310	–
–	1,271	(110)	1,161	–
2,726	–	2,612	8,939	–
–	–	–	–	49,804
142,337	–	101,155	389,424	142,010
16,542	–	11,756	45,258	16,504
<u>54,023</u>	<u>155,224</u>	<u>30,131</u>	<u>1,075,137</u>	<u>526,823</u>
<u>\$ 140,871</u>	<u>\$ 403,590</u>	<u>\$ 120,034</u>	<u>\$ 3,223,530</u>	<u>\$ 540,184</u>
\$ (1,118)	\$ (1,143)	\$ (1,203)	\$ (18,656)	\$ (14,105)
\$ –	\$ –	\$ –	\$ (411,823)	\$ 12,565
\$ –	\$ –	\$ –	\$ 458,704	\$ –

CITY OF ROBBINSDALE

Statement of Net Position
Fiduciary Fund
December 31, 2016

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 139,534</u>
Liabilities	
Due to other governments	<u>\$ 139,534</u>

See notes to basic financial statements

CITY OF ROBBINSDALE

Notes to Basic Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Robbinsdale, Minnesota (the City) operates under the “Home Rule Charter” form of government pursuant to applicable Minnesota laws and statutes. The charter prescribes a manager-council form of organization. The governing body consists of a mayor and a four-member City Council. The City Council is elected by wards and the mayor is elected at large by voters of the City to serve four-year staggered terms.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant of the City’s accounting policies are described below:

B. Reporting Entity

In accordance with accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships 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 it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations are presented in this report as blended component units (which are reported as if they were a part of the City) or related and jointly governed organizations (in which the relationship of the City with the entity is disclosed).

- 1. Blended Component Unit** – The Robbinsdale Economic Development Authority (REDA), which is governed by a five-member board consisting of the City Council with management of the City having operational responsibility for the REDA activities, is reported as a blended component unit. Although it is a legally separate entity from the City, it is reported as if it were a part of the City. This represents the only financial statements prepared for the REDA.
- 2. Related Organization** – The Robbinsdale Fire Department Relief Association (the Association) is organized as a nonprofit organization, legally separate from the City, to provide pension benefits to its members pursuant with Minnesota laws and statutes. Its Board of Directors is appointed by the membership of the Association, and the Association issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota Statutes, whereby state aids flow to the Association, the City’s contributions are determined by the Association, and the Association pays benefits to its members. Because the Association is fiscally independent of the City, the financial statements of the Association have not been included within the City’s reporting entity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 3. Jointly Governed Organizations** – Local Government Information Systems (LOGIS) is a consortium of approximately 20 entities that provides computerized data processing and support services to its members. LOGIS is legally separate from the City, as the City does not appoint a voting majority of the Board and the consortium is fiscally independent of the City.

LOGIS Insurance Group provides cooperative purchasing of health and life insurance benefits for approximately 45 government entities.

C. Government-Wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole, except for fiduciary activities. These statements include all of the financial activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which significantly rely upon sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the fiscal year for which they are certified for levy. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor funds is reported in a single column in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Proceeds of long-term debt are reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds.

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. 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 City’s enterprise funds and internal service funds are charges to customers for sales and services. The operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

Aggregated information for the internal service funds is reported in a single column in the proprietary fund financial statements. Because the principal user of the internal services is the City’s governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

The Agency Fund has no measurement focus, but utilizes the accrual basis of accounting for reporting assets and liabilities.

Description of Funds

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REDA General Development Fund – This is a special revenue fund that accounts for all the general community development activities of the REDA that are not related to tax increment financing (TIF). The most significant sources of revenues in this special revenue fund include property taxes and charges for services.

REDA TIF Development Fund – This is a special revenue fund that accounts for all the general community development activities of the REDA that are related to TIF. The most significant sources of revenues in this special revenue fund include tax increments and land sales.

REDA Tax Increment Fund – This is a debt service fund that accounts for all the activity associated with the REDA's repayment of debt on outstanding TIF bonds issued through the City.

Permanent Improvement Revolving (PIR) Fund – This is a capital projects fund that accounts for the resources used related to the construction of traffic and transportation infrastructure (alleys, streets, sidewalks, street lights, and traffic lights).

The City reports the following major proprietary funds:

Water Utility Fund – This fund accounts for all financial resources relating to the City's operations of its water distribution system. Services are on a user charge basis to all owners of property located within the City.

Sanitary Sewer Utility Fund – This fund accounts for all financial resources relating to the City's operations of its sanitary sewer collection system. Services are on a user charge basis to all owners of property located within the City.

Storm Sewer Utility Fund – This fund accounts for all financial resources relating to the City's operations of its storm water collection system. Services are on a user charge basis to all owners of property located within the City.

Solid Waste Removal Fund – This fund accounts for all financial resources relating to the City's operations for garbage and recycling services to the residential properties of the City. Services are on a user charge basis to all residential property owners.

Liquor Operations Fund – This fund accounts for all financial resources relating to the operations of the City's municipal off sale liquor store.

Broadway Court Fund – This fund accounts for all financial resources relating to the rental operations of the Broadway Court Senior Housing Complex, which is owned by the REDA.

Additionally, the City also reports the following fund types:

Internal Service Funds – These funds account for the City's central garage (fleet repair and maintenance), central services (general office, information technology, government building costs), equipment replacement, risk insurance costs, and the employee benefit accrual requirements. All services are provided to other departments on a cost-reimbursement basis.

Agency Funds – These funds are custodial in nature and do not involve measurement of results of operations. The City maintains one Agency Fund (Deputy Registrar – Minnesota License Fees).

E. Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash balances from all funds are combined and invested to the extent available in commercial paper, insured certificates of deposit, and various government-backed securities. Earnings from such investments are allocated to the respective funds based on the average quarterly cash balance of each fund. Investments are stated at fair value, which is determined based on quoted market prices at year-end. Investments in investment pools/mutual funds are presented at amortized cost.

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

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

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

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Any residual outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Receivables

Utility and miscellaneous accounts receivable are reported at gross. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on current receivables. The City does record an allowance for the amount of utility receivables that remain delinquent after having been certified to the county.

H. Property Taxes

Property tax levies are set by the City Council in December of each year, and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads the levies over all taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts three times a year; in July, December, and January.

Property taxes are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, taxes are recognized as revenue when received in cash or within 60 days after year-end. Taxes which remain unpaid on December 31 are classified as delinquent taxes receivable, and are offset by deferred inflows of resources in the governmental fund financial statements, because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Special Assessments Receivable

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete, except for road reconstruction projects. The county handles collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year-end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements.

J. Inventories and Prepaid Items

Inventories are valued at the lower of cost or market value, on a first-in, first-out method. 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. The cost of inventories and prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

K. Property Held for Resale

Property is acquired by the REDA for redevelopment purposes. Property held for resale is reported as an asset at the lesser of cost or fair value in the government-wide and fund financial statements. Any costs incurred that are above the properties' fair value are reported as expenditures of the period. Property held for resale has a Level 2 fair value measurement category using the same accounting principles generally accepted in the United States of America hierarchy as discussed earlier in Note 1 E. for cash and investments.

L. Capital Assets

Capital asset acquisition costs are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital assets are capitalized within the City's government-wide financial statements and proprietary fund statements, which use the full accrual basis of accounting. Infrastructure assets reported by governmental activities include assets placed in service in 1980 or later.

The City defines capital assets as assets with an initial, individual cost of more than \$2,500 (except for computer and network-related equipment, which is \$1,000), and an estimated useful life in excess of two years. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the fair market value as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and work in progress are not depreciated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and structures	25–40
Utility system infrastructure	5–100
Traffic and transportation infrastructure	5–40
Park system infrastructure	5–40
Other improvements	5–30
Leasehold improvements	10
Mobile equipment	3–25
Machinery and office equipment	3–15

M. Compensated Absences

The City compensates employees upon termination for all unused vacation and unused sick leave up to 960 hours based on years of service criteria as follows:

- After 2 years – 15 percent of accumulated sick leave
- After 8 years – 25 percent of accumulated sick leave
- After 13 years – 35 percent of accumulated sick leave
- After 17 years – 40 percent of accumulated sick leave
- After 20 years – 50 percent of accumulated sick leave

Employees are compensated for unused sick leave in excess of 960 hours at the rate of one-half time. Vacation and sick leave earnings and the corresponding liability are recorded in the Benefit Accrual Internal Service Fund, which charges the General Fund and other city funds. The liability is reported within governmental activities of the government-wide Statement of Net Position as a long-term liability.

N. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

O. Deferred Outflows/Inflows of Resources

In addition to assets, a statement of financial position may report a separate financial statement element called deferred outflows of resources, representing consumptions of net position that apply to future periods which are not recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items which qualify for reporting in this category.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The first item is deferred charge on refunding reported in the government-wide and proprietary fund Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The second item is 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, and 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, statements of financial position or balance sheets may report a separate financial statement element called deferred inflows of resources, representing acquisitions of net position that apply to future periods which are not recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category.

The first item, unavailable revenue, arises only under the modified accrual basis of accounting and, therefore, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and notes receivable not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second 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 projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

P. Net Position Classifications and Flow Assumptions

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance Classifications and Flow Assumptions

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to City Council resolution, the city manager or finance director are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

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

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

R. Pensions

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

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

S. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and the REDA special revenue funds. The City follows the following procedures in establishing the budgetary data reflected in the basic financial statements:

- The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budgets include proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budgets are legally enacted through the passage of resolutions.
- The City Council may authorize transfers of budgeted amounts between departments, the budgetary control level.

B. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2016:

REDA TIF Development Special Revenue Fund – \$3,170,000

The deficit for the REDA TIF Development Special Revenue Fund is expected to be eliminated over time through the collections of tax increment revenues, which will reduce the advances from other funds.

REDA Tax Increment Debt Service Fund – \$965,697

The deficit for the REDA Tax Increment Debt Service Fund is expected to be eliminated over time through the collections of tax increment revenues, which will reduce the advances from other funds.

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$ 4,822,876
Investments	27,878,266
Cash on hand	<u>10,997</u>
Total	<u>\$ 32,712,139</u>

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 8,068,022
Investments	24,504,583
Statement of Net Position – Fiduciary Fund	
Cash and cash equivalents	<u>139,534</u>
 Total	 <u><u>\$ 32,712,139</u></u>

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking and savings accounts.

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 bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issued of U.S. governmental agencies; general obligations rate “A” or better; revenue obligations rate “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping 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. The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City’s deposits was \$4,822,876, while the balance on the bank records was \$4,799,595. At December 31, 2016, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value Measurement Using	Interest Risk – Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	More Than 5	
U.S. government-backed securities	AA	S&P	Level 1	\$ –	\$ –	\$ 43,756	\$ 43,756
U.S. government agency securities	AA	S&P	Level 1	500,235	4,935,091	574,824	6,010,150
Negotiable certificates of deposit	N/A	N/A	Level 1	3,187,303	1,724,050	–	4,911,353
State and local obligations	AAA	S&P	Level 2	324,162	268,394	259,396	851,952
State and local obligations	AA	S&P	Level 2	1,260,211	6,752,218	646,142	8,658,571
State and local obligations	AA	Moody’s	Level 2	250,377	3,146,212	632,212	4,028,801
Investment pools/mutual funds							
First American Government	AAA	S&P	N/A	<u>3,373,683</u>	<u>–</u>	<u>–</u>	<u>3,373,683</u>
 Total				 <u>\$ 8,895,971</u>	 <u>\$ 16,825,965</u>	 <u>\$ 2,156,330</u>	 <u>\$ 27,878,266</u>

N/A – Not Applicable

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to any 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’s investment policies do not further address this risk, but the City limits its exposure by holding the majority of its investments in a trust account with a major bank’s corporate trust department. Under this scenario, investments are delivered to the City’s Trust Account and then payment is released to the broker-dealer.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; 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 statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; 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; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government 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 brokers-dealers. The City’s investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investments (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. At year-end, the City’s investment portfolio includes the Federal Home Loan Mortgage Corporation at 6.5 percent and the Federal National Mortgage Association at 11.1 percent.

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’s investment policies do not further address limiting the duration of investments.

NOTE 4 – NOTES RECEIVABLE

A. Industrial Development Revenue Bond Fees Receivable

Since 1983, the City has issued industrial development revenue bonds on behalf of qualified entities. The bond agreements require the qualified entities to pay an issuance fee to the City that is spread over the life of the bonds. The issuance fee payments are structured as follows:

- One half of one percent of the principal amount of the bonds issued paid at the time of issuance and the first anniversary date.

NOTE 4 – NOTES RECEIVABLE (CONTINUED)

- Beginning in year three, one-eighth percent of the outstanding principal of the bonds paid annually to the City (this relates to all bonds issued after January 1, 2003).
- Beginning in year three, one-tenth percent of the outstanding principal of the bonds paid annually to the City (this relates to all bonds issued prior to January 1, 2003, and includes any refinancing of bonds issued prior to January 1, 2003).

As of December 31, 2016, the City had \$583,893 in outstanding receivables related to the issuance of industrial development revenue bonds.

B. Robbinsdale Economic Development Authority (REDA) – Notes Receivable

Periodically, the REDA issues loans to qualified entities to be used in the redevelopment of their property. As of December 31, 2016, the REDA had \$575,904 in outstanding notes.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Completed Construction	Ending Balance
Governmental activities					
Capital assets, not depreciated					
Land	\$ 905,593	\$ –	\$ –	\$ –	\$ 905,593
Work in progress	5,860,321	882,062	–	(4,296,114)	2,446,269
Total capital assets, not depreciated	6,765,914	882,062	–	(4,296,114)	3,351,862
Capital assets, depreciated					
Buildings and structures	6,010,657	208,832	–	–	6,219,489
Traffic and transportation	28,432,576	–	–	3,819,579	32,252,155
Park system infrastructure	5,251,456	124,949	–	–	5,376,405
Other improvements	1,214,606	9,300	(23,346)	17,831	1,218,391
Mobile equipment	4,646,203	139,613	(93,560)	–	4,692,256
Machinery and office equipment	2,761,699	130,128	–	–	2,891,827
Total capital assets, depreciated	48,317,197	612,822	(116,906)	3,837,410	52,650,523
Less accumulated depreciation for					
Buildings and structures	(3,497,801)	(162,149)	–	–	(3,659,950)
Traffic and transportation	(9,705,812)	(816,395)	–	–	(10,522,207)
Park system infrastructure	(1,970,601)	(354,683)	–	–	(2,325,284)
Other improvements	(887,414)	(30,691)	23,346	–	(894,759)
Mobile equipment	(2,815,951)	(268,372)	93,560	–	(2,990,763)
Machinery and office equipment	(2,369,101)	(82,222)	–	–	(2,451,323)
Total accumulated depreciation	(21,246,680)	(1,714,512)	116,906	–	(22,844,286)
Net capital assets, depreciated	27,070,517	(1,101,690)	–	3,837,410	29,806,237
Total capital assets, net	\$ 33,836,431	\$ (219,628)	\$ –	\$ (458,704)	\$ 33,158,099

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements	Transfers and Completed Construction	Ending Balance
Business-type activities					
Capital assets, not depreciated					
Land	\$ 411,544	\$ –	\$ –	\$ –	\$ 411,544
Work in progress	6,627,018	693,059	–	(2,658,825)	4,661,252
Total capital assets, not depreciated	7,038,562	693,059	–	(2,658,825)	5,072,796
Capital assets, depreciated					
Buildings and structures	7,419,320	70,391	–	–	7,489,711
Utility system	23,121,768	97,198	–	3,117,529	26,336,495
Other improvements	2,914,111	5,100	–	–	2,919,211
Leasehold improvements	526,340	12,000	–	–	538,340
Mobile equipment	494,998	–	–	–	494,998
Machinery and office equipment	741,928	56,409	–	–	798,337
Total capital assets, depreciated	35,218,465	241,098	–	3,117,529	38,577,092
Less accumulated depreciation for					
Buildings and structures	(2,410,366)	(173,091)	–	–	(2,583,457)
Utility system	(7,669,878)	(383,184)	–	–	(8,053,062)
Other improvements	(1,851,550)	(271,455)	–	–	(2,123,005)
Leasehold improvements	(190,430)	(57,307)	–	–	(247,737)
Mobile equipment	(196,174)	(55,035)	–	–	(251,209)
Machinery and office equipment	(562,049)	(33,388)	–	–	(595,437)
Total accumulated depreciation	(12,880,447)	(973,460)	–	–	(13,853,907)
Net capital assets, depreciated	22,338,018	(732,362)	–	3,117,529	24,723,185
Total capital assets, net	\$ 29,376,580	\$ (39,303)	\$ –	\$ 458,704	\$ 29,795,981

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

Governmental activities	
General government	\$ 49,846
Community development	5,614
Public safety	103,229
Recreation	357,762
Public works	833,601
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	364,460
Total depreciation expense – governmental activities	<u>\$ 1,714,512</u>
Business-type activities	
Water utility	\$ 182,824
Sanitary sewer utility	199,714
Storm sewer utility	367,710
Liquor operations	63,278
Broadway Court	159,934
Total depreciation expense – business-type activities	<u>\$ 973,460</u>

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claim incurred but unreported; however, it retains risk for the deductible portion of its insurance policies.

The Risk Insurance Fund was established to account for deductibles and other costs associated with the risk-of-loss that the City is unable to insure for because of restrictions or exclusions on the policies. It has also been established to fund any potential liability that may be assessed to it by the LMCIT Program. The fund is accounted for as an internal service fund where assets are set aside for risk management, insurance, administration, and claims settlement.

Fund liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities will include an amount for claims that have been incurred but not reported (IBNR).

The Risk Insurance Fund collects a service charge from user funds/departments and pays insurance premiums and claims. Charges for services during 2016 were \$589,280. At December 31, 2016, 2015, and 2014, there were no significant IBNR claims.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience workers' compensation rates and salaries for the year are known. The City also purchases fidelity bonds for employees in key positions.

During the year ended December 31, 2016, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

NOTE 7 – OPERATING LEASES

The City leases space for the Robbinsdale Wine & Spirits Liquor Store, which is located in Robin Center. The agreement commenced February 1, 2012, and provides for minimum annual lease payments of \$74,158 and sharing of common expenses and expires February 2017. The lease provides for annual rent to increase in years three through five. The lease was extended through December 2017. The rent expense for the year ended December 31, 2016 was \$98,578.

NOTE 8 – LONG-TERM DEBT

The City's long-term debt issues and transactions were as follows:

General Obligation Bonds – The City periodically issues bonds in accordance with Minnesota Statutes and they are backed by its full faith, credit, and taxing powers.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Governmental Activities

- **2006 General Obligation Street Reconstruction Bonds** – In 2006, the City issued \$1,535,000 in General Obligation Street Reconstruction Bonds to fund the street reconstruction of areas along County Road 81 and within the First Ward. The bonds were issued for a period of 10 years at a net interest cost of 4.199 percent.
- **2010 General Obligation Tax Increment Bonds** – In 2010, the City issued \$5,255,000 in General Obligation Tax Increment Bonds to redeem \$5,465,000 of outstanding 2007 Taxable General Obligation Temporary Tax Increment Bonds on their maturity date that had been used for the acquisition and demolition of a school for housing redevelopment purposes. The bonds were issued for a period of 20 years at a net interest cost of 3.58 percent.
- **2012 General Obligation Street Improvement Bonds** – In 2012, the City issued \$1,470,000 in General Obligation Improvement Bonds to finance the cost of street reconstruction within the City. The bonds mature in February 2023 and have a net interest of 1.38 percent.
- **2013 General Obligation Street Reconstruction Bonds** – In 2013, the City issued \$1,585,000 in General Obligation Improvement Bonds to finance the cost of street reconstruction within the City. The bonds mature in February 2024 and have a net interest of 1.85 percent.
- **2015 General Obligation Street Improvement Bonds** – In 2015, the City issued \$3,630,000 in General Obligation Improvement Bonds to finance the cost of street reconstruction within the City. The bonds mature in February 2026 and have a net interest of 1.49 percent.

Business-Type Activities

- **2006 General Obligation Utility Revenue Bonds** – In 2006, the City issued \$3,700,000 in General Obligation Utility Revenue Bonds for the reconstruction of the utility system under local streets and a variety of other utility system improvements. The bonds were issued for a period of 10 years at a net interest cost of 4.09 percent. These bonds are payable from the net revenues of the water utility, sanitary sewer utility, and storm sewer utility enterprise activities.
- **2012 General Obligation Utility Revenue Bonds** – In 2012, the City issued \$2,560,000 in General Obligation Utility Revenue Bonds to finance a variety of utility system improvements and equipment costs. The bonds mature in February 2023 and have a net interest of 1.38 percent. These bonds are payable from the net revenues of the water utility, sanitary sewer utility, and storm sewer utility enterprise activities.
- **2013 General Obligation Utility Revenue Bonds** – In 2013, the City issued \$2,815,000 in General Obligation Utility Revenue Bonds to finance a variety of utility system improvements and equipment costs. The bonds mature in February 2024 and have a net interest of 1.85 percent. These bonds are payable from the net revenues of the water utility, sanitary sewer utility, and storm sewer utility enterprise activities.
- **2015 General Obligation Utility Revenue Bonds** – In 2015, the City issued \$2,805,000 in General Obligation Utility Revenue Bonds to finance a variety of utility system improvements. The bonds mature in February 2026 and have a net interest of 1.49 percent.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The REDA periodically issues bonds in accordance with Minnesota Statutes and they are backed by its full faith, credit, and taxing power.

- 2015 Housing Revenue Refunding Bonds** – In 2015, the REDA issued \$3,670,000 in Housing Revenue Refunding Bonds, which are being serviced by the Broadway Court Enterprise Operation of the REDA. The refunding bonds were issued to refund the 2006A Housing Revenue Refunding Bonds (\$4,730,000). The bonds mature in February 2029 and have a net interest of 2.09 percent. This refunding resulted in a net cash flow savings of \$804,085, having a present value debt service savings of \$622,410. The difference between the carrying value of the refunded debt and the resources used to redeem the debt was not material.

SUMMARIES OF LONG-TERM DEBT ISSUES

A. Governmental Activities

Issue	Interest Rates	Date Issued	Date Matures	Original Amount	Outstanding Balance
General obligation street reconstruction bonds	4.00%–4.38%	2006	2017	\$ 1,535,000	\$ 185,000
General obligation tax increment bonds	2.00%–4.00%	2010	2032	\$ 5,255,000	4,425,000
General obligation street improvement bonds	0.40%–2.00%	2012	2023	\$ 1,470,000	1,055,000
General obligation street reconstruction bonds	2.13%–3.00%	2013	2024	\$ 1,585,000	1,355,000
General obligation street improvement bonds	2.00%–3.00%	2015	2026	\$ 3,630,000	3,630,000
Debt issuance premium (discount)					222,384
Compensated absences					577,635
					\$ 11,450,019

Changes in long-term debt during 2016 for debt serviced through governmental activities are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due In One Year
General obligation street reconstruction bonds	\$ 1,840,000	\$ –	\$ 300,000	\$ 1,540,000	\$ 340,000
General obligation tax increment bonds	4,565,000	–	140,000	4,425,000	155,000
General obligation street improvement bonds	4,830,000	–	145,000	4,685,000	465,000
Debt issuance premium (discount)	262,195	–	39,811	222,384	–
Total bonds payable	11,497,195	–	624,811	10,872,384	960,000
Compensated absences	527,831	621,097	571,293	577,635	35,000
Governmental activity long-term liabilities	\$ 12,025,026	\$ 621,097	\$ 1,196,104	\$ 11,450,019	\$ 995,000

B. Business-Type Activities

Issue	Interest Rates	Date Issued	Date Matures	Original Amount	Outstanding Balance
General obligation utility revenue bonds	4.00%–4.20%	2006	2017	\$ 3,700,000	\$ 440,000
General obligation utility revenue bonds	0.40%–2.00%	2012	2023	\$ 2,560,000	1,835,000
General obligation utility revenue bonds	2.13%–3.00%	2013	2024	\$ 2,815,000	2,325,000
General obligation utility revenue bonds	2.00%–3.00%	2015	2026	\$ 2,805,000	2,805,000
General obligation housing refunding bonds	2.00%–2.75%	2015	2029	\$ 3,670,000	3,420,000
Debt issuance premium (discount)					282,551
					\$ 11,107,551

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in long-term debt during 2016 for debt serviced through business-type activities are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due In One Year
General obligation utility revenue bonds	\$ 8,330,000	\$ –	\$ 925,000	\$ 7,405,000	\$ 1,205,000
General obligation housing refunding bonds	3,670,000	–	250,000	3,420,000	235,000
Debt issuance premium (discount)	315,273	–	32,722	282,551	–
Business-type activity long-term liabilities	<u>\$ 12,315,273</u>	<u>\$ –</u>	<u>\$ 1,207,722</u>	<u>\$ 11,107,551</u>	<u>\$ 1,440,000</u>

MINIMUM DEBT PAYMENTS

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

Year Ending December 31,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2017	\$ 960,000	\$ 298,030	\$ 1,440,000	\$ 236,679	\$ 2,934,709
2018	795,000	274,109	1,015,000	204,951	2,289,060
2019	825,000	253,115	1,040,000	181,546	2,299,661
2020	850,000	230,878	1,060,000	157,086	2,297,964
2021	885,000	207,140	1,090,000	131,311	2,313,451
2022–2026	4,090,000	685,151	4,305,000	313,721	9,393,872
2027–2031	1,805,000	276,056	875,000	35,063	2,991,119
2032	440,000	8,800	–	–	448,800
Total	<u>\$ 10,650,000</u>	<u>\$ 2,233,279</u>	<u>\$ 10,825,000</u>	<u>\$ 1,260,357</u>	<u>\$ 24,968,636</u>

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Tax increment bonds	Redevelopment	Tax increments	100%	2010–2032	\$ 5,981,531	\$ 296,813	\$ 314,325
Utility revenue bonds	Utility improvements	Utility charges	100%				
Series 2006				2006–2017	\$ 449,240	\$ 447,195	\$ 4,554,832
Series 2012				2012–2023	\$ 1,940,758	\$ 276,145	\$ 4,554,832
Series 2013				2013–2024	\$ 2,571,922	\$ 322,006	\$ 4,554,832
Series 2015				2015–2026	\$ 3,166,075	\$ 90,981	\$ 4,554,832
Housing revenue bonds	Affordable housing	Rental charges	100%	2015–2029	\$ 3,957,362	\$ 344,520	\$ 820,794

CONDUIT DEBT OBLIGATIONS

On occasion, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The bonds and interest are payable solely out of the mortgage loan proceeds, certain fees, revenues, and other amounts derived from mortgage loans and certain reserve funds. The bonds do not constitute any indebtedness, liability, general or moral obligation, or pledge of the faith or loan of credit of the City, state of Minnesota, or any political subdivision of either thereof.

As of December 31, 2016, the City had authorized the issuance of industrial revenue bonds as shown in the following schedule:

Description of Issue	Issue Date	Maturity Date	Outstanding December 31, 2016
Variable Rate Demand Revenue Refunding Bonds, Healthcare Facilities Revenue Bonds North Memorial Health Care – Series 2011	06/07/2011	12/31/2026	\$ 53,547,825

NOTE 9 – COMPONENTS OF FUND BALANCE

A. Classifications

At December 31, 2016, a summary of the City’s governmental fund balance classifications are as follows:

	General	Special Revenue		Debt Service	Capital Project	Nonmajor	Total
		REDA General Development	REDA TIF Development	REDA Tax Increment	Permanent Improvement Revolving		
Nonspendable							
Prepays	\$ 1,350	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,350
Restricted							
Debt service	–	–	–	–	–	1,427,177	1,427,177
Community development	–	7,027,432	–	–	–	–	7,027,432
Public safety equipment	–	–	–	–	–	22,889	22,889
Total restricted	–	7,027,432	–	–	–	1,450,066	8,477,498
Committed							
City code compliance	–	–	–	–	–	272,529	272,529
Street improvement projects	–	–	–	–	230,120	–	230,120
Park capital improvements	–	–	–	–	–	827,624	827,624
Total committed	–	–	–	–	230,120	1,100,153	1,330,273
Assigned							
Capital improvements	–	–	–	–	–	319,958	319,958
Public safety equipment	–	–	–	–	–	2,164	2,164
Senior programs	5,169	–	–	–	–	–	5,169
Street capital projects	–	–	–	–	5,547,492	–	5,547,492
Subsequent year’s budget	296,588	–	–	–	–	–	296,588
Total assigned	301,757	–	–	–	5,547,492	322,122	6,171,371
Unassigned	4,877,747	–	(3,170,000)	(965,697)	–	–	742,050
Total	\$ 5,180,854	\$ 7,027,432	\$ (3,170,000)	\$ (965,697)	\$ 5,777,612	\$ 2,872,341	\$ 16,722,542

B. Minimum Unassigned Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes a minimum unassigned General Fund balance of 40–50 percent of the subsequent year’s General Fund budgeted expenditures. At December 31, 2016, the unassigned fund balance of the General Fund was 51.1 percent of the subsequent year’s General Fund budgeted expenditures.

NOTE 10 – INTERFUND TRANSACTIONS

A. Interfund Transfers

During 2016, the following interfund transfers took place:

Transfers Out	Transfers In					Total
	General	REDA TIF Development	Permanent Improvement Revolving	Nonmajor Governmenta	Internal Service	
General	\$ -	\$ -	\$ -	\$ - b	\$ 50,000	\$ 50,000
REDA Tax Increment		d 22	-	-	-	22
Permanent Improvement Revolving	a 97,821	-	- a	305,231	-	403,052
Nonmajor governmental	a 6,637	-	-	-	-	6,637
Water Utility	a 24,548	-	-	-	-	24,548
Sanitary Sewer Utility	a 37,336	- c	458,704	-	-	496,040
Storm Sewer Utility	a 51,813	-	-	-	-	51,813
Solid Waste Removal	b 30,000	- b	150,000	-	-	180,000
Liquor Operations	-	-	- b	150,000	-	150,000
Deputy Registrar	-	-	- b	50,000	-	50,000
Internal Service	a 2,214	-	-	- a	55,309	57,523
Total transfers	\$ 250,369	\$ 22	\$ 608,704	\$ 505,231	\$ 105,309	\$ 1,469,635

Transfers were completed for the following reasons:

- a – Transfer resources for capital and debt service related spending
- b – Budgeted transfers using excess earnings to fund operating and capital needs
- c – Transfers to capital projects fund for enterprise fund capital costs
- d – Transfers following the closing of the TIF fund

B. Advances To and From Other Funds

The REDA General Development Fund has advanced \$3,234,648 to the REDA TIF Development Fund and \$1,163,256 to the REDA Tax Increment Fund for redevelopment of blighted housing stock within the City. The advances will be paid back over 20 years through the collection of TIF property tax revenues from the redeveloped properties. A 4.0 percent interest rate was charged on advances in 2016.

NOTE 11 – PENSION PLANS SUMMARY

The City has reported the following balances for define benefit pension plans of the City:

	PERA Plans			FRA	City Total
	GERF	PEPFF	Subtotal		
Net pension asset	\$ -	\$ -	\$ -	\$ 244,639	\$ 244,639
Deferred outflows of pension resources	1,912,059	5,681,215	7,593,274	74,860	7,668,134
Net pension liability	4,603,757	7,785,558	12,389,315	-	12,389,315
Deferred inflows of pension resources	515,792	956,311	1,472,103	138,138	1,610,241
Pension revenue	17,916	17,460	35,376	75,668	111,044
Pension expense	591,977	1,340,978	1,932,955	98,605	2,031,560

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

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

1. 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.

2. Public Employees Police and Fire Fund (PEPFF)

The Public Employees Police and Fire Fund (PEPFF), originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

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 90.0 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90.0 percent funded, or have fallen below 80.0 percent, are given 1.0 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.

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

C. Contributions

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

1. GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the year ended December 31, 2016 were \$267,770. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2016. The City was required to contribute 16.2 percent of pay for PEPFF members in calendar year 2016. The City's regular contributions to the PEPFF for the year ended December 31, 2016 were \$311,776. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERF Pension Costs

At December 31, 2016, the City reported a liability of \$4,603,757 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund in 2016. The state of Minnesota is considered a non-employer contributing entity and the state of Minnesota's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$60,189. The net pension liability was measured as of June 30, 2016, 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, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.0567 percent, which was a decrease of 0.0006 percent from its proportion measured as of June 30, 2015.

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

For the year ended December 31, 2016, the City recognized pension expense of \$591,977 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$17,916 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$6 million to the GERF.

At December 31, 2016, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 375,033
Changes in actuarial assumptions	901,420	–
Differences between projected and actual investment earnings	876,021	–
Changes in proportion	–	140,759
Contributions paid to the PERA subsequent to the measurement date	134,618	–
	<u>1,912,059</u>	<u>515,792</u>
Total	<u>\$ 1,912,059</u>	<u>\$ 515,792</u>

Deferred outflows of resources reported \$134,618 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, 2017. 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
2017	\$ 328,910
2018	\$ 328,910
2019	\$ 437,534
2020	\$ 166,295

2. PEPFF Pension Costs

At December 31, 2016, the City reported a liability of \$7,785,558 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2016, the City’s proportion was 0.1940 percent, which was an increase of 0.0060 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$1,340,978 for its proportionate share of the PEPFF’s pension expense. The City also recognized \$17,460 for the year ended December 31, 2016, as pension expense (and an offsetting reduction of net pension liability) for its proportionate share of the state of Minnesota’s on-behalf contributions to the PEPFF. In 2013, legislation passed and required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At December 31, 2016, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 884,308
Changes in actuarial assumptions	4,284,733	–
Differences between projected and actual investment earnings	1,179,222	–
Changes in proportion	56,812	72,003
Contributions paid to the PERA subsequent to the measurement date	160,448	–
Total	\$ 5,681,215	\$ 956,311

Deferred outflows of resources reported \$160,448 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, 2017. 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
2017	\$ 977,658
2018	\$ 977,658
2019	\$ 977,658
2020	\$ 884,612
2021	\$ 746,870

E. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for the GERF and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the GERF and the PEPFF.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

There following changes in actuarial assumptions occurred in 2016:

1. GERF

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2. PEPFF

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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 geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 in 2016 was 7.5 percent, a reduction from the 7.9 percent used in 2015. 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 statute. Based on these assumptions, fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057, when projected benefit payments exceed the funds’ projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60 percent was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits through the point of asset depletion and 2.85 percent after.

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 6.50%	Discount Rate 7.50%	1% Increase in Discount Rate 8.50%
The City’s proportionate share of the GERF net pension liability	\$ 6,538,702	\$ 4,603,757	\$ 3,009,892
	1% Decrease in Discount Rate 4.60%	Discount Rate 5.60%	1% Increase in Discount Rate 6.60%
The City’s proportionate share of the PEPFF net pension liability	\$ 10,898,747	\$ 7,785,558	\$ 5,241,845

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 13 – DEFINED CONTRIBUTION PLAN

City Council members 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 IRC 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 Statute, 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.

	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2016	\$ 1,341	\$ 1,341	5%	5%	5%
2015	\$ 1,317	\$ 1,317	5%	5%	5%
2014	\$ 1,317	\$ 1,317	5%	5%	5%

NOTE 14 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION

A. Plan Description

Volunteer firefighters of the Robbinsdale Fire Department (the Department) are members of the Association, which administers a single-employer defined benefit pension plan established to provide benefits for its members. The plan is established and administered in accordance with Minnesota Statute, Chapter 424A. The Association is governed by a Board of nine trustees; six voting trustees elected by the members of the Association, and the City’s mayor, city clerk, and fire chief as ex-officio members. As of the measurement date, the plan covered 28 active firefighters and 12 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

The Association maintains a separate Special Fund to accumulate assets to fund the retirement benefits earned by the Department’s membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter’s Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980). Funds are also derived from investment income.

**NOTE 14 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION
(CONTINUED)**

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement. Upon retirement, an irrevocable election for a monthly or lump sum pension must be made. Members accepted after January 1, 1989 are only eligible for a lump sum pension.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as described by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member’s service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contributions

Minnesota Statutes, Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary city contributions (if applicable). Required employer contributions are calculated annually based on statutory provisions. The state of Minnesota contributed \$79,668 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2016. The City contributed \$62,112 in accordance with state statute requirements for the year ended December 31, 2016. Furthermore, the firefighters have no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2016, the City reported a net pension asset of \$244,639 for the plan. The net pension asset was measured as of December 31, 2016. The total pension liability used to calculate the net pension asset in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 was determined by applying an actuarial formula to specific census data certified by the Department as of December 31, 2016.

The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
	<u> </u>	<u> </u>	<u> </u>
Beginning balance – January 1, 2016	\$ 1,826,737	\$ 1,986,501	\$ (159,764)
Changes for the year			
Service cost	82,441	–	82,441
Interest on pension liability (asset)	121,916	–	121,916
Change in assumptions	(11,359)	–	(11,359)
Contributions (state and local)	–	141,780	(141,780)
Net investment income	–	155,774	(155,774)
Benefit payments	(567,243)	(567,243)	–
Administrative costs	–	(19,681)	19,681
Total net changes	<u>(374,245)</u>	<u>(289,370)</u>	<u>(84,875)</u>
Ending balance – December 31, 2016	<u>\$ 1,452,492</u>	<u>\$ 1,697,131</u>	<u>\$ (244,639)</u>

**NOTE 14 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION
(CONTINUED)**

For the year ended December 31, 2016, the City recognized pension revenue of \$79,668 and pension expense of \$98,605.

At December 31, 2016, the City reported deferred inflows of resources and deferred outflows of resources, related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 74,860	\$ –
Change in assumptions	–	70,660
Difference between expected and actual liability	–	67,478
Total	<u>\$ 74,860</u>	<u>\$ 138,138</u>

Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2017	\$ 5,088
2018	\$ 5,088
2019	\$ 5,089
2020	\$ (26,597)
2021	\$ (21,548)
Thereafter	\$ (30,398)

E. Actuarial Assumptions

The total pension liability at December 31, 2016 was determined using the entry age normal level percent of payroll cost method and the following actuarial assumptions:

Retirement eligibility at 100 percent service pension at age 50 with 20 years of service, early vested retirement at age 50 with 10 years of service vested at 60 percent and increased by 4 percent for each additional year of service up to 20 and eligibility for deferred service pension payable at age 50 with 20 years of service

Inflation rate	2.75% per year
Investment rate of return	7.75%
20-year municipal bond yield	3.78%

**NOTE 14 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION
(CONTINUED)**

The changes in actuarial assumptions since the prior valuation included the expected investment return and discount rate increase from 7.50 percent to 7.75 percent to reflect updated capital market models.

The 7.75 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan’s target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

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	Long-Term Expected Nominal Rate of Return
Domestic equity	71.73 %	5.58 %	8.33 %
International equity	6.17	5.71	8.46
Fixed income	16.07	2.27	5.02
Cash and equivalents	6.03	0.84	3.59
Total	100.00 %		7.75 %

F. Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in the state statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability (Asset) Sensitivity

The following presents the City’s net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Defined benefit plan	\$ (198,561)	\$ (244,639)	\$ (288,528)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the City of Robbinsdale, Attention: Finance Department, 4100 Lakeview Avenue North, Robbinsdale, Minnesota 55422; or by calling (763) 537-4534.

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment benefits to certain eligible employees through the City’s Other Post-Employment Benefits (OPEB) Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

Post-Employment Insurance Benefits – All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree receives a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the City.

The City’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the City, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The annual OPEB cost is accrued in the enterprise funds and government-wide financial statements. OPEB expenditures are recorded on a pay-as-you-go basis on the government fund financial statement.

C. Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation to the plan:

ARC	\$	57,027
Interest on net OPEB obligation		20,956
Adjustment to ARC		(17,486)
Annual OPEB cost (expense)		<u>60,497</u>
Contributions made		<u>–</u>
Increase in net OPEB obligation		60,497
Net OPEB obligation – beginning of year		<u>465,690</u>
Net OPEB obligation – end of year	\$	<u><u>526,187</u></u>

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

<u>Fiscal Year Beginning</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
January 1, 2016	\$ 60,497	\$ –	0.0%	\$ 526,187
January 1, 2015	\$ 82,229	\$ 34,151	41.5%	\$ 465,690
January 1, 2014	\$ 79,676	\$ 25,263	31.7%	\$ 417,612

D. Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits and unfunded actuarial accrued liability (UAAL) were both \$ 398,892, as the plan was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$ 4,855,000 and the ratio of the UAAL to the covered payroll was 8.2 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50 percent discount rate and pay-as-you-go funding. At the actuarial valuation date, the annual healthcare cost trend rate was estimated to be 10.00 percent initially, reduced incrementally to an estimate rate of 5.00 percent after 12 years. This study includes a 2.75 percent inflation rate and a 3.50 percent payroll growth rate. The UAAL is amortized using a 30-year open period increasing at 3.50 percent per year (the payroll growth rate).

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. Contingent Liabilities

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

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

B. Federal and State Funding

Amounts recorded or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Construction Commitments

At December 31, 2016, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$923,262.

D. Tax Abatement Agreements

The City, in order to spur economic development and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted areas. These agreements may in substance be a tax abatement but will depend on their individual circumstances.

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

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

The City currently has one agreement that would be considered a tax abatement under GASB Statement No. 77. The City did not have any collections or rebate of property tax increment in the current year.



READER'S NOTES:

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROBBINSDALE

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

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0573%	\$ 2,969,582	\$ –	\$ 2,969,582	\$ 3,369,638	88.13%	78.20%
12/31/2016	06/30/2016	0.0567%	\$ 4,603,757	\$ 60,189	\$ 4,663,946	\$ 3,519,962	130.79%	68.90%

PERA – General Employees Retirement Fund
 Schedule of City Contributions

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	06/30/2015	\$ 259,687	\$ 259,687	\$ –	\$ 3,462,493	7.50%
12/31/2016	06/30/2016	\$ 267,770	\$ 267,770	\$ –	\$ 3,566,711	7.51%

Note 1: **Changes in Plan Provisions.** On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERF, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Note 2: **Changes in Actuarial Assumptions.** (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: 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 ROBBINSDALE

PERA – Public Employees Police and Fire Fund
 Schedule of City’s Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.1880%	\$ 2,316,120	\$ 1,711,094	135.36%	86.60%
12/31/2016	06/30/2016	0.1940%	\$ 7,785,558	\$ 1,866,125	417.20%	63.90%

PERA – Public Employees Police and Fire Fund
 Schedule of City Contributions

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	06/30/2015	\$ 295,913	\$ 295,913	\$ –	\$ 1,826,623	16.20%
12/31/2016	06/30/2016	\$ 311,776	\$ 311,776	\$ –	\$ 1,924,574	16.20%

Note 1: **Changes in Plan Provisions.** The post-retirement benefit increase to be paid after attainment of the 90.0 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

Note 2: **Changes in Actuarial Assumptions.** (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.0 percent per year through 2037 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: 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 ROBBINSDALE

Robbinsdale Fire Department Relief Association
 Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

City fiscal year-end date and measurement date	December 31,	
	2016	2015
Total pension liability		
Service cost	\$ 82,441	\$ 65,993
Interest on pension liability (asset)	121,916	161,021
Difference between expected and actual experience	–	(88,598)
Change in assumptions	(11,359)	(79,800)
Benefit payments	<u>(567,243)</u>	<u>(625,655)</u>
Net change in total pension liability	<u>(374,245)</u>	<u>(567,039)</u>
 Total pension liability – beginning of year	 <u>1,826,737</u>	 <u>2,393,776</u>
 Total pension liability – end of year	 <u>\$ 1,452,492</u>	 <u>\$ 1,826,737</u>
 Plan fiduciary net position		
Contributions (state and local)	\$ 141,780	\$ 154,715
Net investment income	155,774	6,417
Benefit payments	(567,243)	(625,655)
Administrative costs	<u>(19,681)</u>	<u>(15,547)</u>
Net change in plan fiduciary net position	<u>(289,370)</u>	<u>(480,070)</u>
 Plan fiduciary net position – beginning of year	 <u>1,986,501</u>	 <u>2,466,571</u>
 Plan fiduciary net position – end of year	 <u>\$ 1,697,131</u>	 <u>\$ 1,986,501</u>
 Net pension liability (asset) – ending	 <u>\$ (244,639)</u>	 <u>\$ (159,764)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>116.84%</u>	 <u>108.75%</u>

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a December 31, 2015 measurement date). This information is not available for previous fiscal years.

CITY OF ROBBINSDALE

Robbinsdale Fire Department Relief Association
Schedule of Employer Contributions

City Fiscal Year-End Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)
12/31/2015	\$ 124,590	\$ 154,715	\$ (30,125)
12/31/2016	\$ 124,590	\$ 141,780	\$ (17,190)

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, up to two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level percent of payroll cost method
Amortization method	Straight-line amortization over a closed period
Remaining amortization period	5 years
Asset valuation method	Market value of assets as of the measurement date
Inflation	2.75%
Salary increases	N/A - volunteer fire relief association plan
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	Assumed 50% of active members will retire when reaching retirement eligibility; then 50% retire each subsequent year until 100% retirement at the earlier of age 65 or 30 years of service.
Mortality	Assumed life expectancies were adjusted as a result of adopting the RP-2000 healthy annuitant mortality table.

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a December 31, 2015 measurement date). This information is not available for previous fiscal years.

CITY OF ROBBINSDALE

Other Post-Employment Benefits Plan
 Schedule of Funding Progress

Actuarial Valuation Date January 1,	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
01/01/16	\$ 398,892	\$ -	\$ 398,892	- %	\$ 4,855,000	8.2%
01/01/14	\$ 666,009	\$ -	\$ 666,009	- %	\$ 4,562,276	14.6%
01/01/12	\$ 610,839	\$ -	\$ 610,839	- %	\$ 4,155,112	14.7%

SUPPLEMENTAL INFORMATION



READER'S NOTES:

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Forfeiture Fund

This fund was established to account for the costs and proceeds associated with confiscating vehicles involved in DWI cases and other forfeiture situations. The proceeds from the sale of forfeited items offsets the legal, repair and maintenance, licensing, and disposal costs.

City Code Compliance Fund

This fund was established to account for programs funded by special assessments to comply with city code and emergency issues related to private property, which promotes the safety and welfare of the citizens.

DEBT SERVICE FUND

General Debt Service Fund

Established to account for the repayment of principal and interest on obligations backed by the full faith and credit of the City, other than those accounted for in enterprise funds.

CAPITAL PROJECT FUND

Capital Improvement Fund

This fund was established to account for construction and/or improvements related to the following programs: cable grant, government buildings, park improvements, and capital equipment notes. Funding is generally provided through grants from other governments or organizations and transfers from other funds.

CITY OF ROBBINSDALE

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2016

	<u>Special Revenue Funds</u>		
	<u>Forfeiture Fund</u>	<u>City Code Compliance Fund</u>	<u>General Debt Service Fund</u>
Assets			
Cash	\$ 2,205	\$ 21,891	\$ 124,596
Investments	22,728	204,139	1,292,548
Receivables			
Accrued interest	120	1,086	6,887
Taxes	-	-	1,904
Special assessments	-	200,161	915,585
Accounts	-	56,913	-
Due from other governments	-	-	-
Notes	-	-	-
Total assets	<u>\$ 25,053</u>	<u>\$ 484,190</u>	<u>\$ 2,341,520</u>
Liabilities			
Accounts payable	\$ -	\$ 11,500	\$ 653
Contract payable	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>11,500</u>	<u>653</u>
Deferred inflows of resources			
Unavailable revenue – special assessments	-	200,161	913,690
Fund balances			
Restricted	22,889	-	1,427,177
Committed	-	272,529	-
Assigned	2,164	-	-
Total fund balances	<u>25,053</u>	<u>272,529</u>	<u>1,427,177</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,053</u>	<u>\$ 484,190</u>	<u>\$ 2,341,520</u>

Capital Improvement Capital Project Fund	Total Nonmajor Funds
\$ 108,254	\$ 256,946
1,111,795	2,631,210
5,923	14,016
—	1,904
—	1,115,746
—	56,913
3,228	3,228
<u>463,664</u>	<u>463,664</u>
<u>\$ 1,692,864</u>	<u>\$ 4,543,627</u>
\$ 13,508	\$ 25,661
68,110	68,110
<u>463,664</u>	<u>463,664</u>
545,282	557,435
—	1,113,851
—	1,450,066
827,624	1,100,153
319,958	322,122
<u>1,147,582</u>	<u>2,872,341</u>
<u>\$ 1,692,864</u>	<u>\$ 4,543,627</u>

CITY OF ROBBINSDALE

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2016

	<u>Special Revenue Funds</u>		
	<u>Forfeiture Fund</u>	<u>City Code Compliance Fund</u>	<u>General Debt Service Fund</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 454,696
Special assessments	-	61,746	246,359
Intergovernmental	-	-	-
Charges for services	-	51,839	-
Interest and dividends	233	2,361	8,299
Net change in fair value of investments	(50)	(505)	(1,779)
Miscellaneous	12,913	-	-
Total revenues	<u>13,096</u>	<u>115,441</u>	<u>707,575</u>
Expenditures			
Current			
General government	-	-	-
Public safety	8,037	105,447	-
Recreation	-	-	-
Debt service			
Principal	-	-	445,000
Interest and fees	-	-	188,354
Capital outlay and improvements	-	-	-
Total expenditures	<u>8,037</u>	<u>105,447</u>	<u>633,354</u>
Excess (deficiency) of revenues over (under) expenditures	5,059	9,994	74,221
Other financing sources (uses)			
Transfers in	-	-	305,231
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>305,231</u>
Net change in fund balances	5,059	9,994	379,452
Fund balances			
Beginning of year	<u>19,994</u>	<u>262,535</u>	<u>1,047,725</u>
End of year	<u>\$ 25,053</u>	<u>\$ 272,529</u>	<u>\$ 1,427,177</u>

Capital Improvement Capital Project Fund	Total Nonmajor Funds
\$ -	\$ 454,696
-	308,105
58,728	58,728
155,846	207,685
12,399	23,292
(2,655)	(4,989)
5,186	18,099
<u>229,504</u>	<u>1,065,616</u>
38,106	38,106
-	113,484
55,424	55,424
-	445,000
-	188,354
<u>379,513</u>	<u>379,513</u>
<u>473,043</u>	<u>1,219,881</u>
(243,539)	(154,265)
200,000	505,231
(6,637)	(6,637)
<u>193,363</u>	<u>498,594</u>
(50,176)	344,329
<u>1,197,758</u>	<u>2,528,012</u>
<u>\$ 1,147,582</u>	<u>\$ 2,872,341</u>



READER'S NOTES:

INTERNAL SERVICE FUNDS

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

Central Garage Fund

The fund was established to account for the cost of operating a maintenance facility for mobile equipment used by other city departments. Such costs are billed to other departments at cost plus a charge to replace the equipment.

Central Services Fund

This fund was established to account for the cost of operating the Information Technology Department, Central Services (phone system, postage, copier, general supplies), and Government Building Operations (includes City Hall and the Police and Fire Station). Costs are recouped through charges to other departments based upon a systematic measure (estimate) of resources used.

Equipment Replacement Fund

The fund was established to provide for the systematic replacement of equipment as required.

Risk Insurance Fund

The City Council established this fund to provide for the deductible portion of insurance coverage that the City carries. Through this action, charges are made to all departments to recoup the costs of the insurance over a five-year period, and the amount of potential risk assumed by the City through the deductible portion of the coverage.

Benefit Accrual Fund

The City Council established this fund to eliminate the fragmentation of vacation and sick leave among the General Fund and enterprise funds for administrative purposes.

CITY OF ROBBINSDALE

Internal Service Funds
 Combining Statement of Net Position
 December 31, 2016

	Central Garage Fund	Central Services Fund	Equipment Replacement Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 405,311	\$ 375,704	\$ 421,739
Investments	918,086	855,700	958,088
Receivables			
Accrued interest	6,419	5,983	6,698
Accounts	-	-	-
Due from other governments	205	48	-
Prepaid items	-	6,276	-
Total current assets	<u>1,330,021</u>	<u>1,243,711</u>	<u>1,386,525</u>
Noncurrent assets			
Capital assets			
Land	29,388	-	69,385
Buildings and structures	731,487	385,025	743,883
Other improvements	-	154,225	806,152
Mobile equipment	4,410,358	-	212,198
Machinery and office equipment	429,706	967,982	1,102,314
Work in progress	49,571	17,983	-
Accumulated depreciation	(3,530,125)	(1,060,657)	(2,461,932)
Total capital assets, net of depreciation	<u>2,120,385</u>	<u>464,558</u>	<u>472,000</u>
Total assets	3,450,406	1,708,269	1,858,525
Deferred outflows of resources			
Pension plan deferments – PERA	94,888	68,881	-
Total assets and deferred outflows of resources	<u>\$ 3,545,294</u>	<u>\$ 1,777,150</u>	<u>\$ 1,858,525</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 14,076	\$ 50,831	\$ -
Accrued salaries and benefits	-	-	-
Contracts payable	-	12,565	-
Compensated absences	-	-	-
Total current liabilities	<u>14,076</u>	<u>63,396</u>	<u>-</u>
Noncurrent liabilities			
Compensated absences	-	-	-
Net pension liability	224,115	158,728	-
Total noncurrent liabilities	<u>224,115</u>	<u>158,728</u>	<u>-</u>
Total liabilities	238,191	222,124	-
Deferred inflows of resources			
Pension plan deferments – PERA	25,124	17,808	-
Net position			
Investment in capital assets	2,120,385	464,558	472,000
Unrestricted	1,161,594	1,072,660	1,386,525
Total net position	<u>3,281,979</u>	<u>1,537,218</u>	<u>1,858,525</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,545,294</u>	<u>\$ 1,777,150</u>	<u>\$ 1,858,525</u>

Risk Insurance Fund	Benefit Accrual Fund	Total
\$ 396,119	\$ 481,409	\$ 2,080,282
901,322	1,036,779	4,669,975
6,301	7,248	32,649
–	4,980	4,980
–	–	253
60,412	4,563	71,251
<u>1,364,154</u>	<u>1,534,979</u>	<u>6,859,390</u>
–	–	98,773
–	–	1,860,395
–	–	960,377
–	–	4,622,556
–	–	2,500,002
–	–	67,554
–	–	(7,052,714)
<u>–</u>	<u>–</u>	<u>3,056,943</u>
1,364,154	1,534,979	9,916,333
<u>–</u>	<u>–</u>	<u>163,769</u>
<u>\$ 1,364,154</u>	<u>\$ 1,534,979</u>	<u>\$ 10,080,102</u>
\$ 42,682	\$ 6	\$ 107,595
–	350,563	350,563
–	–	12,565
–	35,000	35,000
<u>42,682</u>	<u>385,569</u>	<u>505,723</u>
–	542,635	542,635
–	–	382,843
<u>–</u>	<u>542,635</u>	<u>925,478</u>
42,682	928,204	1,431,201
–	–	42,932
–	–	3,056,943
<u>1,321,472</u>	<u>606,775</u>	<u>5,549,026</u>
<u>1,321,472</u>	<u>606,775</u>	<u>8,605,969</u>
<u>\$ 1,364,154</u>	<u>\$ 1,534,979</u>	<u>\$ 10,080,102</u>

CITY OF ROBBINSDALE

Internal Service Funds
 Combining Statement of Revenue, Expenses,
 and Changes in Net Position
 Year Ended December 31, 2016

	Central Garage Fund	Central Services Fund	Equipment Replacement Fund
Operating revenues			
Sales, fees, and charges	\$ 829,906	\$ 1,001,170	\$ –
Operating expenses			
Personal services	257,990	167,721	–
Supplies	178,393	55,071	–
Other services and charges	167,723	711,229	5,262
Depreciation	281,735	37,110	45,615
Total operating expenses	<u>885,841</u>	<u>971,131</u>	<u>50,877</u>
Operating income (loss)	(55,935)	30,039	(50,877)
Nonoperating revenues (expenses)			
Intergovernmental	898	659	–
Interest and dividends	13,558	13,656	14,424
Net change in fair value of investments	(2,902)	(2,922)	(3,088)
Gain (loss) on disposal of capital assets	48,600	–	–
Total nonoperating revenues (expenses)	<u>60,154</u>	<u>11,393</u>	<u>11,336</u>
Income (loss) before transfers	4,219	41,432	(39,541)
Transfers			
Transfers in	55,309	–	50,000
Transfers (out)	–	(2,214)	(55,309)
Total transfers	<u>55,309</u>	<u>(2,214)</u>	<u>(5,309)</u>
Change in net position	59,528	39,218	(44,850)
Net position			
Beginning of year	<u>3,222,451</u>	<u>1,498,000</u>	<u>1,903,375</u>
End of year	<u>\$ 3,281,979</u>	<u>\$ 1,537,218</u>	<u>\$ 1,858,525</u>

Risk Insurance Fund	Benefit Accrual Fund	Total
\$ 589,280	\$ —	\$ 2,420,356
—	—	425,711
—	—	233,464
477,128	22,018	1,383,360
—	—	364,460
<u>477,128</u>	<u>22,018</u>	<u>2,406,995</u>
112,152	(22,018)	13,361
7,707	—	9,264
12,068	12,211	65,917
(2,582)	(2,611)	(14,105)
—	—	48,600
<u>17,193</u>	<u>9,600</u>	<u>109,676</u>
129,345	(12,418)	123,037
—	—	105,309
—	—	(57,523)
<u>—</u>	<u>—</u>	<u>47,786</u>
129,345	(12,418)	170,823
<u>1,192,127</u>	<u>619,193</u>	<u>8,435,146</u>
<u>\$ 1,321,472</u>	<u>\$ 606,775</u>	<u>\$ 8,605,969</u>

CITY OF ROBBINSDALE

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2016

	Central Garage Fund	Central Services Fund	Equipment Replacement Fund
Cash flows from operating activities			
Cash received from customers and users, including deposits	\$ 829,906	\$ 1,001,170	\$ -
Cash payments to suppliers	(398,216)	(759,926)	(5,262)
Cash payments to employees	(241,759)	(155,798)	-
Net cash flows from operating activities	<u>189,931</u>	<u>85,446</u>	<u>(5,262)</u>
Cash flows from noncapital financing activities			
Intergovernmental	898	659	-
Cash flows from capital and related financing activities			
Transfers from other funds	55,309	-	50,000
Transfers (to) other funds	-	(2,214)	(55,309)
Acquisition of property and equipment	(327,121)	(188,839)	-
Proceeds from the disposal of property and equipment	48,600	-	-
Net cash flows from capital and related financing activities	<u>(223,212)</u>	<u>(191,053)</u>	<u>(5,309)</u>
Cash flows from investing activities			
Proceeds from maturities of investments	179,306	191,089	170,528
Purchases of investments	(529,553)	(493,786)	(552,686)
Interest on investments	13,177	13,554	13,852
Net cash flows from investing activities	<u>(337,070)</u>	<u>(289,143)</u>	<u>(368,306)</u>
Net change in cash and cash equivalents	(369,453)	(394,091)	(378,877)
Cash and cash equivalents at beginning of year	<u>774,764</u>	<u>769,795</u>	<u>800,616</u>
Cash and cash equivalents at end of year	<u>\$ 405,311</u>	<u>\$ 375,704</u>	<u>\$ 421,739</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ (55,935)	\$ 30,039	\$ (50,877)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	281,735	37,110	45,615
(Increase) decrease in assets and deferred outflows			
Accounts receivable	-	-	-
Prepaid items	-	(6,276)	-
Deferred outflows for pensions	(75,156)	(55,204)	-
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(52,100)	12,650	-
Accrued salaries and benefits	-	-	-
Compensated absences payable	-	-	-
Net pension liability	81,872	60,138	-
Deferred inflows for pensions	9,515	6,989	-
Total adjustments	<u>245,866</u>	<u>55,407</u>	<u>45,615</u>
Net cash flows from operating activities	<u>\$ 189,931</u>	<u>\$ 85,446</u>	<u>\$ (5,262)</u>
Noncash investing, capital, and financing activities			
Net change in fair value of investments	\$ (2,902)	\$ (2,922)	\$ (3,088)
Capital assets purchased on account	\$ -	\$ 12,565	\$ -

Risk Insurance Fund	Benefit Accrual Fund	Total
\$ 610,844	\$ 155,516	\$ 2,597,436
(474,179)	(22,112)	(1,659,695)
-	-	(397,557)
136,665	133,404	540,184
7,707	-	9,264
-	-	105,309
-	-	(57,523)
-	-	(515,960)
-	-	48,600
-	-	(419,574)
98,333	341,011	980,267
(519,616)	(597,349)	(2,692,990)
10,873	13,247	64,703
(410,410)	(243,091)	(1,648,020)
(266,038)	(109,687)	(1,518,146)
662,157	591,096	3,598,428
\$ 396,119	\$ 481,409	\$ 2,080,282
\$ 112,152	\$ (22,018)	\$ 13,361
-	-	364,460
21,564	(851)	20,713
(1,761)	67,385	59,348
-	-	(130,360)
4,710	(94)	(34,834)
-	39,178	39,178
-	49,804	49,804
-	-	142,010
-	-	16,504
24,513	155,422	526,823
\$ 136,665	\$ 133,404	\$ 540,184
\$ (2,582)	\$ (2,611)	\$ (14,105)
\$ -	\$ -	\$ 12,565



READER'S NOTES:

AGENCY FUND

Deputy Registrar – Minnesota License Fees

The City collects license fees for the state of Minnesota and remits these fees daily, along with a transaction report.



READER'S NOTES:

CITY OF ROBBINSDALE

Agency Fund
 Statement of Changes in Assets and Liabilities
 for the Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deputy Registrar				
Assets				
Cash and cash equivalents	\$ 67,976	\$ 12,386,850	\$ 12,315,292	\$ 139,534
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Due to other governments	\$ 67,976	\$ 12,386,850	\$ 12,315,292	\$ 139,534
	<u> </u>	<u> </u>	<u> </u>	<u> </u>



READER'S NOTES:

SUPPLEMENTARY FINANCIAL INFORMATION

Individual Account and Other Schedules

The following schedules are provided to provide our financial statement readers further details of individual accounts (not funds) that are combined and presented as individual funds, and a schedule detailing certain long-term debt issues payable.

CITY OF ROBBINSDALE

Special Revenue Fund
 REDA TIF Development Fund Accounts
 Balance Sheet by Account
 December 31, 2016

	TIF District No. 2000-1	TIF District No. 2000-2	TIF District No. 2000-4	TIF District No. 2000-5	TIF District No. 2000-6	TIF District No. 2000-7
Assets						
Cash	\$ 6,334	\$ 483	\$ 10	\$ 11	\$ 884	\$ 6
Receivables						
Notes	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total assets	\$ 6,334	\$ 483	\$ 10	\$ 11	\$ 884	\$ 6
Liabilities						
Accounts payable	\$ 533	\$ 542	\$ 558	\$ 553	\$ 526	\$ 552
Due to other governments	-	-	-	-	-	127
Advance from other funds	-	-	378,846	337,477	320,296	844,794
Total liabilities	533	542	379,404	338,030	320,822	845,473
Deferred inflows of resources						
Unavailable revenue – notes	-	-	-	-	-	-
Fund balances (deficits)						
Unassigned	5,801	(59)	(379,394)	(338,019)	(319,938)	(845,467)
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,334	\$ 483	\$ 10	\$ 11	\$ 884	\$ 6

TIF District No. 2000-8	TIF District No. 2000-9	TIF District Project 8 42nd & Regent	TIF District Project 8-A Krantz	TIF District Project 9	TIF District Project 10	TIF District Project 11	Total
\$ -	\$ -	\$ -	\$ 9	\$ 2,451	\$ -	\$ -	\$ 10,188
-	-	-	-	-	336,250	-	336,250
<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 2,451</u>	<u>\$ 336,250</u>	<u>\$ -</u>	<u>\$ 406,438</u>
\$ 522	\$ -	\$ -	\$ 549	\$ -	\$ 558	\$ 520	\$ 5,413
-	-	-	-	-	-	-	127
<u>373,981</u>	<u>215</u>	<u>-</u>	<u>259,731</u>	<u>-</u>	<u>697,158</u>	<u>22,150</u>	<u>3,234,648</u>
<u>374,503</u>	<u>215</u>	<u>-</u>	<u>260,280</u>	<u>-</u>	<u>697,716</u>	<u>22,670</u>	<u>3,240,188</u>
-	-	-	-	-	336,250	-	336,250
<u>(314,503)</u>	<u>(215)</u>	<u>-</u>	<u>(260,271)</u>	<u>2,451</u>	<u>(697,716)</u>	<u>(22,670)</u>	<u>(3,170,000)</u>
<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 2,451</u>	<u>\$ 336,250</u>	<u>\$ -</u>	<u>\$ 406,438</u>

CITY OF ROBBINSDALE

Special Revenue Fund
 REDA TIF Development Fund Accounts
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended December 31, 2016

	TIF District No. 2000-1	TIF District No. 2000-2	TIF District No. 2000-4	TIF District No. 2000-5	TIF District No. 2000-6	TIF District No. 2000-7
Revenues						
Tax increments	\$ 6,879	\$ —	\$ 16,141	\$ 17,053	\$ 131	\$ 11,153
Charges for services	—	—	—	—	179,195	—
Land sales	—	—	—	—	—	—
Interest and dividends	21	5	16	17	1,392	10
Total revenues	<u>6,900</u>	<u>5</u>	<u>16,157</u>	<u>17,070</u>	<u>180,718</u>	<u>11,163</u>
Expenditures						
Current						
Community development	<u>562</u>	<u>563</u>	<u>15,753</u>	<u>14,193</u>	<u>21,401</u>	<u>33,474</u>
Excess (deficiency) of revenues over (under) expenditures	6,338	(558)	404	2,877	159,317	(22,311)
Other financing sources (uses)						
Transfer in	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	6,338	(558)	404	2,877	159,317	(22,311)
Fund balances (deficits)						
Beginning of year	<u>(537)</u>	<u>499</u>	<u>(379,798)</u>	<u>(340,896)</u>	<u>(479,255)</u>	<u>(823,156)</u>
End of year	<u>\$ 5,801</u>	<u>\$ (59)</u>	<u>\$ (379,394)</u>	<u>\$ (338,019)</u>	<u>\$ (319,938)</u>	<u>\$ (845,467)</u>

TIF District No. 2000-8	TIF District No. 2000-9	TIF District Project 8 42nd & Regent	TIF District Project 8-A Krantz	TIF District Project 9	TIF District Project 10	TIF District Project 11	Total
\$ 3,771	\$ -	\$ -	\$ 13,943	\$ -	\$ 31,508	\$ -	\$ 100,579
-	-	-	-	-	30,533	-	209,728
500	-	-	-	-	39,000	-	39,500
-	-	-	14	25	-	-	1,500
<u>4,271</u>	<u>-</u>	<u>-</u>	<u>13,957</u>	<u>25</u>	<u>101,041</u>	<u>-</u>	<u>351,307</u>
<u>18,203</u>	<u>215</u>	<u>-</u>	<u>11,077</u>	<u>29</u>	<u>435,253</u>	<u>1,438</u>	<u>552,161</u>
<u>(13,932)</u>	<u>(215)</u>	<u>-</u>	<u>2,880</u>	<u>(4)</u>	<u>(334,212)</u>	<u>(1,438)</u>	<u>(200,854)</u>
<u>-</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>
<u>(13,932)</u>	<u>(215)</u>	<u>22</u>	<u>2,880</u>	<u>(4)</u>	<u>(334,212)</u>	<u>(1,438)</u>	<u>(200,832)</u>
<u>(300,571)</u>	<u>-</u>	<u>(22)</u>	<u>(263,151)</u>	<u>2,455</u>	<u>(363,504)</u>	<u>(21,232)</u>	<u>(2,969,168)</u>
<u>\$ (314,503)</u>	<u>\$ (215)</u>	<u>\$ -</u>	<u>\$ (260,271)</u>	<u>\$ 2,451</u>	<u>\$ (697,716)</u>	<u>\$ (22,670)</u>	<u>\$ (3,170,000)</u>

CITY OF ROBBINSDALE

Special Revenue Fund
 Forfeiture Fund Accounts
 Balance Sheet by Account
 December 31, 2016

	<u>DWI Forfeiture</u>	<u>Other Forfeiture</u>	<u>Total</u>
Assets			
Cash	\$ 2,014	\$ 191	\$ 2,205
Investments	20,765	1,963	22,728
Receivables			
Accrued interest	110	10	120
Total assets	<u>\$ 22,889</u>	<u>\$ 2,164</u>	<u>\$ 25,053</u>
Fund balances			
Restricted	\$ 22,889	\$ -	\$ 22,889
Assigned	<u>-</u>	<u>2,164</u>	<u>2,164</u>
Total fund balances	<u>\$ 22,889</u>	<u>\$ 2,164</u>	<u>\$ 25,053</u>

CITY OF ROBBINSDALE

Special Revenue Fund
Forfeiture Fund Accounts

Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
Year Ended December 31, 2016

	<u>DWI Forfeiture</u>	<u>Other Forfeiture</u>	<u>Total</u>
Revenues			
Interest and dividends	\$ 212	\$ 21	\$ 233
Net change in fair value of investments	(45)	(5)	(50)
Miscellaneous	12,913	-	12,913
Total revenues	<u>13,080</u>	<u>16</u>	<u>13,096</u>
Expenditures			
Current			
Public safety	<u>8,029</u>	<u>8</u>	<u>8,037</u>
Net change in fund balances	5,051	8	5,059
Fund balances			
Beginning of year	<u>17,838</u>	<u>2,156</u>	<u>19,994</u>
End of year	<u>\$ 22,889</u>	<u>\$ 2,164</u>	<u>\$ 25,053</u>

CITY OF ROBBINSDALE

Special Revenue Fund
 City Code Compliance Fund Accounts
 Balance Sheet by Account
 December 31, 2016

	Emergency Sewer and Water	Forced Tree Removal	Nuisance Abatements	Total
Assets				
Cash	\$ 4,715	\$ 5,191	\$ 11,985	\$ 21,891
Investments	46,768	33,087	124,284	204,139
Receivables				
Accrued interest	248	176	662	1,086
Special assessments	193,412	3,229	3,520	200,161
Accounts	53,236	-	3,677	56,913
	<u>298,379</u>	<u>41,683</u>	<u>144,128</u>	<u>484,190</u>
Total assets	\$ 298,379	\$ 41,683	\$ 144,128	\$ 484,190
Liabilities				
Accounts payable	\$ 11,500	\$ -	\$ -	\$ 11,500
Deferred inflows of resources				
Unavailable revenue – special assessments	193,412	3,229	3,520	200,161
Fund balances				
Committed	<u>93,467</u>	<u>38,454</u>	<u>140,608</u>	<u>272,529</u>
	<u>\$ 298,379</u>	<u>\$ 41,683</u>	<u>\$ 144,128</u>	<u>\$ 484,190</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 298,379	\$ 41,683	\$ 144,128	\$ 484,190

CITY OF ROBBINSDALE

Special Revenue Fund
 City Code Compliance Fund Accounts
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended December 31, 2016

	Emergency Sewer and Water	Forced Tree Removal	Nuisance Abatements	Total
Revenues				
Special assessments	\$ 47,081	\$ 7,148	\$ 7,517	\$ 61,746
Charges for services	45,089	-	6,750	51,839
Interest and dividends	634	347	1,380	2,361
Net change in fair value of investments	(137)	(74)	(294)	(505)
Total revenues	<u>92,667</u>	<u>7,421</u>	<u>15,353</u>	<u>115,441</u>
Expenditures				
Current				
Public safety	<u>98,250</u>	<u>687</u>	<u>6,510</u>	<u>105,447</u>
Net change in fund balances	(5,583)	6,734	8,843	9,994
Fund balances				
Beginning of year	<u>99,050</u>	<u>31,720</u>	<u>131,765</u>	<u>262,535</u>
End of year	<u>\$ 93,467</u>	<u>\$ 38,454</u>	<u>\$ 140,608</u>	<u>\$ 272,529</u>

CITY OF ROBBINSDALE

Debt Service Fund
 General Debt Service Fund Accounts
 Balance Sheet by Account
 December 31, 2016

	2009 G.O. Capital Equipment Notes	2006 G.O. Street Reconstruction Bonds	2013 G.O. Street Reconstruction Bonds
Assets			
Cash	\$ —	\$ 26,470	\$ 19,145
Investments	—	261,958	181,146
Receivables			
Accrued interest	—	1,396	965
Taxes	—	849	843
Special assessments	—	—	—
Total assets	<u>\$ —</u>	<u>\$ 290,673</u>	<u>\$ 202,099</u>
Liabilities			
Accounts payable	\$ —	\$ 500	\$ 153
Deferred inflows of resources			
Unavailable revenue – special assessments	—	—	—
Fund balances			
Restricted	—	290,173	201,946
Total deferred inflows of resources, and fund balances	<u>\$ —</u>	<u>\$ 290,673</u>	<u>\$ 202,099</u>

Special Assessment

2010 G.O. Refunding Street Improvement Bonds	2012 G.O. Street Improvement Bonds	2015 G.O. Street Improvement Bonds	Total
\$ 1,275	\$ 21,915	\$ 55,791	\$ 124,596
13,078	230,550	605,816	1,292,548
69	1,229	3,228	6,887
-	212	-	1,904
982	377,464	537,139	915,585
<u>\$ 15,404</u>	<u>\$ 631,370</u>	<u>\$ 1,201,974</u>	<u>\$ 2,341,520</u>
\$ -	\$ -	\$ -	\$ 653
982	376,097	536,611	913,690
14,422	255,273	665,363	1,427,177
<u>\$ 15,404</u>	<u>\$ 631,370</u>	<u>\$ 1,201,974</u>	<u>\$ 2,341,520</u>

CITY OF ROBBINSDALE

Debt Service Fund
 General Debt Service Fund Accounts
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended December 31, 2016

	2009 G.O. Capital Equipment Notes	2006 G.O. Street Reconstruction Bonds	2013 G.O. Street Reconstruction Bonds
Revenues			
Property taxes	\$ —	\$ 202,749	\$ 201,390
Special assessments	—	—	—
Interest and dividends	—	1,717	2,130
Net change in fair value of investments	—	(368)	(457)
Total revenues	<u>—</u>	<u>204,098</u>	<u>203,063</u>
Expenditures			
Debt service			
Principal	—	180,000	120,000
Interest and fees	—	14,057	39,784
Total expenditures	<u>—</u>	<u>194,057</u>	<u>159,784</u>
Excess (deficiency) of revenues over (under) expenditures	—	10,041	43,279
Other financing sources (uses)			
Transfer in	—	—	—
Intra-fund transfers in (out)	(93,870)	—	(20,200)
Total other financing sources (uses)	<u>(93,870)</u>	<u>—</u>	<u>(20,200)</u>
Net change in fund balances	(93,870)	10,041	23,079
Fund balances			
Beginning of year	<u>93,870</u>	<u>280,132</u>	<u>178,867</u>
End of year	<u>\$ —</u>	<u>\$ 290,173</u>	<u>\$ 201,946</u>

Special Assessment

2010 G.O. Refunding Street Improvement Bonds	2012 G.O. Street Improvement Bonds	2015 G.O. Street Improvement Bonds	Total
\$ –	\$ 50,557	\$ –	\$ 454,696
–	103,366	142,993	246,359
150	436	3,866	8,299
(33)	(93)	(828)	(1,779)
<u>117</u>	<u>154,266</u>	<u>146,031</u>	<u>707,575</u>
–	145,000	–	445,000
55	15,361	119,097	188,354
<u>55</u>	<u>160,361</u>	<u>119,097</u>	<u>633,354</u>
62	(6,095)	26,934	74,221
–	–	305,231	305,231
–	20,200	93,870	–
<u>–</u>	<u>20,200</u>	<u>399,101</u>	<u>305,231</u>
62	14,105	426,035	379,452
14,360	241,168	239,328	1,047,725
<u>\$ 14,422</u>	<u>\$ 255,273</u>	<u>\$ 665,363</u>	<u>\$ 1,427,177</u>

CITY OF ROBBINSDALE

Capital Project Fund
 Capital Improvement Fund Accounts
 Balance Sheet by Account
 December 31, 2016

	Cable Grant	Government Building Improvements	Park Capital Improvements	Total
Assets				
Cash	\$ 28,567	\$ 3,938	\$ 75,749	\$ 108,254
Investments	293,421	39,197	779,177	1,111,795
Receivables				
Accrued interest	1,563	209	4,151	5,923
Due from other governments	3,228	-	-	3,228
Notes	-	-	463,664	463,664
Total assets	\$ 326,779	\$ 43,344	\$ 1,322,741	\$ 1,692,864
Liabilities				
Accounts payable	\$ -	\$ -	\$ 13,508	\$ 13,508
Contracts payable	-	-	68,110	68,110
Unearned revenue	-	-	463,664	463,664
Total liabilities	-	-	545,282	545,282
Fund balances				
Committed	326,779	43,344	457,501	827,624
Assigned	-	-	319,958	319,958
Total fund balances	326,779	43,344	777,459	1,147,582
Total liabilities and fund balances	\$ 326,779	\$ 43,344	\$ 1,322,741	\$ 1,692,864

CITY OF ROBBINSDALE

Capital Project Fund
 Capital Improvement Fund Accounts
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended December 31, 2016

	Cable Grant	Government Building Improvements	Park Capital Improvements	Total
Revenues				
Intergovernmental	\$ 33,728	\$ -	\$ 25,000	\$ 58,728
Charges for services	-	-	155,846	155,846
Interest and dividends	3,265	726	8,408	12,399
Net change in fair value of investments	(699)	(156)	(1,800)	(2,655)
Miscellaneous	-	-	5,186	5,186
Total revenues	<u>36,294</u>	<u>570</u>	<u>192,640</u>	<u>229,504</u>
Expenditures				
Current				
General government	1,191	36,915	-	38,106
Recreation	-	-	55,424	55,424
Capital outlay and improvements	-	-	379,513	379,513
Total expenditures	<u>1,191</u>	<u>36,915</u>	<u>434,937</u>	<u>473,043</u>
Excess (deficiency) of revenues over (under) expenditures	35,103	(36,345)	(242,297)	(243,539)
Other financing sources (uses)				
Transfer in	-	-	200,000	200,000
Transfer (out)	-	-	(6,637)	(6,637)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>193,363</u>	<u>193,363</u>
Net change in fund balances	35,103	(36,345)	(48,934)	(50,176)
Fund balances				
Beginning of year	<u>291,676</u>	<u>79,689</u>	<u>826,393</u>	<u>1,197,758</u>
End of year	<u>\$ 326,779</u>	<u>\$ 43,344</u>	<u>\$ 777,459</u>	<u>\$ 1,147,582</u>

CITY OF ROBBINSDALE

Schedule of Long-Term Debt Issues Payable
December 31, 2016

	<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Street Bonds					
General Obligation Street Improvement					
Bonds of 2015A					
	2017	3.00%	\$ 320,000	\$ 92,150	\$ 412,150
	2018	3.00%	325,000	82,475	407,475
	2019	3.00%	335,000	72,575	407,575
	2020	3.00%	345,000	62,375	407,375
	2021	3.00%	360,000	51,800	411,800
	2022	3.00%	370,000	40,849	410,849
	2023	3.00%	380,000	29,600	409,600
	2024	2.00%	390,000	20,000	410,000
	2025	2.00%	400,000	12,100	412,100
	2026	2.00%	405,000	4,050	409,050
Subtotal			<u>3,630,000</u>	<u>467,974</u>	<u>4,097,974</u>
General Obligation Street Reconstruction					
Bonds of 2013A					
	2017	3.00%	155,000	34,475	189,475
	2018	3.00%	160,000	29,750	189,750
	2019	3.00%	160,000	24,950	184,950
	2020	3.00%	165,000	20,075	185,075
	2021	3.00%	170,000	15,050	185,050
	2022	2.13%	180,000	10,587	190,587
	2023	2.25%	180,000	6,650	186,650
	2024	2.50%	185,000	2,314	187,314
Subtotal			<u>1,355,000</u>	<u>143,851</u>	<u>1,498,851</u>
General Obligation Street Improvement					
Bonds of 2012A					
	2017	0.75%	145,000	14,059	159,059
	2018	1.00%	145,000	12,790	157,790
	2019	1.10%	150,000	11,240	161,240
	2020	1.35%	150,000	9,403	159,403
	2021	1.60%	150,000	7,190	157,190
	2022	1.80%	155,000	4,595	159,595
	2023	2.00%	160,000	1,600	161,600
Subtotal			<u>1,055,000</u>	<u>60,877</u>	<u>1,115,877</u>
General Obligation Street Reconstruction					
Bonds of 2006A					
	2017	4.38%	<u>185,000</u>	<u>4,046</u>	<u>189,046</u>
Total General Obligation Street Bonds			<u>\$ 6,225,000</u>	<u>\$ 676,748</u>	<u>\$ 6,901,748</u>

(continued)

CITY OF ROBBINSDALE

Schedule of Long-Term Debt Issues Payable (continued)
December 31, 2016

	<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Tax Increment Bonds					
General Obligation Tax Increment					
Bonds of 2010A					
	2017	2.50%	\$ 155,000	\$ 153,300	\$ 308,300
	2018	2.75%	165,000	149,094	314,094
	2019	2.75%	180,000	144,350	324,350
	2020	3.00%	190,000	139,025	329,025
	2021	3.00%	205,000	133,100	338,100
	2022	3.00%	220,000	126,725	346,725
	2023	3.25%	240,000	119,525	359,525
	2024	3.25%	255,000	111,481	366,481
	2025	3.50%	275,000	102,525	377,525
	2026	3.50%	295,000	92,550	387,550
	2027	3.50%	315,000	81,875	396,875
	2028	3.75%	335,000	70,081	405,081
	2029	4.00%	360,000	56,600	416,600
	2030	4.00%	385,000	41,700	426,700
	2031	4.00%	410,000	25,800	435,800
	2032	4.00%	440,000	8,800	448,800
			<u>\$ 4,425,000</u>	<u>\$ 1,556,531</u>	<u>\$ 5,981,531</u>
Total General Obligation Tax Increment Bonds					

(continued)

CITY OF ROBBINSDALE

Schedule of Long-Term Debt Issues Payable (continued)
December 31, 2016

	<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Housing Refunding Bonds					
General Obligation Housing					
Refunding Bonds – Series 2015A					
	2017	2.00%	\$ 235,000	\$ 72,575	\$ 307,575
	2018	2.00%	240,000	67,825	307,825
	2019	2.00%	240,000	63,025	303,025
	2020	2.00%	245,000	58,175	303,175
	2021	2.00%	250,000	53,225	303,225
	2022	2.00%	255,000	48,174	303,174
	2023	2.00%	260,000	43,025	303,025
	2024	2.00%	265,000	37,775	302,775
	2025	2.00%	275,000	32,375	307,375
	2026	2.50%	280,000	26,125	306,125
	2027	2.50%	285,000	19,063	304,063
	2028	2.50%	290,000	11,875	301,875
	2029	2.75%	300,000	4,125	304,125
			<u>\$ 3,420,000</u>	<u>\$ 537,362</u>	<u>\$ 3,957,362</u>
Total General Obligation Housing Refunding Bonds					

(continued)

CITY OF ROBBINSDALE

Schedule of Long-Term Debt Issues Payable (continued)
December 31, 2016

	Year	Interest Rate	Principal	Interest	Total
General Obligation Utility Revenue Bonds					
General Obligation Utility Revenue					
Bonds of 2015A					
	2017	3.00%	\$ 250,000	\$ 71,200	\$ 321,200
	2018	3.00%	250,000	63,700	313,700
	2019	3.00%	260,000	56,050	316,050
	2020	3.00%	270,000	48,100	318,100
	2021	3.00%	280,000	39,850	319,850
	2022	3.00%	280,000	31,450	311,450
	2023	3.00%	295,000	22,825	317,825
	2024	2.00%	300,000	15,400	315,400
	2025	2.00%	305,000	9,350	314,350
	2026	2.00%	315,000	3,150	318,150
Subtotal			2,805,000	361,075	3,166,075
General Obligation Utility Revenue					
Bonds of 2013A					
	2017	3.00%	265,000	59,206	324,206
	2018	3.00%	270,000	51,181	321,181
	2019	3.00%	280,000	42,931	322,931
	2020	3.00%	285,000	34,456	319,456
	2021	3.00%	295,000	25,756	320,756
	2022	2.13%	305,000	18,091	323,091
	2023	2.25%	310,000	11,363	321,363
	2024	2.50%	315,000	3,938	318,938
Subtotal			2,325,000	246,922	2,571,922
General Obligation Utility Revenue					
Bonds of 2012A					
	2017	0.75%	250,000	24,458	274,458
	2018	1.00%	255,000	22,245	277,245
	2019	1.10%	260,000	19,540	279,540
	2020	1.35%	260,000	16,355	276,355
	2021	1.60%	265,000	12,480	277,480
	2022	1.80%	270,000	7,930	277,930
	2023	2.00%	275,000	2,750	277,750
Subtotal			1,835,000	105,758	1,940,758
General Obligation Utility Revenue					
Bonds of 2006B					
	2017	4.20%	440,000	9,240	449,240
Total General Obligation Utility Revenue Bonds			\$ 7,405,000	\$ 722,995	\$ 8,127,995
Total long-term debt issues payable			\$ 21,475,000	\$ 3,493,636	\$ 24,968,636



READER'S NOTES:

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This part of the City of Robbinsdale, Minnesota's (the City) Comprehensive Annual Financial Report (CAFR) 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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, including property tax revenue.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the City's CAFR relates to the services the City provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the CAFR for the relevant year.

CITY OF ROBBINSDALE

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

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 17,745,376	\$ 20,044,810	\$ 20,986,539	\$ 23,463,188
Restricted	3,774,299	5,306,950	4,340,185	7,141,972
Unrestricted	14,149,027	11,229,098	12,985,212	8,199,538
Total governmental activities net position	<u>\$ 35,668,702</u>	<u>\$ 36,580,858</u>	<u>\$ 38,311,936</u>	<u>\$ 38,804,698</u>
Business-type activities				
Net investment in capital assets	\$ 7,352,373	\$ 8,682,059	\$ 9,895,291	\$ 11,163,407
Unrestricted	9,147,136	8,942,806	8,682,243	9,049,633
Total business-type activities net position	<u>\$ 16,499,509</u>	<u>\$ 17,624,865</u>	<u>\$ 18,577,534</u>	<u>\$ 20,213,040</u>
Primary government				
Net investment in capital assets	\$ 25,097,749	\$ 28,726,869	\$ 30,881,830	\$ 34,626,595
Restricted	3,774,299	5,306,950	4,340,185	7,141,972
Unrestricted	23,296,163	20,171,904	21,667,455	17,249,171
Total primary government net position	<u>\$ 52,168,211</u>	<u>\$ 54,205,723</u>	<u>\$ 56,889,470</u>	<u>\$ 59,017,738</u>

Note: The City implemented GASB Statement No. 68 in fiscal 2015, recording a change in accounting principle that decreased unrestricted net position. Prior year balances were not restated.

2011	2012	2013	2014	2015	2016
\$ 23,776,331	\$ 24,538,707	\$ 26,411,500	\$ 26,187,960	\$ 26,904,236	\$ 26,710,715
7,595,341	8,080,478	7,804,118	8,722,641	9,510,363	9,684,628
9,207,928	10,727,036	9,566,617	10,751,418	6,986,669	5,103,509
<u>\$ 40,579,600</u>	<u>\$ 43,346,221</u>	<u>\$ 43,782,235</u>	<u>\$ 45,662,019</u>	<u>\$ 43,401,268</u>	<u>\$ 41,498,852</u>
\$ 13,765,560	\$ 15,162,769	\$ 15,639,673	\$ 16,695,757	\$ 17,274,903	\$ 18,886,770
9,141,500	9,345,577	10,020,143	10,403,372	10,832,374	10,750,431
<u>\$ 22,907,060</u>	<u>\$ 24,508,346</u>	<u>\$ 25,659,816</u>	<u>\$ 27,099,129</u>	<u>\$ 28,107,277</u>	<u>\$ 29,637,201</u>
\$ 37,541,891	\$ 39,701,476	\$ 42,051,173	\$ 42,883,717	\$ 44,179,139	\$ 45,597,485
7,595,341	8,080,478	7,804,118	8,722,641	9,510,363	9,684,628
18,349,428	20,072,613	19,586,760	21,154,790	17,819,043	15,853,940
<u>\$ 63,486,660</u>	<u>\$ 67,854,567</u>	<u>\$ 69,442,051</u>	<u>\$ 72,761,148</u>	<u>\$ 71,508,545</u>	<u>\$ 71,136,053</u>

CITY OF ROBBINSDALE

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities				
General government	\$ 1,021,438	\$ 1,141,359	\$ 1,096,856	\$ 1,106,459
Community development	1,448,035	1,149,841	2,059,442	3,044,249
Public safety	3,808,379	4,080,471	4,051,535	4,282,407
Recreation	1,527,831	1,331,959	1,298,539	1,272,513
Public works	1,909,203	2,241,390	2,215,989	2,136,832
Human services	1,600	1,700	4,830	5,572
Interest on long-term debt	469,848	383,544	527,820	313,314
Total governmental activities expenses	<u>10,186,334</u>	<u>10,330,264</u>	<u>11,255,011</u>	<u>12,161,346</u>
Business-type activities				
Water utility	1,009,200	1,006,173	1,028,542	950,138
Sanitary sewer utility	1,368,433	1,396,520	1,442,525	1,446,157
Storm sewer utility	240,535	249,502	333,634	402,715
Solid waste utility	1,199,735	996,067	1,157,282	1,067,228
Liquor operations	2,089,831	2,326,877	2,407,183	2,438,123
Broadway Court	511,213	646,977	623,985	637,144
Deputy registrar	324,699	336,435	306,467	283,385
Total business-type activities expenses	<u>6,743,646</u>	<u>6,958,551</u>	<u>7,299,618</u>	<u>7,224,890</u>
Total primary government expenses	<u>\$ 16,929,980</u>	<u>\$ 17,288,815</u>	<u>\$ 18,554,629</u>	<u>\$ 19,386,236</u>
Program revenues				
Government activities				
Charges for services				
General government	\$ 470,307	\$ 928,742	\$ 828,171	\$ 852,568
Community development	911,293	310,165	454,962	521,134
Public safety	575,020	292,400	413,046	363,590
Recreation	170,235	152,906	149,784	153,612
Public works	964,135	348,025	63,087	25,077
Operating grants and contributions	424,164	376,447	388,076	439,595
Capital grants and contributions	85,833	59,364	1,327,312	1,534,501
Total governmental activities program revenues	<u>3,600,987</u>	<u>2,468,049</u>	<u>3,624,438</u>	<u>3,890,077</u>

2011	2012	2013	2014	2015	2016
\$ 1,037,556	\$ 989,271	\$ 973,641	\$ 975,344	\$ 1,042,240	\$ 1,182,710
1,134,987	1,254,540	1,421,508	1,282,571	1,777,385	1,473,909
4,397,904	4,459,174	4,557,142	4,553,069	4,850,345	6,095,953
1,228,887	1,322,374	1,308,459	1,352,324	1,475,916	1,537,487
2,391,935	2,308,828	2,620,443	2,426,864	2,252,185	3,713,319
9,287	9,938	6,235	1,500	1,800	2,000
299,696	260,509	391,858	266,408	393,147	326,810
<u>10,500,252</u>	<u>10,604,634</u>	<u>11,279,286</u>	<u>10,858,080</u>	<u>11,793,018</u>	<u>14,332,188</u>
934,582	995,704	1,021,889	1,084,196	1,071,815	977,856
1,391,133	1,409,068	1,538,450	1,539,728	1,628,374	1,654,586
380,028	400,964	822,609	640,688	786,404	822,570
1,178,725	1,187,660	1,138,785	1,167,234	1,195,337	1,194,888
2,540,598	652,729	641,549	659,839	724,292	807,541
648,730	643,637	679,991	793,486	764,961	658,662
289,334	345,079	346,636	345,878	380,960	415,104
<u>7,363,130</u>	<u>5,634,841</u>	<u>6,189,909</u>	<u>6,231,049</u>	<u>6,552,143</u>	<u>6,531,207</u>
<u>\$ 17,863,382</u>	<u>\$ 16,239,475</u>	<u>\$ 17,469,195</u>	<u>\$ 17,089,129</u>	<u>\$ 18,345,161</u>	<u>\$ 20,863,395</u>
\$ 843,093	\$ 975,673	\$ 818,056	\$ 847,045	\$ 920,187	\$ 1,050,836
252,697	281,728	238,867	214,011	272,315	636,369
486,557	619,592	593,931	418,788	384,984	377,376
163,736	161,150	138,562	106,521	110,781	101,618
172,560	119,723	113,420	124,571	66,358	302,727
484,766	449,139	544,750	1,168,773	472,137	484,711
947,020	2,348,028	1,252,500	898,623	1,824,891	219,104
<u>3,350,429</u>	<u>4,955,033</u>	<u>3,700,086</u>	<u>3,778,332</u>	<u>4,051,653</u>	<u>3,172,741</u>

(continued)

CITY OF ROBBINSDALE

Changes in Net Position (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
Program revenues (continued)				
Business-type activities				
Charges for services				
Water utility	1,273,413	1,302,235	1,393,085	1,393,631
Sanitary sewer utility	1,455,471	1,435,943	1,511,743	1,488,173
Storm sewer utility	486,436	502,944	584,252	699,952
Solid waste removal	1,231,954	1,291,993	1,335,313	1,393,672
Liquor operations	2,159,658	2,475,473	2,613,894	2,647,370
Broadway Court	729,821	679,654	623,403	679,582
Deputy Registrar	324,552	308,660	285,532	285,074
Operating grants and contributions	36,656	41,739	41,409	42,444
Capital grants and contributions	-	-	-	57,348
Total business-type activities program revenues	<u>7,697,961</u>	<u>8,038,641</u>	<u>8,388,631</u>	<u>8,687,246</u>
Total primary government program revenues	<u>\$ 11,298,948</u>	<u>\$ 10,506,690</u>	<u>\$ 12,013,069</u>	<u>\$ 12,577,323</u>
Net (expense) revenue				
Governmental activities	\$ (6,585,347)	\$ (7,862,215)	\$ (7,630,573)	\$ (8,271,269)
Business-type activities	<u>954,315</u>	<u>1,080,090</u>	<u>1,089,013</u>	<u>1,462,356</u>
Total primary government net (expense) revenue	<u>\$ (5,631,032)</u>	<u>\$ (6,782,125)</u>	<u>\$ (6,541,560)</u>	<u>\$ (6,808,913)</u>
Program revenue and transfers				
Governmental activities				
Property taxes	\$ 4,729,048	\$ 4,865,778	\$ 5,207,900	\$ 5,862,472
Tax increments	462,906	858,422	582,440	428,833
Unrestricted grants and contributions	1,288,363	1,260,527	1,513,062	1,251,515
Franchise fee tax	626,873	665,885	572,380	553,215
Investment earnings, including				
Fair Market Value (FMV) change	1,113,326	828,530	404,427	351,633
Land sales and gain on sale of assets	17,034	8,500	793,845	337,653
Transfers	<u>334,488</u>	<u>286,729</u>	<u>287,597</u>	<u>(21,290)</u>
Total governmental activities	<u>8,572,038</u>	<u>8,774,371</u>	<u>9,361,651</u>	<u>8,764,031</u>
Business-type activities				
Investment earnings, including FMV change	471,875	331,995	151,253	151,860
Transfers	<u>(334,488)</u>	<u>(286,729)</u>	<u>(287,597)</u>	<u>21,290</u>
Total business-type activities	<u>137,387</u>	<u>45,266</u>	<u>(136,344)</u>	<u>173,150</u>
Total primary government	<u>\$ 8,709,425</u>	<u>\$ 8,819,637</u>	<u>\$ 9,225,307</u>	<u>\$ 8,937,181</u>
Change in net position				
Governmental activities	\$ 1,986,691	\$ 912,156	\$ 1,731,078	\$ 492,762
Business-type activities	<u>1,091,702</u>	<u>1,125,356</u>	<u>952,669</u>	<u>1,635,506</u>
Total primary government	<u>\$ 3,078,393</u>	<u>\$ 2,037,512</u>	<u>\$ 2,683,747</u>	<u>\$ 2,128,268</u>

2011	2012	2013	2014	2015	2016
1,531,358	1,555,498	1,656,907	1,551,314	1,663,593	1,714,506
1,578,373	1,625,636	1,850,570	1,673,454	1,833,145	1,891,384
732,042	806,383	757,519	814,133	878,926	948,942
1,448,813	1,489,942	1,504,128	1,545,736	1,606,246	1,659,602
2,725,843	770,279	764,436	827,669	824,676	894,389
704,559	723,657	758,607	758,703	792,501	820,794
381,557	430,840	416,912	460,277	489,175	505,007
42,101	41,340	55,387	41,550	47,132	50,125
942,652	141,498	—	—	483,000	—
<u>10,087,298</u>	<u>7,585,073</u>	<u>7,764,466</u>	<u>7,672,836</u>	<u>8,618,394</u>	<u>8,484,749</u>
<u>\$ 13,437,727</u>	<u>\$ 12,540,106</u>	<u>\$ 11,464,552</u>	<u>\$ 11,451,168</u>	<u>\$ 12,670,047</u>	<u>\$ 11,657,490</u>
\$ (7,149,823)	\$ (5,649,601)	\$ (7,579,200)	\$ (7,079,748)	\$ (7,741,365)	\$ (11,159,447)
<u>2,724,168</u>	<u>1,950,232</u>	<u>1,574,557</u>	<u>1,441,787</u>	<u>2,066,251</u>	<u>1,953,542</u>
<u>\$ (4,425,655)</u>	<u>\$ (3,699,369)</u>	<u>\$ (6,004,643)</u>	<u>\$ (5,637,961)</u>	<u>\$ (5,675,114)</u>	<u>\$ (9,205,905)</u>
\$ 5,346,373	\$ 5,426,522	\$ 5,477,294	\$ 5,310,453	\$ 5,748,706	\$ 5,809,896
436,806	369,999	283,035	279,418	353,947	414,904
1,250,114	1,181,930	1,191,387	1,627,954	1,692,688	1,715,317
582,971	507,460	594,792	654,308	575,494	553,744
685,626	268,021	(178,589)	598,936	194,835	170,873
266,904	200,667	287,706	230,773	523,450	98,600
355,931	461,623	359,589	257,690	505,059	493,697
<u>8,924,725</u>	<u>8,416,222</u>	<u>8,015,214</u>	<u>8,959,532</u>	<u>9,594,179</u>	<u>9,257,031</u>
325,783	112,677	(63,498)	255,216	79,329	70,079
<u>(355,931)</u>	<u>(461,623)</u>	<u>(359,589)</u>	<u>(257,690)</u>	<u>(505,059)</u>	<u>(493,697)</u>
<u>(30,148)</u>	<u>(348,946)</u>	<u>(423,087)</u>	<u>(2,474)</u>	<u>(425,730)</u>	<u>(423,618)</u>
<u>\$ 8,894,577</u>	<u>\$ 8,067,276</u>	<u>\$ 7,592,127</u>	<u>\$ 8,957,058</u>	<u>\$ 9,168,449</u>	<u>\$ 8,833,413</u>
\$ 1,774,902	\$ 2,766,621	\$ 436,014	\$ 1,879,784	\$ 1,852,814	\$ (1,902,416)
<u>2,694,020</u>	<u>1,601,286</u>	<u>1,151,470</u>	<u>1,439,313</u>	<u>1,640,521</u>	<u>1,529,924</u>
<u>\$ 4,468,922</u>	<u>\$ 4,367,907</u>	<u>\$ 1,587,484</u>	<u>\$ 3,319,097</u>	<u>\$ 3,493,335</u>	<u>\$ (372,492)</u>



READER'S NOTES:

CITY OF ROBBINSDALE

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Fee Tax</u>	<u>Total</u>
2007	\$ 4,729,048	\$ 462,906	\$ 626,873	\$ 5,818,827
2008	4,865,778	858,422	665,885	6,390,085
2009	5,207,900	582,440	572,380	6,362,720
2010	5,862,472	428,833	553,215	6,844,520
2011	5,346,373	436,806	582,971	6,366,150
2012	5,426,522	369,999	507,460	6,303,981
2013	5,477,294	283,035	594,792	6,355,121
2014	5,310,453	279,418	654,308	6,244,179
2015	5,748,706	353,947	575,494	6,678,147
2016	5,809,896	414,904	553,744	6,778,544

CITY OF ROBBINSDALE

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

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Reserved	\$ 6,790	\$ 6,900	\$ -	\$ -
Unreserved	4,472,900	4,383,127	4,748,267	5,281,704
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 4,479,690</u>	<u>\$ 4,390,027</u>	<u>\$ 4,748,267</u>	<u>\$ 5,281,704</u>
All other governmental funds				
Reserved	\$ 6,894,300	\$ 9,261,117	\$ 8,205,820	\$ 5,257,568
Unreserved	6,733,052	4,199,180	4,080,781	4,075,159
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 13,627,352</u>	<u>\$ 13,460,297</u>	<u>\$ 12,286,601</u>	<u>\$ 9,332,727</u>
All governmental funds				
Reserved	\$ 6,901,090	\$ 9,268,017	\$ 8,205,820	\$ 5,257,568
Unreserved	11,205,952	8,582,307	8,829,048	9,356,863
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all governmental funds	<u>\$ 18,107,042</u>	<u>\$ 17,850,324</u>	<u>\$ 17,034,868</u>	<u>\$ 14,614,431</u>

Note: The City implemented GASB Statement No. 54 in 2011, which changed fund balance classifications. Prior year information has not been restated.

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,522	3,554	2,640	340	340	1,350
140,801	33,698	45,814	83,116	124,345	301,757
<u>4,843,517</u>	<u>4,328,998</u>	<u>4,592,204</u>	<u>4,498,956</u>	<u>4,864,657</u>	<u>4,877,747</u>
<u>\$ 4,988,840</u>	<u>\$ 4,366,250</u>	<u>\$ 4,640,658</u>	<u>\$ 4,582,412</u>	<u>\$ 4,989,342</u>	<u>\$ 5,180,854</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,281	2,281	3,240	-	-	-
7,561,737	7,445,206	8,860,160	7,884,505	8,057,158	8,477,498
224,073	1,333,229	563,002	2,820,520	1,594,977	1,330,273
5,398,899	6,553,837	5,454,073	4,963,493	6,330,908	5,869,614
<u>(2,588,475)</u>	<u>(3,049,329)</u>	<u>(3,301,650)</u>	<u>(3,540,974)</u>	<u>(3,903,918)</u>	<u>(4,135,697)</u>
<u>\$ 10,598,515</u>	<u>\$ 12,285,224</u>	<u>\$ 11,578,825</u>	<u>\$ 12,127,544</u>	<u>\$ 12,079,125</u>	<u>\$ 11,541,688</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,803	5,835	5,880	340	340	1,350
7,561,737	7,445,206	8,860,160	7,884,505	8,057,158	8,477,498
224,073	1,333,229	563,002	2,820,520	1,594,977	1,330,273
5,539,700	6,587,535	5,499,887	5,046,609	6,455,253	6,171,371
<u>2,255,042</u>	<u>1,279,669</u>	<u>1,290,554</u>	<u>957,982</u>	<u>960,739</u>	<u>742,050</u>
<u>\$ 15,587,355</u>	<u>\$ 16,651,474</u>	<u>\$ 16,219,483</u>	<u>\$ 16,709,956</u>	<u>\$ 17,068,467</u>	<u>\$ 16,722,542</u>

CITY OF ROBBINSDALE

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

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Property taxes	\$ 4,721,221	\$ 4,844,180	\$ 5,208,981	\$ 5,866,841
Tax increments	462,906	858,422	582,440	428,833
Special assessments	541,727	507,304	763,799	577,387
Licenses and permits	391,529	449,548	277,740	343,634
Intergovernmental	1,771,703	1,663,520	1,901,058	2,963,756
Charges for services	860,561	1,078,774	1,251,399	1,005,335
Fines and forfeitures	171,171	203,219	215,239	190,979
Franchise fee tax	626,873	665,886	572,380	553,215
Investment earnings	930,662	666,418	331,110	268,264
Other	309,628	63,031	906,314	391,290
Total revenues	<u>10,787,981</u>	<u>11,000,302</u>	<u>12,010,460</u>	<u>12,589,534</u>
Expenditures				
General government	973,968	1,083,493	968,799	1,022,579
Community development	1,448,898	1,150,909	2,055,531	3,042,189
Public safety	3,633,238	3,950,431	3,856,292	4,088,345
Recreation	1,379,462	1,341,943	1,129,610	1,121,555
Public works	1,349,011	1,585,959	1,771,977	1,681,808
Human services	1,600	1,700	4,830	5,572
Capital outlay	2,484,380	1,956,457	2,090,134	2,753,706
Debt service				
Principal	5,830,000	610,000	650,000	6,243,500
Interest	417,358	465,753	458,921	484,294
Total expenditures	<u>17,517,915</u>	<u>12,146,645</u>	<u>12,986,094</u>	<u>20,443,548</u>
Excess (deficiency) of revenues over (under) expenditures	(6,729,934)	(1,146,343)	(975,634)	(7,854,014)
Other financing sources (uses)				
Transfers in	412,578	1,915,737	655,992	1,296,981
Transfers out	(580,090)	(1,026,112)	(1,248,032)	(1,128,182)
Sale of assets	-	-	2,218	-
Refunding of debt	-	-	-	(705,000)
Issuance of debt	5,465,000	-	750,000	5,969,778
Total other financing sources (uses)	<u>5,297,488</u>	<u>889,625</u>	<u>160,178</u>	<u>5,433,577</u>
Net change in fund balances	<u>\$ (1,432,446)</u>	<u>\$ (256,718)</u>	<u>\$ (815,456)</u>	<u>\$ (2,420,437)</u>
Debt service as a percentage of noncapital expenditures	<u>41.6%</u>	<u>10.6%</u>	<u>10.2%</u>	<u>38.0%</u>

	2011	2012	2013	2014	2015	2016
\$	5,381,400	\$ 5,448,207	\$ 5,488,515	\$ 5,348,292	\$ 5,727,334	\$ 5,798,977
	436,806	369,999	283,035	279,418	353,947	414,904
	538,101	571,140	692,394	554,521	894,731	696,881
	434,501	544,442	382,861	410,277	482,250	478,680
	2,182,047	3,779,540	1,760,904	3,243,969	2,702,251	2,258,314
	958,497	1,051,824	1,000,482	1,145,967	934,125	1,429,610
	300,654	460,080	431,109	323,094	218,482	242,682
	582,971	507,460	594,792	654,308	575,494	553,744
	532,861	208,630	(125,405)	422,113	137,503	119,061
	444,777	133,131	343,650	561,899	564,037	99,168
	<u>11,792,615</u>	<u>13,074,453</u>	<u>10,852,337</u>	<u>12,943,858</u>	<u>12,590,154</u>	<u>12,092,021</u>
	915,452	942,397	918,589	938,023	993,622	1,067,073
	1,124,405	1,254,590	1,418,412	1,279,288	1,768,682	1,441,411
	4,172,999	4,442,975	4,457,050	4,503,316	4,841,779	4,975,595
	1,055,748	1,054,146	1,033,545	1,057,303	1,132,014	1,156,885
	1,598,566	1,666,416	1,935,272	1,694,136	1,599,662	2,833,603
	9,287	9,938	6,235	1,500	1,800	2,000
	1,297,771	2,739,296	2,757,747	2,227,310	5,316,730	890,636
	740,000	815,000	500,500	576,000	550,000	585,000
	351,929	272,350	289,929	284,199	330,287	390,358
	<u>11,266,157</u>	<u>13,197,108</u>	<u>13,317,279</u>	<u>12,561,075</u>	<u>16,534,576</u>	<u>13,342,561</u>
	526,458	(122,655)	(2,464,942)	382,783	(3,944,422)	(1,250,540)
	1,349,273	883,969	538,036	1,085,403	676,496	1,364,326
	(902,807)	(1,157,346)	(159,336)	(977,713)	(221,437)	(459,711)
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	1,460,151	1,654,251	–	3,847,874	–
	<u>446,466</u>	<u>1,186,774</u>	<u>2,032,951</u>	<u>107,690</u>	<u>4,302,933</u>	<u>904,615</u>
\$	<u>972,924</u>	<u>\$ 1,064,119</u>	<u>\$ (431,991)</u>	<u>\$ 490,473</u>	<u>\$ 358,511</u>	<u>\$ (345,925)</u>
	<u>11.2%</u>	<u>10.5%</u>	<u>7.6%</u>	<u>8.4%</u>	<u>8.0%</u>	<u>7.9%</u>

CITY OF ROBBINSDALE

General Governmental Tax Revenue by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Tax Increments</u>	<u>Franchise Fee Tax</u>	<u>Total</u>
2007	\$ 4,721,221	\$ 462,906	\$ 626,873	\$ 5,811,000
2008	4,844,180	858,422	665,886	6,368,488
2009	5,208,981	582,440	572,380	6,363,801
2010	5,866,841	428,833	553,215	6,848,889
2011	5,381,400	436,806	582,971	6,401,177
2012	5,448,207	369,999	507,460	6,325,666
2013	5,488,515	283,035	594,792	6,366,342
2014	5,348,292	279,418	654,308	6,282,018
2015	5,727,334	353,947	575,494	6,656,775
2016	5,798,977	414,904	553,744	6,767,625

CITY OF ROBBINSDALE

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Tax Capacity Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2007	\$ 1,093,871,200	\$ 6,825,800	\$ 1,100,697,000	37.322 %	\$ 1,139,139,300	96.6 %
2008	1,166,049,400	6,712,200	1,172,761,600	36.305	1,180,923,800	99.3
2009	1,136,306,200	6,461,600	1,142,767,800	38.618	1,145,954,100	99.7
2010	1,047,973,600	6,600,900	1,054,574,500	42.182	1,056,752,500	99.8
2011	947,652,000	6,968,600	954,620,600	46.252	957,064,600	99.7
2012	800,942,877	8,305,900	809,248,777	50.293	907,061,800	89.2
2013	732,534,053	8,511,100	741,045,153	55.282	842,044,600	88.0
2014	676,715,145	9,044,400	685,759,545	57.436	790,231,600	86.8
2015	787,305,803	9,158,300	796,464,103	51.134	892,684,000	89.2
2016	784,777,601	9,245,900	794,023,501	53.785	891,134,800	89.1

Source: Hennepin County

CITY OF ROBBINSDALE

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

Fiscal Year	City Direct				Overlapping (2)			Total Direct and Overlapping Rates
	Operating	Debt Service	HRA/EDA	Total City	County Tax Capacity Rate	ISD No. 281, Robbinsdale Area Schools Tax Capacity Rate	Special Districts	
2007	33.781	2.302	1.239	37.322	39.110	28.750	7.427	112.609
2008	32.799	2.268	1.238	36.305	38.571	27.243	8.048	110.167
2009	33.391	3.609	1.618	38.618	40.413	27.214	7.689	113.934
2010	36.862	3.714	1.606	42.182	42.640	28.621	8.825	122.268
2011	40.156	4.472	1.624	46.252	45.840	34.387	9.837	136.316
2012	45.015	3.627	1.651	50.293	48.230	32.810	10.146	141.479
2013	49.453	4.389	1.440	55.282	49.461	32.347	10.933	148.023
2014	51.352	4.404	1.680	57.436	49.959	34.777	11.307	153.479
2015	46.040	3.845	1.249	51.134	46.398	33.226	10.561	141.319
2016	47.903	4.259	1.623	53.785	45.356	33.833	10.432	143.406

- (1) Information reflects total tax rates levied by each entity. Tax rates are expressed in terms of “net tax capacity.” A property’s tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and changed periodically based on state legislation.
- (2) Overlapping rates are those of local and county 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 proportion of the government’s property owners whose property is located within the geographic boundaries of the special district).

Source: Hennepin County

CITY OF ROBBINSDALE

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2016				2007			
	Taxable Market Value	Tax Capacity	Rank	Percentage of Total Tax Capacity	Taxable Market Value	Tax Capacity	Rank	Percentage of Total Tax Capacity
Oakdale Medical Buildings	\$ 12,121,000	\$ 242,420	1	2.76 %	\$ 14,855,000	\$ 297,100	1	2.68 %
Copperfield Hill Apartments	17,478,000	218,476	2	2.49	18,668,000	233,351	2	2.11
Robin Center	7,040,000	140,050	3	1.60	4,581,000	90,870	6	0.82
Beach South Apartments	8,850,000	110,625	4	1.26	7,801,000	97,513	5	0.88
Town Center	4,974,000	98,730	5	1.13	5,707,000	113,390	3	1.02
Terrace Mall	4,300,000	85,250	6	0.97	5,595,000	111,150	4	1.00
Xcel Energy	4,420,000	55,250	7	0.63	-	-	-	-
Windsor Court Apartments	2,601,300	52,026	8	0.59	-	-	-	-
NSP Utility	2,349,000	46,230	9	0.53	-	-	-	-
Walgreens	3,517,000	43,963	10	0.50	-	-	-	-
North Memorial Medical	-	-	-	-	4,514,000	88,780	7	0.80
Robins Landing	-	-	-	-	6,073,000	45,548	8	0.41
U.S. Bank	-	-	-	-	2,135,000	41,950	9	0.38
Trevilla Nursing Home	-	-	-	-	3,193,000	39,913	10	0.36
Total	\$ 67,650,300	\$ 1,093,020		12.46 %	\$ 73,122,000	\$ 1,159,565		10.46 %

Note: Total city property tax capacity payable for 2016 is \$8,772,174.

Source: Hennepin County Property Tax System



READER'S NOTES:

CITY OF ROBBINSDALE

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 4,834,598	\$ 4,737,545	97.99 %	\$ 97,053	\$ 4,834,598	100.00 %
2008	4,950,925	4,847,344	97.91	103,581	4,950,925	100.00
2009	5,164,054	5,087,713	98.52	76,341	5,164,054	100.00
2010	5,453,371	5,380,289	98.66	73,082	5,453,371	100.00
2011	5,652,198	5,595,223	98.99	56,975	5,652,198	100.00
2012	5,378,607	5,331,953	99.13	42,677	5,374,630	99.93
2013	5,418,706	5,382,686	99.34	34,393	5,417,079	99.97
2014	5,486,896	5,443,230	99.20	43,666	5,486,896	100.00
2015	5,644,249	5,612,284	99.43	18,236	5,630,520	99.76
2016	5,731,937	5,692,563	99.31	–	5,692,563	99.31

Note: Collections include abatements, adjustments, and tax credits received through state aid.

Source: Hennepin County

CITY OF ROBBINSDALE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	General Obligation Tax Increment Bonds	General Obligation Equipment Notes	Net Premiums (Discounts)	General Obligation Revenue Bonds	General Obligation Housing Bonds
2007	\$ 3,280,000	\$ 5,950,000	\$ -	\$ -	\$ 6,616,000	\$ 4,685,000
2008	2,915,000	5,705,000	-	-	5,866,000	4,580,000
2009	2,505,000	5,465,000	750,000	-	5,104,000	4,460,000
2010	1,865,000	5,255,000	611,500	-	4,235,000	4,335,000
2011	1,400,000	5,125,000	466,500	-	3,449,000	4,200,000
2012	2,405,000	4,925,000	316,500	(12,370)	5,185,000	4,060,000
2013	3,755,000	4,815,000	161,000	57,218	7,435,000	3,915,000
2014	3,460,000	4,695,000	-	51,450	6,620,000	3,765,000
2015	6,670,000	4,565,000	-	262,195	8,330,000	3,670,000
2016	6,225,000	4,425,000	-	222,384	7,405,000	3,420,000

(1) See Demographic and Economic Statistics for personal income and population data.

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

Net Premiums (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ -	\$ 20,531,000	3.90 %	\$ 1,515
-	19,066,000	3.61	1,402
-	18,284,000	3.42	1,327
-	16,301,500	2.81	1,168
-	14,640,500	2.45	1,049
(14,049)	16,865,081	2.81	1,203
113,148	20,251,366	3.33	1,425
104,950	18,696,400	3.02	1,294
315,273	23,812,468	3.37	1,641
282,551	21,979,935	2.86	1,489

CITY OF ROBBINSDALE

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Total Taxable Assessed Value of Property (1)</u>	<u>Per Capita (2)</u>
2007	\$ 20,531,000	\$ 778,424	\$ 19,752,576	1.79 %	\$ 1,458
2008	19,066,000	832,443	18,233,557	1.55	1,341
2009	18,284,000	1,005,853	17,278,147	1.51	1,254
2010	16,301,500	823,571	15,477,929	1.47	1,109
2011	14,640,500	879,982	13,760,518	1.44	986
2012	16,865,081	705,170	16,159,911	2.00	1,153
2013	20,251,366	693,247	19,558,119	2.64	1,376
2014	18,696,400	758,298	17,938,102	2.62	1,242
2015	23,812,468	1,047,725	22,764,743	2.86	1,569
2016	21,979,935	1,427,177	20,552,758	2.59	1,393

(1) See Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See Demographic and Economic Statistics for population data.

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

CITY OF ROBBINSDALE

Direct and Overlapping Governmental Activities Debt
December 31, 2016

Governmental Unit	Gross Debt	Sinking Fund	Net Debt	City Percentage	Share Amount
Direct debt					
City of Robbinsdale	\$ 10,872,384	\$ 1,427,177	\$ 9,445,207	100.00 %	\$ 9,445,207
Overlapping debt					
ISD No. 281, Robbinsdale Area Schools	217,763,960	11,409,522	206,354,438	10.45	21,564,039
Hennepin County	838,110,000	26,734,117	811,375,883	0.56	4,543,705
Suburban Hennepin Three Rivers Park District	62,125,000	14,337,048	47,787,952	0.78	372,746
Hennepin County Regional RR Authority	33,145,000	296,796	32,848,204	0.78	256,216
Metropolitan Council (1)	189,226,614	150,351,908	38,874,706	0.28	108,849
Total overlapping debt	<u>1,340,370,574</u>	<u>203,129,391</u>	<u>1,137,241,183</u>		<u>26,845,555</u>
Total direct and overlapping debt	<u>\$ 1,351,242,958</u>	<u>\$ 203,129,391</u>	<u>\$ 1,146,686,390</u>		<u>\$ 36,290,762</u>

(1) Includes debt for Metropolitan Council Transit Operations.

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.

Source: Hennepin County Taxpayer Services Department, Direct and Overlapping Debt Report

CITY OF ROBBINSDALE

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 22,013,940	\$ 35,182,848	\$ 34,283,034	\$ 31,637,235
Total net debt applicable to limit	<u>1,746,576</u>	<u>1,274,147</u>	<u>1,734,147</u>	<u>1,652,929</u>
Legal debt margin	<u>\$ 20,267,364</u>	<u>\$ 33,908,701</u>	<u>\$ 32,548,887</u>	<u>\$ 29,984,306</u>
Total net debt applicable to the limit as a percentage of debt limit	7.93%	3.62%	5.06%	5.22%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 3 percent (2 percent for years prior to 2008) of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

2011	2012	2013	2014	2015	2016
\$ 28,638,618	\$ 27,211,854	\$ 25,261,338	\$ 23,706,948	\$ 26,780,520	\$ 26,734,044
986,518	2,016,330	3,222,753	2,701,702	5,622,275	4,797,823
<u>\$ 27,652,100</u>	<u>\$ 25,195,524</u>	<u>\$ 22,038,585</u>	<u>\$ 21,005,246</u>	<u>\$ 21,158,245</u>	<u>\$ 21,936,221</u>
3.44%	7.41%	12.76%	11.40%	20.99%	17.95%

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated taxable market value	\$ 891,134,800
Debt limit (3% of market value)	26,734,044
Debt applicable to limit	
General obligation bonds	6,225,000
Less amount set aside for repayment of general obligation debt	<u>1,427,177</u>
Total net debt applicable to limit	<u>4,797,823</u>
Legal debt margin	<u>\$ 21,936,221</u>

CITY OF ROBBINSDALE

Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	General Obligation Utility Revenue Bonds					
	Utility Charges (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 3,215,320	\$ 1,964,877	\$ 1,250,443	\$ 427,000	\$ 260,270	1.82
2008	3,241,122	2,012,506	1,228,616	750,000	234,939	1.25
2009	3,489,080	2,200,427	1,288,653	762,000	207,391	1.33
2010	3,581,756	2,199,194	1,382,562	869,000	168,880	1.33
2011	3,841,773	2,133,327	1,708,446	786,000	137,188	1.85
2012	3,987,517	2,212,757	1,774,760	824,000	124,370	1.87
2013	4,264,996	2,493,623	1,771,373	565,000	131,113	2.54
2014	4,038,901	2,352,203	1,686,698	815,000	157,365	1.73
2015	4,375,664	2,544,980	1,830,684	1,095,000	198,151	1.42
2016	4,554,832	2,546,022	2,008,810	925,000	158,742	1.85

(1) Utility charges include gross revenues from the Water, Sanitary Sewer, and Storm Sewer Funds.

Note: Details regarding the City's outstanding debt can be found in the notes to basic financial statements. Operating expenses do not include interest or depreciation.

CITY OF ROBBINSDALE

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Total Personal Income	Median Age (2)	Education Level in Years of Formal Schooling (2)	School Enrollment (3)	Unemployment Rate (4)
2007	13,551	\$ 38,859	\$ 526,578,309	38	14	1,519	4.6 %
2008	13,598	38,859	528,404,682	38	14	1,836	4.9
2009	13,775	38,859	535,282,725	38	14	1,881	7.9
2010	13,953	41,552	579,775,056	37	14	1,818	6.1
2011	13,953	42,843	597,788,379	37	14	1,747	5.5
2012	14,014	42,843	600,401,802	38	14	1,697	4.9
2013	14,212	42,843	608,884,716	38	14	1,735	4.4
2014	14,445	42,843	618,867,135	36	14	1,760	3.3
2015	14,512	48,711	706,894,032	36	14	1,726	3.5
2016	14,757	52,117	769,090,569	37	14	1,682	3.4

Data Sources:

(1) Metropolitan Council as of April 1

(2) U.S. Census Bureau

(3) School district

(4) State Department of Employment and Economic Development (uses Hennepin County rate; the city rate is not available)—rate is an annual average (bls.gov.lau/data.htm)



READER'S NOTES:

CITY OF ROBBINSDALE

Principal Employers
Current Year and Nine Years Ago

Employer	2016			2007		
	Number of Employees	Rank	Percentage of Total City Employment (1)	Number of Employees	Rank	Percentage of Total City Employment (1)
North Memorial Medical Center	4,300	1	– %	5,000	1	– %
Independent School District No. 281, Robbinsdale Area Schools	244	2	–	255	2	–
Good Samaritan Specialty Care	135	3	–	–	–	–
Copperfield Hill	100	4	–	–	–	–
U.S. Bank	93	5	–	71	5	–
City of Robbinsdale	92	6	–	100	3	–
U.S. Post Office	49	7	–	–	–	–
EMI Audio	21	8	–	–	–	–
Rainbow Foods	–	–	–	90	4	–
Robbinsdale Farm, Garden & Pet Supply	–	–	–	27	6	–
Burmeister Electric Co.	–	–	–	25	7	–
Twin City Federal Bank	–	–	–	20	8	–
Citizens Independent Bank	–	–	–	15	9	–
Total	5,034		– %	5,603		– %

(1) Percentage of total city employment information is not readily available.

Source: Principal employers are the result of surveys of employers in conjunction with city bond sales. The last bond sale was in 2015 and included only eight employers. The 2007 information is from the 2005 G.O. Bond sale, this is the best available information.

CITY OF ROBBINSDALE

Full-Time Equivalent (FTE) City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2007	2008	2009	2010
General government (3)	10.62	13.10	11.83	12.08
Community development	2.97	3.01	2.00	2.49
Public safety				
Police				
Officers	19.78	21.16	21.95	21.06
Civilians	10.87	9.77	9.45	10.21
Fire				
Firefighters – paid on call (1)	–	–	–	–
Building inspections	1.59	1.92	1.71	1.56
Recreation				
Recreation programming	6.38	6.65	6.57	5.24
Park maintenance	4.80	4.94	4.58	4.89
Public works				
Engineering	4.30	4.33	5.41	5.35
Maintenance (2)	9.86	8.09	7.62	8.13
Water	2.76	2.55	2.42	2.18
Sanitary sewer	1.80	1.63	1.45	1.65
Storm sewer	0.19	0.10	1.01	1.28
Liquor operations	5.58	5.73	6.02	6.74
Deputy Registrar	5.12	4.91	4.50	3.88
Five cities	0.46	0.48	0.46	0.43
Total	87.08	88.37	86.98	87.17

- (1) There are 29 paid on-call firefighters with the City. FTEs are not tracked for this department.
- (2) Includes FTEs from the Central Garage Internal Service Fund and Central Services – Governmental Buildings Program Internal Service Fund.
- (3) Includes FTEs from the Central Services – Information Technology Program Internal Service Fund.

Source: City payroll records

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
11.60	11.02	9.59	9.90	9.57	11.10
2.20	2.53	2.26	3.18	3.84	4.12
21.93	22.41	22.53	21.59	24.79	24.61
10.93	10.79	10.54	9.37	9.34	7.95
–	–	–	–	–	–
1.70	1.72	1.75	1.60	1.72	1.82
5.19	5.35	5.58	5.64	5.44	5.06
4.38	4.36	4.47	2.94	3.80	4.68
5.58	5.51	5.93	4.46	4.41	4.24
6.87	6.88	9.24	8.87	9.59	10.00
2.49	2.33	2.28	2.31	2.08	2.10
1.57	1.62	1.89	1.67	1.89	1.98
1.41	1.30	0.89	0.28	1.10	1.00
7.07	7.36	6.85	7.53	8.68	9.10
4.15	5.07	4.64	5.09	5.23	5.28
0.42	0.43	0.42	–	–	–
<u>87.49</u>	<u>88.68</u>	<u>88.86</u>	<u>84.43</u>	<u>91.48</u>	<u>93.04</u>

CITY OF ROBBINSDALE

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2007	2008	2009	2010
Police				
Radio calls (1)	13,528	15,352	14,888	14,279
Arrests	873	362	863	854
Traffic violations	2,423	3,801	2,851	2,747
Parking violations	1,074	823	668	568
Part I crimes charged	547	611	527	468
Part II crimes charged	995	1,070	977	899
Investigative cases referred	245	301	297	317
Police reserve hours logged	2,414	1,902	2,880	2,582
Fire				
Number of calls answered	380	351	334	322
Recreation				
Annual program registrations	3,511	3,614	2,662	2,250
Picnic/shelter building reservations	55	55	43	49
Skating rink attendance	2,361	3,902	4,190	3,800
Wading pool				
Annual attendance	1,565	1,546	1,095	923
Resident passes purchased	192	142	202	162
Community gym statistics				
Annual attendance	10,657	11,882	15,782	16,263
Punch passes sold	81	62	90	59
Memberships sold	73	36	56	33
Water				
Total connections	5,046	4,945	5,034	5,114
Water main breaks	9	10	11	7
Average daily flow (thousands of gallons)	890	838	891	809

(1) The measurement basis changed in 2013 to the actual number of calls received by county dispatch. Prior year information has not been restated.

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

Source: Various government departments

2011	2012	2013	2014	2015	2016
16,576	17,291	22,811	20,697	20,417	20,257
1,083	1,059	844	808	964	684
4,718	5,680	5,365	3,285	1,989	3,121
843	456	733	659	516	391
506	464	342	404	450	330
1,022	998	916	913	915	888
2,126	2,303	2,365	1,375	1,278	1,122
2,489	2,205	1,969	1,606	1,303	1,288
320	344	339	301	329	315
2,050	2,381	2,170	2,427	2,020	2,308
44	56	122	77	66	73
3,800	1,700	2,424	1,944	2,466	2,050
847	1,430	1,919	1,493	806	608
208	445	470	263	174	152
16,717	18,801	18,144	16,595	17,592	18,303
43	29	48	33	67	63
18	15	38	41	19	14
5,130	5,133	5,130	5,127	5,139	5,135
14	13	13	13	5	6
848	825	840	811	814	821

CITY OF ROBBINSDALE

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2007	2008	2009	2010
Public safety				
Police				
Stations	1	1	1	1
Patrol units	6	7	7	7
Fire stations	1	1	1	1
Culture and recreation				
Parks acreage	109	109	109	109
Parks	14	14	14	14
Baseball/softball diamonds	9	9	9	9
Wading pools	1	1	1	1
Tennis courts	4	4	4	4
Community gyms/meeting areas	5	5	5	5
Highways and streets				
Streets (miles)	60.0	60.0	60.0	60.0
Alleys (miles)	18.7	18.7	18.7	18.7
Streetlights	591	591	591	591
Traffic signals	17	17	17	17
Water				
Water mains (miles)	48.4	48.4	48.4	48.4
Fire hydrants	323	323	323	340
Sewer (1)				
Sanitary sewers (miles)	43.0	43.0	43.0	43.0
Storm sewers (miles)	19.5	19.5	19.5	19.5

(1) Sanitary sewers are disposed and treated through the Metropolitan Waste Control Commission.

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

Source: Various city departments

2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
8	9	9	9	9	9
1	1	1	1	1	1
109	109	109	109	109	109
14	14	14	14	14	14
9	9	9	9	9	9
1	1	1	1	1	1
3	3	3	3	3	3
5	5	5	5	5	5
60.0	60.0	60.0	60.0	60.0	60.0
18.7	18.7	18.7	18.7	18.7	18.7
591	591	591	591	601	601
17	18	19	19	19	19
48.4	48.4	48.4	48.4	48.4	48.4
365	373	380	389	405	405
43.0	43.0	43.0	43.0	43.0	43.0
19.5	19.5	19.5	19.5	19.8	19.8



READER'S NOTES: