



# City of New Brighton, Minnesota

## Comprehensive Annual Financial Report for the Year Ended December 31, 2018



Prepared by the Finance Department

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**On the Cover:**

With the exponential amounts of snow this year, homeowners and public works employees alike were busy plowing.

The New Brighton Department of Public Safety proves every day that no job is too big or too small. They even carried a turtle back to its pond.

Since July 2016, our water distribution system received water from the City of Minneapolis. The source of water changed in 2018 after the Labor Day holiday back to New Brighton's water wells.

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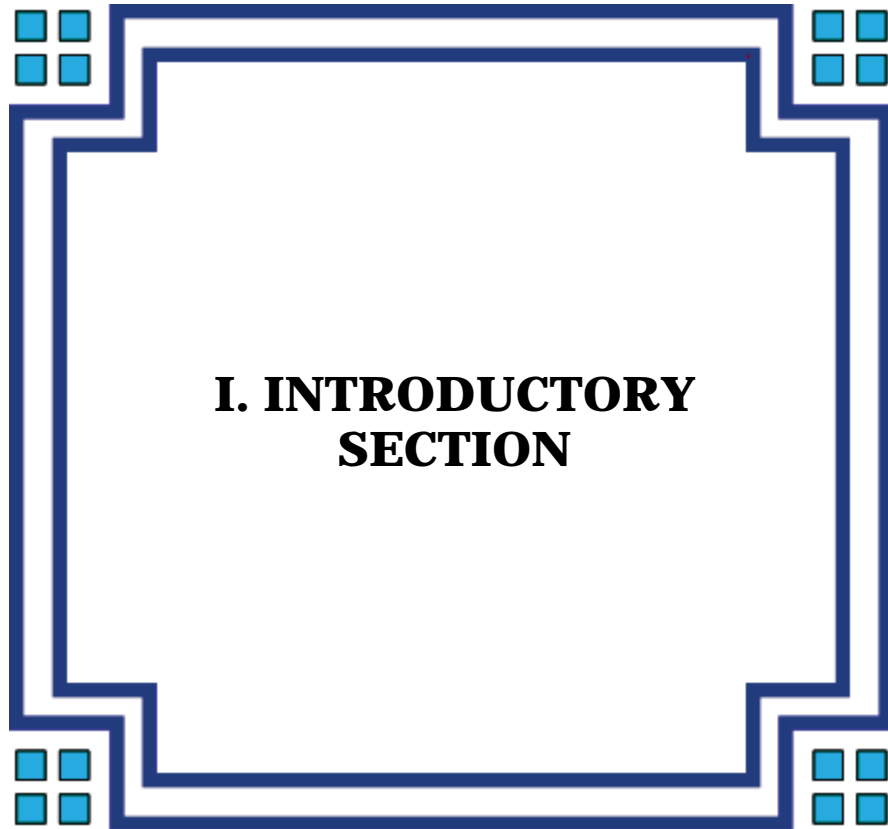
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May 14, 2019

To the Honorable Mayor, Members of the City Council, and Citizens of the City of New Brighton, Minnesota:

The comprehensive annual financial report (CAFR) of the City of New Brighton, Minnesota (the City), for the year ended December 31, 2018 is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board and meets the requirements of the State Auditor's Office.

The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented within this report. To provide a reasonable basis for making these representations, management of the City has established internal controls designed to protect the City's assets from loss, theft, or misuse and to provide sufficient information for the preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. 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 Bergan KDV, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2018, are free of 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 used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements, for the year ended December 31, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented in the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The City's MD&A complements this letter of transmittal and should be read in conjunction with it.



## **Profile of the City**

The City of New Brighton, incorporated in 1887, is located in northwestern Ramsey County, and is a first ring northern suburb of the Minneapolis-St. Paul metropolitan area. The City encompasses an area of 4,464 acres or eight square miles and serves a population of 22,875 (per 2017 Metropolitan Council estimate published July 2018).

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

In 1964, the Council-Manager form of government was adopted. Policy-making and legislative authority are vested in the City Council consisting of the mayor and four council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is also elected to serve a two-year term.

The City of New Brighton provides a full range of municipal services consisting of public safety (police, fire, building inspections), public works, general government administration, license bureau, parks and recreation activities including the New Brighton Community Center and Brightwood Hills Golf Course. The City also operates a number of enterprise activities including water, sanitary sewer, storm water, and streetlights. Sanitary sewage treatment and disposal is operated on a regional basis by the Metropolitan Council Environmental Services (MCES). City residents with private haulers handle refuse collection and disposal on a private basis through contractual arrangements. Further information regarding city services can be obtained from the City's website at [www.newbrightonmn.gov](http://www.newbrightonmn.gov).

The New Brighton Firefighters' Relief Association is a separate legal entity, and accordingly is excluded from this report. Additional information on this legally separate entity can be found in Note 4C in the notes to the financial statements.

The annual budget serves as the foundation for the City of New Brighton's financial planning and control. All departments of the City of New Brighton submit requests for appropriations to the City Manager in July of each year. The City Manager uses these requests as the starting point for developing his recommended budget. The City Manager then presents the recommended budget to the City Council for review. The City will adopt a proposed preliminary tax levy prior to September 30. According to Minnesota State Statutes, this proposed preliminary tax levy can be subsequently decreased but not increased (the State does allow a few exceptions) when it is adopted as a final tax levy in December. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by December 31, the close of the City of New Brighton's fiscal year.



The appropriated budget is prepared for the General Fund by function (e.g., public safety), and department (e.g., police) and the Golf Course Special Revenue Fund. Budget-to-actual comparisons are provided on Statement 11 and Schedule A respectively. Department heads may make transfers of appropriations within the fund, with the approval of the City Manager.

## Factors Affecting Financial Condition

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

**Local economy.** The convenient and close proximity to Minneapolis and St. Paul makes New Brighton an ideal community for businesses. Some of the biggest industries in New Brighton include medical equipment, health care, financial services, technology, and real estate. Several big corporations have their headquarters located in the city, such as the multi-billion-dollar construction engineering company APi Group, the software company Data Sciences International, the personal risk management & insurance company PCG Agencies, as well as Cardiovascular Systems, Inc. (CSI) one of the largest medical technology companies in Minnesota. They are located in the area called the New Brighton Exchange, which is the name of the biggest redevelopment project in the community's history. The goals have been to clean up environmental contamination from former industries, expand job opportunities, improve the tax base, and create more housing choices.

Economic conditions are improving for the City, its residents, and businesses as shown in the tables below. The 2017 median household income increased by \$2,772 over 2016 and \$7,451 from 2014. New Brighton's 2017 median household income of \$68,775 is higher compared to \$60,301 in Ramsey County, and \$65,699 for the State.

Median income	Dec 2017	Dec 2016	Dec 2015	Dec 2014
Households	\$ 68,775	\$ 66,003	\$ 60,964	\$ 61,324
Families	93,433	86,559	77,591	80,280
Married-couple families	101,579	100,729	95,129	96,691
Nonfamily households	37,813	37,380	37,438	39,583

(Source: US Census American Survey Fact Finder)

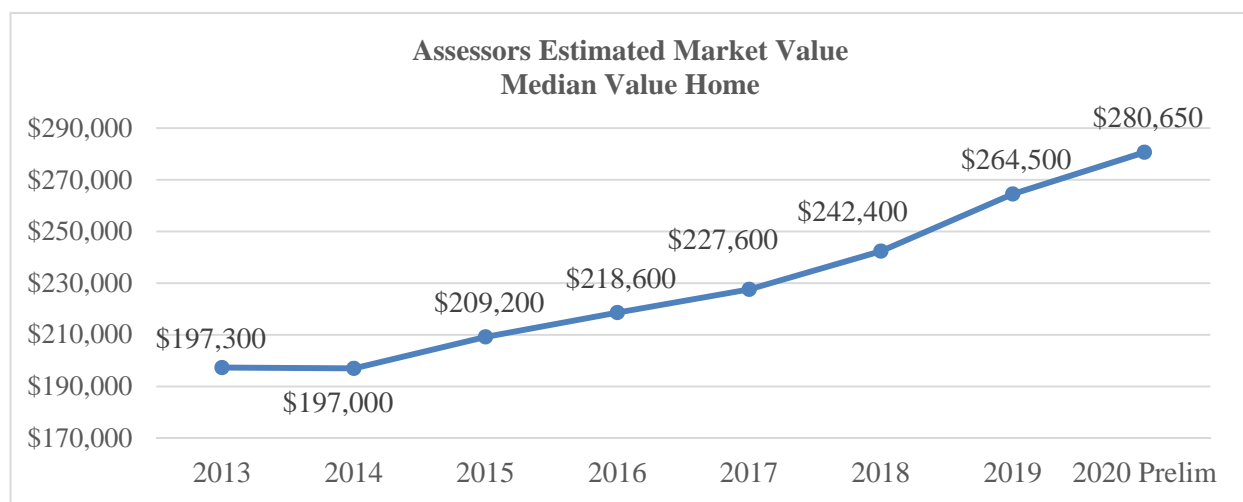
The City's unemployment rate of 2.5% as of December 2018, though slightly higher than December of 2017, is lower compared to 2015, and much lower than the State of Minnesota's 2018 rate of 3.2 percent and the 2018 national unemployment rate of 3.7 percent.

Unemployment Rate:	Dec 2018	Dec 2017	Dec 2016	Dec 2015
City of New Brighton	2.5%	2.4%	3.1%	2.6%
Ramsey County	2.7%	2.8%	3.5%	3.2%
State	3.2%	3.4%	4.0%	3.7%
National	3.7%	3.9%	4.5%	4.8%

(Source: MN Dept. of Economic Development)

**Housing Values.** Home values in the City are continuing in a positive trend, reflecting the recovery of the housing market. The Assessor's estimated residential market values increased on the median valued home approximately 6.5 percent for payable 2018. Assessor values for payable 2019 and payable 2020 continue this positive trend.

Increase(Decline) in Median Value Home:	
Taxes Payable	
2013	0.61%
2014	-0.15%
2015	6.19%
2016	4.49%
2017	4.12%
2018	6.50%
2019	9.12%
2020 Prelim	6.11%

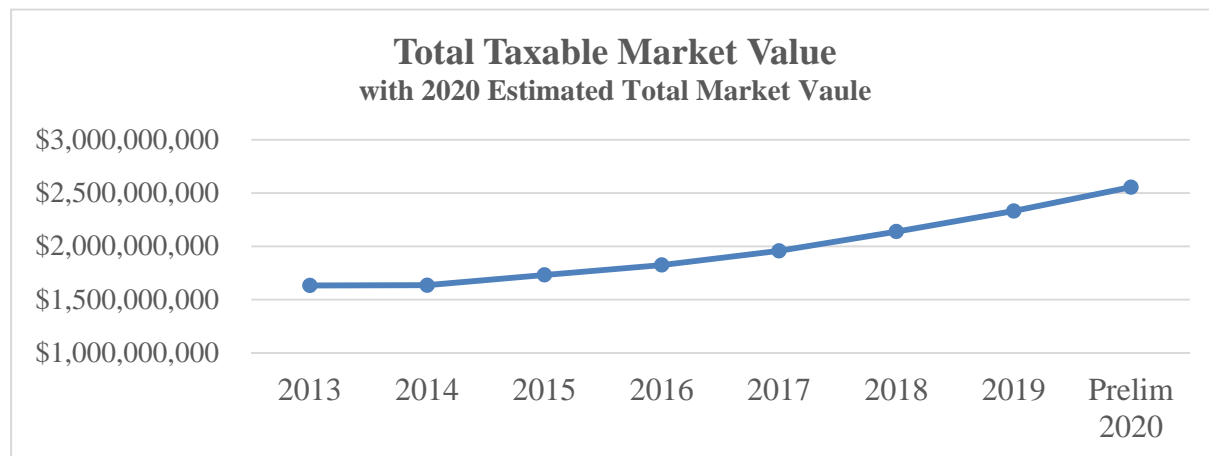


New Brighton's future population is projected by Metropolitan Council to grow by approximately 1,225 to 24,100 in 2040.

**Market Value Growth.** The market place for local products and services remains strong. Even though New Brighton is a fully development city, long term growth is anticipated as New Brighton continues to aggressively pursue redevelopment opportunities. This is indicated with the issuance of 2,112 building permits in 2018, which consisted of 248 commercial/industrial building permits along with the planned redevelopment of the New Brighton elementary site mentioned in more detail under Major Initiatives.

For payable 2018, a total of \$181 million of taxable market value was added to the City's tax base which current data indicates is continuing with an additional \$193 million in payable 2019. Total taxable market value increased 9% to \$2.3 billion for payable 2019 due to improved market conditions and completed development within the Exchange. Market values are

estimated to continue to improve for the future with County Assessor data for taxes payable 2020 showing a total citywide estimated taxable market value of \$2.5 billion.



**Major Initiatives.** In February 2016, the Minnesota Department of Health (MDH) informed New Brighton that it had detected the substance 1,4-dioxane (dioxane) in the City’s shallow wells, which are located in the Prairie Du Chien and Jordan aquifers. This was detected at levels slightly above the Health Risk Limit for dioxane, as set by the State of Minnesota.

Despite these low-level concentrations of dioxane, the City takes all potential health risks seriously and it responded proactively. In April 2016, the City initiated an Interim Response plan, which suspended use of the contaminated shallow wells, and began using the deeper, dioxane-free Mt. Simon/Hinckley wells to meet our water supply needs.

In addition, New Brighton constructed an interconnection with the City of Minneapolis in 2016, which connected the Minneapolis Hilltop Reservoir to New Brighton’s water distribution system. New 18 and 24-inch pipes were installed to allow for delivery of up to 6 million gallons per day (MGD); that will replace the capacity of New Brighton’s Mount Simon Hinckley Wells, which supply a maximum of 4.5 MGD. With technology in place to remove the 1,4-dioxane, the Water Treatment Plant went back online in November of 2018. The Minneapolis Interconnection now serves as an emergency back-up supply.

Besides the Water Treatment Plant, the City focused on another important utility, “Stormwater”. Immediately following the July 2011 mega storm event, one of the areas of the City that experienced the most flooding was near Freedom Park. In 2013, the City designed and completed Freedom Park’s Phase I by expanding an existing pond located within the Park. Phase 2, which includes the installation of larger pipes (drain) and additional catch basins, is being finalized with the 2018 Street Reconstruction project. Another area identified prone to flooding included Hansen Park. Improvement to Hansen Park’s stormwater system was completed by the Rice Creel Watershed District in 2018. Rice Creek Watershed, along with the City and FEMA are working together to remove homes from the Hansen park floodplain to help eliminate the need for costly flood insurance.

Since 2017, the City has actively worked to assemble a roughly 12-acre development site to the north and south of Old Highway 8 surrounding the former New Brighton Elementary School. The area has been targeted for redevelopment since the 1980's. To date, the City has invested nearly \$2.8M in land acquisition costs, all of which will be fully reimbursed should a pending development proposal from Dominion & Pulte be approved in early to mid-2019. Staff currently anticipates a public hearing will be held in May 2019 on the preliminary proposal, with Council consideration occurring shortly thereafter. If granted approval, the City would anticipate land preparation activities to occur over the summer (i.e. demo of the school and mass grading), and construction of the first townhomes beginning in late 2019. All development to the south of Old Highway 8 could also begin in late 2019. As part of this development process, the City is working to establish a new Tax Increment Financing (TIF) District (#34) to aid in financing a portion of the development. The redevelopment site will include 53 townhomes, 204 units of affordable senior housing, and 154 units of affordable family housing.

### Upcoming Initiatives

#### *Water Meter Replacement Program*

Many water meters in the City have been in service for more than 25 years. The accuracy of water meters tend to diminish as they get older. The City's Capital Improvement Program includes a two (2) year schedule for water meter replacement and the purchase of an Advanced Metering Infrastructure (AMI) for meter reading that will be funded by the water utility fund.

The City entered into an agreement with WSB & Associates, Inc. in November 2018 to begin work on a Comprehensive Park and Trail System Plan. The process will take approximately 8-10 months to complete. The Plan will be used to guide the future development, redevelopment and improvements to the park and trail system. One of the major pieces of feedback gained during the public engagement process for the city-wide Comprehensive Plan was the importance of parks and recreation to those who live in New Brighton. The last time a park system plan was done for the City was in 2006.

**Long-term financial planning.** The 2019-2028 Capital Improvement Plan (CIP) for the City of New Brighton coordinates the financing and timing of major equipment purchases and construction projects. Some major goals for the City during this 10-year period include \$1 million in replacing the City's water meters along with an Advanced Metering Infrastructure system, \$2.1 million for new parks, and \$45.3 million in street reconstruction and utility infrastructure projects.

The City also undertakes an annual rate study of its Water, Sanitary Sewer, and Storm Water rates. As part of this process, the City projects fund balances and capital improvements to each of the systems for the next 20 years, and the projected user and connection rates needed for each fund for that same time period.

The City maintains four internal service funds for the replacement of various capital assets. The capitalization threshold for capital assets is having a value of \$5,000 or more and a useful life of at least two years. The capitalization threshold for easements is \$50,000. Each of these funds has projected fund balances for the next 15 years. The Capital Replacement Fund maintains reserves for the replacement of the City's fleet including all vehicles and heavy equipment along

with non-fleet capital items including miscellaneous equipment and furnishings. The Pavement Management Fund was established to replace parking lots, trails, tennis courts and hard courts. The Information Technology Fund has been established to account for the operations of the city-wide computer network system and the replacement of capital items such as computers, telephone systems, copiers, printers, and various technology related items.

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

The City's Investment Policy states that the foremost investment objective is to preserve capital. Secondary considerations are liquidity and lastly yield. Accordingly, deposits are either insured by federal depository insurance or collateralized. All temporary cash surpluses during the year are invested in various securities permitted by Minnesota Statutes. The City's policy is to invest all available monies at competitive interest rates in accordance with the City's over-all fiscal plan coordinated with operating needs and programs projected over the ensuing 12 months. The annual yield on the City's investments was 2.30% in 2018.

The City's accounting system was developed and is continually evaluated to ensure the adequacy of internal controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of: (1) safeguarding assets against loss from unauthorized use or disposition; and (2) reliability of financial records and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance adopted by the City of New Brighton recognizes that: (1) the evaluation of cost and benefits requires estimates and judgments by management; and (2) the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and also provide reasonable assurance of properly recording financial transactions.

An employee wellness program has been made available to all employees. The implementation of this risk management program aids in preventing worksite accidents and injuries, and in reducing medical expenses and other costs related to lost workdays, replacement workers, etc. The City has been actively working to limit its liability risk and insurance costs. A safety committee consisting of employees from every department meets periodically throughout the year to discuss safety related items, to review accident reports and to provide recommendations to reduce the City's exposure. The City maintains a Risk Management Fund with current cash reserves of \$1,872,115. The financing of this fund is from departmental user charges, insurance premium rebates, and investment earnings. The City's general liability insurance is with the League of Minnesota Cities Insurance Trust. In order to reduce the cost of insurance, a \$100,000 per occurrence deductible and \$200,000 aggregate deductible is maintained and funded by the Risk Management Fund.

## **Awards and Acknowledgements**

### **National Night Out**

The City of New Brighton has a proud tradition of active involvement with National Night out. The National Association of Town Watch recognized New Brighton with second place honors in the Nation for participation levels for cities with populations 15,000 – 50,000. In addition to focusing on neighborhood building, the City's Public Safety Department continued the mission to ensure no child in the city goes hungry and that each student has the necessary supplies to be successful in school.

### **Local Government Innovation Award**

The Humphrey School of Public Affairs at the University of Minnesota named the Ramsey County Fire Chiefs Association (RCFCA) as the recipients of its 2018 Leading Innovator in the City Category of the 12<sup>th</sup> annual Local Government Innovation Awards for its Closest-Unit Dispatching program. The RCFCA program brings 10 fire departments within a 170-square-mile area together to dispatch the closest agency for response within the county's different combinations of highly trained full-time, part-time, volunteer and/or paid on-call firefighters. Ramsey County's 12 cities entered into this joint powers agreement in 2016 and have improved response times for critical calls, resulting in a higher survivability rate and less property loss.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Brighton for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department for their assistance and contributions to the preparation of this report. Credit also must be given to the Mayor and the City Council for their support for maintaining the highest standard of professionalism in the management of the City of New Brighton's finances.

Respectfully Submitted,

CITY OF NEW BRIGHTON, MINNESOTA

A handwritten signature in black ink that reads "Brenda K. Davitt". The signature is written in a cursive style with a large, stylized 'B' and 'D'.

Brenda Davitt  
Finance Director





Government Finance Officers Association

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

Presented to

**City of New Brighton  
Minnesota**

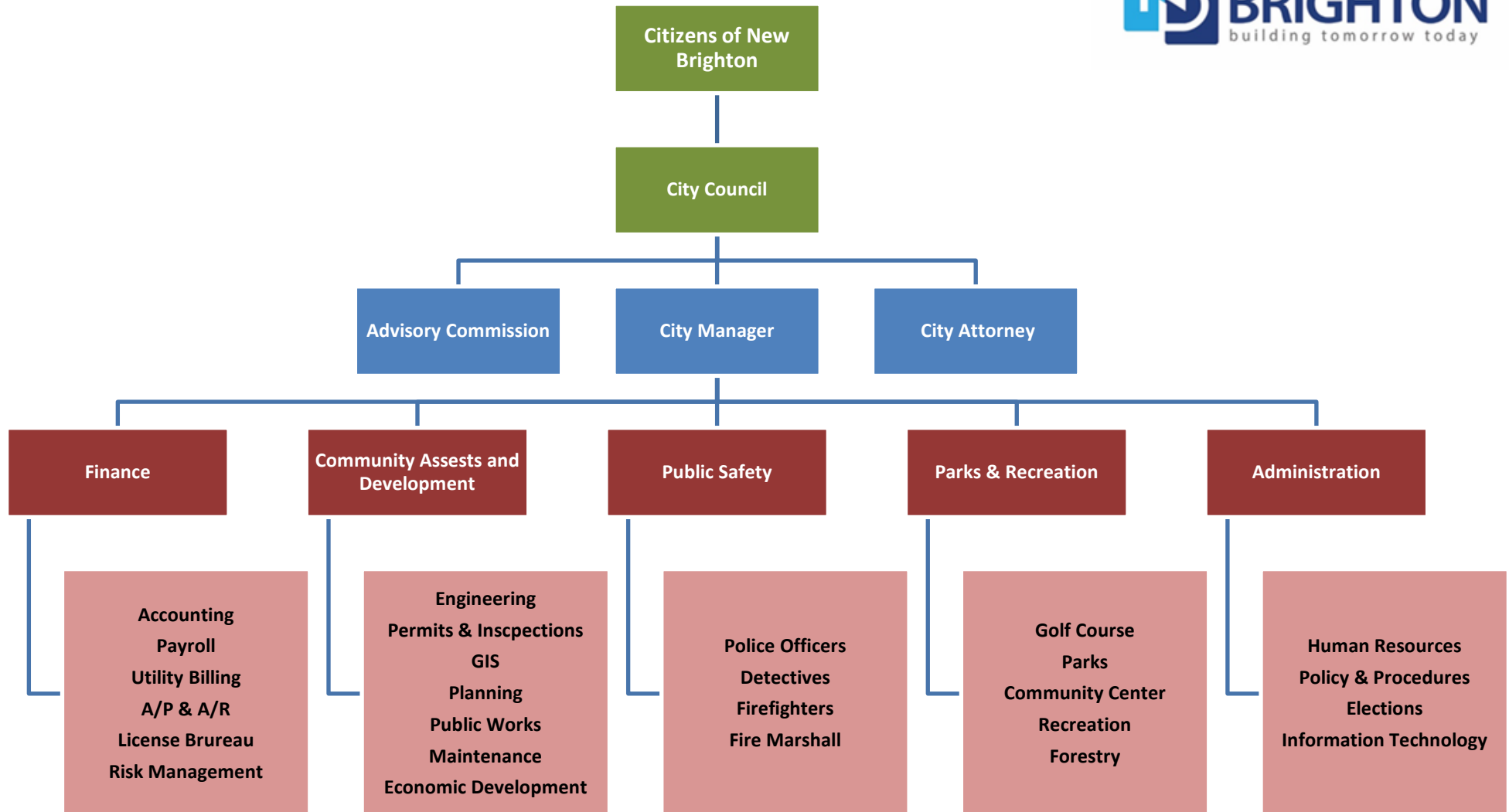
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

## 2018 Organizational Structure



**CITY OF NEW BRIGHTON, MINNESOTA**  
**PRINCIPAL CITY OFFICIALS**  
December 31, 2018

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**CITY COUNCIL**

VALERIE JOHNSON, MAYOR  
Term Expires December 31, 2020

MARY BURG, COUNCIL MEMBER  
Term Expires December 31, 2020

PAUL JACOBSON, COUNCIL MEMBER  
Term Expires December 31, 2020

EMILY DUNSWORTH, COUNCIL MEMBER  
Term Expires December 31, 2022

GRAEME ALLEN, COUNCIL MEMBER  
Term Expires December 31, 2022

**CITY MANAGERIAL STAFF**

**Position**

**Date Appointed**

City Manager	Dean Lotter	February 1, 2007
Public Safety Director	Tony Paetznick	July 14, 2016
Finance Director	Brenda Davitt	September 8, 2014
Parks and Recreation Director	Jennifer Fink	September 18, 2017
Director of Community Assets & Development	Craig Schlichting	December 1, 2014





## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of New Brighton  
New Brighton, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Brighton, Minnesota, as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Brighton, Minnesota, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Implementation of GASB 75

As discussed in Note 9 to the financial statements, the City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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



## **Other Matters (Continued)**

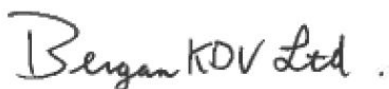
### *Other Information (Continued)*

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

The Introductory 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2019, on our consideration of the City of New Brighton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the effectiveness of the City's 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 of New Brighton's internal control over financial reporting and compliance.



Bloomington, Minnesota  
May 2, 2019



As management of the City of New Brighton, we offer readers of the City of New Brighton's financial statements this narrative overview and analysis of the financial activities of the City of New Brighton for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of New Brighton exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,400,933 (*net position*).
- The government's total net position increased by \$11,570,547, primarily due to the City's investment in capital assets.
- As of the close of the current fiscal year, the City of New Brighton's governmental funds reported combined ending fund balances of \$24,258,157, an increase of \$1,734,267 in comparison with the prior year. Approximately 98% of this total amount, \$23,801,858, is *available for spending* at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,918,212, or 48% of total General Fund expenditures.
- The City of New Brighton's total bonded debt decreased by \$2,345,000 (7%) during the current fiscal year due to principal payments of which, \$620,000 was for the early calls of the G.O. Improvement 2011A and G.O. Tax Increment 2012B Bonds.

### Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues

and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of New Brighton maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, one special revenue fund, two debt service funds, and three capital funds, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregate presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of New Brighton adopts an annual appropriated budget for its general fund and golf course special revenue fund. Budgetary comparisons have been provided to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on Statements 3 and 5 of this report.

**Proprietary funds.** The City of New Brighton maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of New Brighton uses enterprise funds to account for its water, sewer, stormwater, and street light system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of New Brighton's various functions. The City of New Brighton uses internal service funds to account for its risk management programs, compensated absences, replacement program for its fleet of vehicles and its non-fleet capital items such as equipment and furnishings, pavement management program for parking lots, trails, and hard courts, and for its information technology systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on Statements 8 through 10 of this report.

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

The basic fiduciary fund financial statement can be found on Statement 11 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following Statement 10 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on Statements 18 through 22 of this report.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2018

## Government-wide Financial Analysis

The analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Activities*. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of New Brighton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$86,400,936 at the close of the most recent fiscal year. This represents an increase of \$11,570,550 from the previous year primarily due to the addition of capital assets.

By far the largest portion of the City of New Brighton's net position (99.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. This increased by \$9,240,628 in 2018 to \$87,008,652. A majority of this increase is due to \$6,107,695 of construction projects still in progress and \$2,247,601 for the addition of Lions Park. The construction in progress consists of \$29,277 for 2019 street reconstruction, \$2,352,887 for 2018 street reconstruction, \$12,193,520 for a water treatment plant expansion, \$746,860 for citywide water meter replacements, \$49,922 for the replacement of the City Hall roof, HVAC/Boiler, \$5,000 for the purchase of Lake Jones, and \$128,886 for street light replacements. The City of New Brighton uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of New Brighton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of New Brighton's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 76,540,376	\$ 86,349,874	\$ 2,311,670	\$ 3,202,619	\$ 78,852,046	\$ 89,552,493
Capital assets	71,559,416	64,400,709	17,277,044	15,506,616	88,836,460	79,907,325
Total assets	<u>\$ 148,099,792</u>	<u>\$ 150,750,583</u>	<u>\$ 19,588,714</u>	<u>\$ 18,709,235</u>	<u>\$ 167,688,506</u>	<u>\$ 169,459,818</u>
Deferred outflows of resources	4,993,327	6,155,829	193,546	205,560	5,186,873	6,361,389
Long-term liabilities						
outstanding	\$ 39,452,962	\$ 41,790,745	\$ 998,064	\$ 911,675	\$ 40,451,026	\$ 42,702,420
Other liabilities	37,089,851	48,105,558	349,590	198,456	37,439,441	48,304,014
Total liabilities	<u>\$ 76,542,813</u>	<u>\$ 89,896,303</u>	<u>\$ 1,347,654</u>	<u>\$ 1,110,131</u>	<u>\$ 77,890,467</u>	<u>\$ 91,006,434</u>
Deferred inflows of resources	\$ 7,878,402	\$ 9,131,204	\$ 705,574	\$ 853,183	8,583,976	9,984,387
Net position:						
Net investment in capital assets	\$ 69,731,608	\$ 62,261,408	\$ 17,277,044	\$ 15,506,616	\$ 87,008,652	\$ 77,768,024
Restricted	70,929	91,272	-	-	70,929	91,272
Unrestricted	(1,130,633)	(4,473,775)	451,988	1,444,865	(678,645)	(3,028,910)
Total net position	<u>\$ 68,671,904</u>	<u>\$ 57,878,905</u>	<u>\$ 17,729,032</u>	<u>\$ 16,951,481</u>	<u>\$ 86,400,936</u>	<u>\$ 74,830,386</u>

An additional portion of the City of New Brighton's net position, \$70,929, represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$678,646) is *unrestricted*, which represents an increase of \$2,350,264 from 2017.

Deferred outflows and inflows of the city significantly decreased respectively in 2018 because of changes in actuarial assumptions relating to the pension plans.

### **Analysis of the City's Operations**

**Governmental activities.** Governmental activities increased the City of New Brighton's net position by \$12,053,078. Business-type activities increased New Brighton's net position by \$938,571, for an overall increase of \$12,991,649 during the 2018 fiscal year.

The Governmental activities increase in net position primarily reflects \$12,142,236 in Water Treatment charges for service revenues received for the expansion of the water treatment plant.

Explanations regarding the increase and significant changes in governmental activities were as follows:



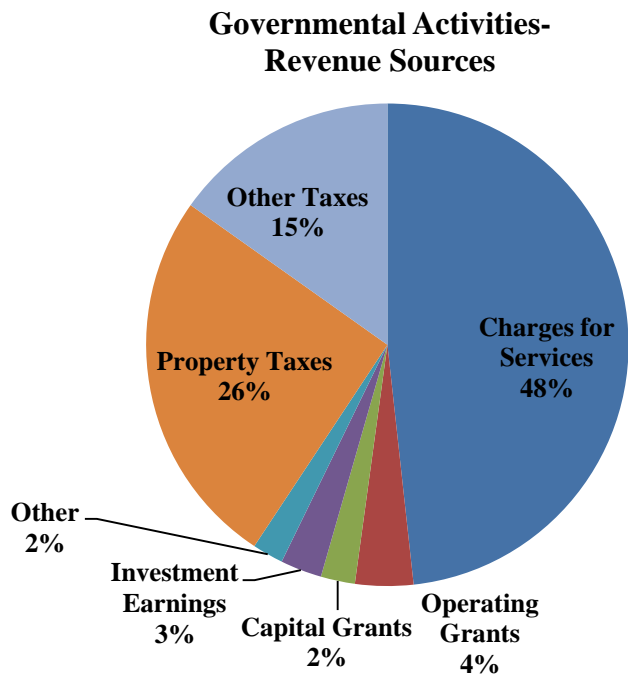
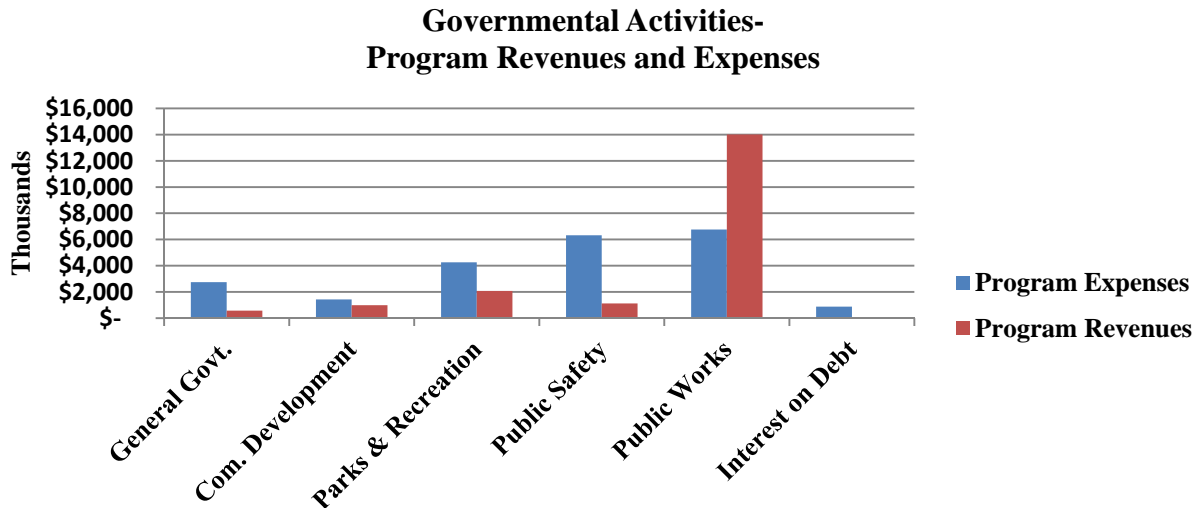
**CITY OF NEW BRIGHTON, MINNESOTA**  
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<b>City of New Brighton's Activities</b>						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for service	\$ 16,622,760	\$ 13,303,444	\$ 7,247,032	\$ 6,364,250	\$ 23,869,792	\$ 19,667,694
Operating grants and contributions	1,344,713	1,242,293	31,951	17,953	1,376,664	1,260,246
Capital grants and contributions	787,408	1,084,705	182,695	166,714	970,103	1,251,419
General revenues:						
Property taxes	8,790,897	8,001,827	5,850	5,850	8,796,747	8,007,677
Other taxes	5,226,979	4,456,656	-	-	5,226,979	4,456,656
Grants and contributions not restricted to specific programs	689,349	600,375	-	-	689,349	600,375
Investment earnings	956,122	1,015,101	23,336	(36,629)	979,458	978,472
Total Revenues	<u>34,418,228</u>	<u>29,704,401</u>	<u>7,490,864</u>	<u>6,518,138</u>	<u>41,909,092</u>	<u>36,222,539</u>
Expenses:						
General government	2,745,296	3,403,736	-	-	2,745,296	3,403,736
Community development	1,426,833	6,241,454	-	-	1,426,833	6,241,454
Parks and recreation	4,260,366	3,718,988	-	-	4,260,366	3,718,988
Public safety	6,320,937	4,896,578	-	-	6,320,937	4,896,578
Public works	6,761,750	5,876,572	-	-	6,761,750	5,876,572
Interest on debt	876,818	1,376,699	-	-	876,818	1,376,699
Water	-	-	2,652,757	1,749,193	2,652,757	1,749,193
Sewer	-	-	3,059,342	2,899,580	3,059,342	2,899,580
Stormwater	-	-	634,249	698,488	634,249	698,488
Street lights	-	-	204,425	178,527	204,425	178,527
Total expenses	<u>22,392,000</u>	<u>25,514,027</u>	<u>6,550,773</u>	<u>5,525,788</u>	<u>28,942,773</u>	<u>31,039,815</u>
Increase (decrease) in net position before transfers & gain on sale of capital assets	12,026,228	4,190,374	940,091	992,350	12,966,319	5,182,724
Gain on sale of capital assets	25,330	-	-	-	25,330	-
Transfers	1,520	(23,616)	(1,520)	23,616	-	-
Increase (decrease) in net position	12,053,078	4,166,758	938,571	1,015,966	12,991,649	5,182,724
Net position-January 1*	56,618,826	53,712,147	16,790,461	15,935,515	73,409,287	69,647,662
Net position-December 31	<u>\$ 68,671,904</u>	<u>\$ 57,878,905</u>	<u>\$ 17,729,032</u>	<u>\$ 16,951,481</u>	<u>\$ 86,400,936</u>	<u>\$ 74,830,386</u>

\* GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, was implemented for the year ended December 2018 and required a \$1,421,099 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2017 and beginning net position on January 1, 2018.

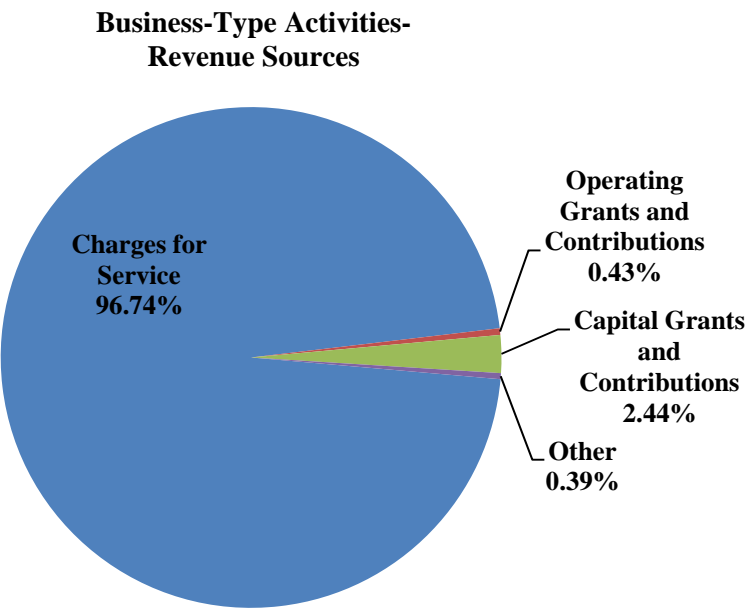
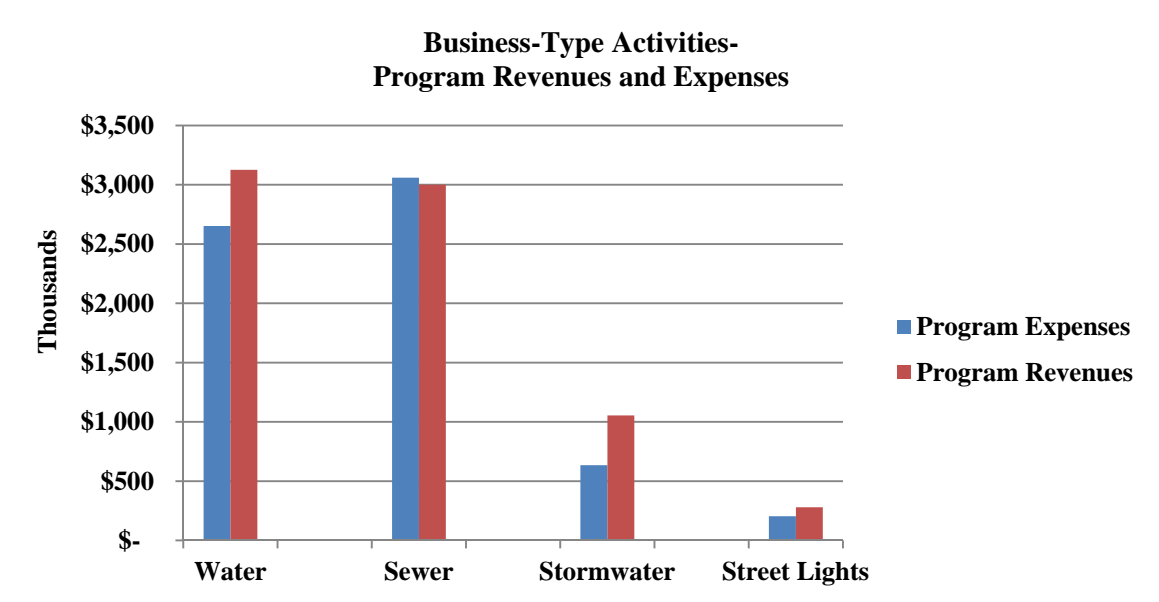
- The Charges for service increase is mainly due to \$4,755,409 more collected from the U.S. Department of Justice for work completed on the water treatment expansion. Other activity affecting this increase includes \$152,693 from the License Bureau due to expanded driver's license services provided, and \$141,946 in Community Center activities surrounding the New Eagles Nest Playground. Although there were increases, some of the major decreases were \$797,629 from Ramsey County's 2017 portion of Lions Park construction costs, and \$308,145 decrease in permit revenues as the Exchange Development is almost complete. Business-type charges for service experienced an \$882,782 increase due to \$490,742 from increases in utility rates, and \$373,070 from in-house engineering fees relating to the reimbursement from the U.S. Department of Justice on water treatment plant staffing.
- The increase in general government expenses is a result of an additional \$162,556 from two new full-time staff and increased overtime in the License Bureau, \$42,963 in a remodel of the Council Chambers, \$88,673 increase in election costs due to a gubernatorial election, and an additional \$55,000 contribution to the City's Community Partners with Youth program. Other factors adding to the increase is \$152,980 in IT operating costs due to a department reorganization and two new full-time employees, and \$76,710 in general liability and deductible costs.
- Community development expenses significantly decreased primarily due to a 2017 revaluation of land held for resale in the Exchange Development. \$3,428,347 to adjust the fair market value of land held for resale and \$1,203,300 to reflect land given to a developer in exchange for more market value additions to the building.
- Public Safety expenses experienced an increase primarily due to \$1,484,093 in fire relief pension expense due to an actuarial correction in 2017. In addition to these increases, public safety also experienced an additional \$619,655 decrease due to the GASB 68 pension liability calculation.
- Public Works expense increase is primarily due to \$422,282 more in expenses in readying the water treatment plant for operation.
- The Water expense increase is a combination of \$194,616 for two new full-time employees, \$32,478 increase in pension expense, \$37,647 more in utility costs in running own wells as the City is no longer purchasing water from Minneapolis, and an increase of \$115,900 in administrative costs. In addition, the city experienced an increase of \$481,120 in maintenance costs for the City's well pumps.
- The Sewer expenses primarily increased due to an additional \$136,146 in wastewater cleaning as more gallons were processed as well as a price increase with the regional Metropolitan Council Environmental Services.

Below are specific graphs that provide comparisons of the governmental activities revenues and expenses for the last fiscal year.



**Business-type Activities.** The increase in net position for business-type activities of \$938,571 reflects delayed capital projects of \$1,019,000 in the Water fund, and \$273,000 in the Sewer fund, for which utility rate increases were implemented. Items not included in the utility rate analysis but are reflected in the net position are \$604,000 of depreciation in all utility funds, and \$183,000 of MSA contribution in the in the Stormwater fund.

Below are graphs showing the business-type activities revenue and expense comparisons for the past fiscal year.



## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of New Brighton's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of New Brighton's financing requirements. In particular, *spendable fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of New Brighton's governmental funds reported combined ending fund balances of \$24,258,157, an increase of \$1,734,267 in comparison with the prior year. Approximately 98% of this total amount, \$23,801,858, constitutes *spendable unrestricted, fund balance*, which is available for spending at the government's discretion. The amount of \$390,489 is restricted for 1) public safety forfeitures, \$70,929 and 2) debt retirement, \$319,560. The remainder of fund balance is *nonspendable* to indicate that it is not available for spending because it is not in spendable form, (prepaid items totaling \$65,810).

The General Fund is the chief operating fund of the City of New Brighton. At the end of the current fiscal year, the nonspendable fund balance of the General Fund was \$62,072; the unassigned fund balance was \$6,918,212; the restricted fund balance was \$70,929; the committed fund balance was \$51,442; the assigned fund balance was \$85,470 for a total fund balance of \$7,188,125. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48% of total General Fund expenditures and total fund balance represents 50% of that same amount.

The Municipal Development Fund accounts for municipal money dedicated to community development and initial project costs. The fund's balance increased by \$674,453 primarily because of interest on interfund loans.

The Tax Increment Districts Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The fund's balance increased by \$143,038 due to an increase of \$664,288 in tax increment received due to citywide market value increases and for the additional market value added from completed development within the Exchange Development.

The Street Improvements fund accounts for street reconstruction and improvement projects. This fund's balance increased by \$297,991 due to the receipt of \$538,332 in state aid for a 2016 street reconstruction project, and \$206,783 in state aid for ongoing street maintenance projects. There was also a transfer in from other funds of \$695,000. These inflows of resources exceeded expenditures of \$1,055,174 and transfers out to other funds of \$50,000.

G.O. Improvement Debt decreased by \$75,184 mainly due to the principal paid on an early call of the 2011A G.O. Improvement Bonds and the use of the existing balance of \$70,043. The entire fund balance of \$394,744 is restricted for repayment of the City's bonded debt.

The non-major governmental funds overall increased by \$526,783. Golf Course increased by \$7,086 due to a transfer in to eliminate an existing negative fund balance. Community Reinvestment Fund increased by \$174,053 due to \$128,393 collected in excess tax increment and \$139,800 transferred in from excess general fund balance per policy. The Closed Bond fund saw an increase of \$292,364 due to a transfer in from the general fund of \$322,500 to repay internal loans used to help finance street reconstruction projects. The Parks Improvements Fund increased by \$53,280 due to a \$66,862 payment from the Rice Creek Watershed for the storage of soil taken from the Hansen Park pond. These funds are designated to help in rebuilding park amenities at Hansen Park.

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

Unrestricted net position of the water, sewer, stormwater, and street light system operations at the end of the year amounted to \$79,100. The change in net position for each fund was; Water Utility increased \$469,654, Sewer Utility decreased \$65,329; Stormwater Management Utility increased \$436,409; and Street Light System increased \$76,168. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of New Brighton's business-type activities.

### **General Fund Budgetary Highlights**

The General Fund balance increased by \$167,186 compared to a budgeted \$191,580 decrease. Some elements that contributed to the difference are:

- Intergovernmental revenue was over budget by \$54,481 due to \$21,200 more than budgeted for joint powers services for code enforcement with the City of St. Anthony, and \$20,200 in non-budgeted revenue for PERA aid recorded for GASB 68.
- Charges for Service ended the year with actual revenue under budget by \$20,675 and includes the following items worth mentioning. The recreation programs came in over budget by a total of \$78,148 in part to a \$39,000 increase in the Ed Ventures Day Care program and \$20,500 in youth sports. There were several Community Center revenues worth mentioning; one is facility rentals that were over budget by \$56,653 mainly due to birthday parties held at the Eagles Nest and two; daily/punch passes were over budget by \$121,985 created in part to the budgeting process was completed before the Eagles Nest was completed. These budgeted savings were offset by \$137,900 in License Bureau fees under budget in part to a new expanded service to issue driver's licenses created as no actual data available for budgeting purposes and \$100,000 in an administrative engineering charge not transferred from the Street Improvement fund.
- Community Development realized a budget savings of \$79,344 in personnel costs due to staff turnover of the Assistant Department of Community Assets and Development Director and the retirement of the lead Building Inspector.
- Parks & Recreation ended the year with a budget to actual savings of \$83,511 due to an increase in parks maintenance staff, which lead to less reliance on seasonal staff and professional help that allowed the Forestry budget to show a savings of \$27,656. Staff turnover of a recreation supervisor and a lead guest services employee in the Recreation division contributed to \$48,218 in savings along with a budgeted savings of \$6,763 in professional services for an aquatics class not held due to low registrations.

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Other budgetary highlights include actual personnel costs higher than budget of \$25,870 for the Community Center due to high attendance and more supervision at the Eagles Nest. The Community Center also experienced actual costs higher than budget of \$20,590 due to a boiler automation project, repairing leaky skylights, and repair and repainting of a railing along an emergency exit ramp. Both of these overages were offset by a budgeted savings of \$41,382 in cleaning costs due to a budgeted switch in vendors not occurring in 2018.

- Public works also realized a savings in personnel costs of \$129,060 due to maintenance staff turnover, a vacant Project Manager position, and lower overtime costs.

Aside from the above, revenues and expenditures were generally as expected.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of New Brighton's investment in capital assets for its governmental and business type activities as of December 31, 2018, amounts to \$88,836,459 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, highways, and infrastructure. The total increase in the City of New Brighton's investment in capital assets for the current fiscal year was 11% (a 9% increase for governmental activities and a 2% increase for business-type activities).

Major capital asset events during 2018 included the following: reconstruction of City streets, replacement of machinery and equipment, expansion of the water treatment plant, construction of Lions Park, and replacement of portions of the water distribution, sanitary sewer collection and stormwater systems.

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

	2018	2017	2018	2017	2018	2017
Land	\$ 9,156,349	\$ 9,156,349	\$ 372,776	\$ 372,776	\$ 9,529,125	\$ 9,529,125
Buildings and structures	16,826,019	17,977,433	2,668,496	2,737,025	19,494,515	20,714,458
Machinery and equipment	6,680,077	6,504,337	186,620	183,647	6,866,697	6,687,984
Infrastructure	20,654,351	20,875,267	11,699,576	11,379,029	32,353,927	32,254,296
Other improvements	5,036,504	2,788,901	49,391	99,321	5,085,895	2,888,222
Construction in progress	13,206,116	7,098,421	2,300,185	734,818	15,506,301	7,833,239
Net capital assets	<u>\$ 71,559,416</u>	<u>\$ 64,400,708</u>	<u>\$ 17,277,044</u>	<u>\$ 15,506,616</u>	<u>\$ 88,836,460</u>	<u>\$ 79,907,324</u>

Additional information on the City of New Brighton's capital assets can be found in Note 3-D.



**Long-term debt.** At the end of the current fiscal year, the City of New Brighton had total bonded debt outstanding of \$31,170,000. Of this amount, \$29,590,000 comprises debt backed by the full faith and credit of the government and \$1,580,000 is G.O. improvement debt for which the government is liable in the event of default by the property owners subject to special assessment and \$1,118,628 in unamortized premium. In addition, the City also has long-term liabilities in the amount of \$1,015,951 for compensated absences, \$1,312,500 for pollution remediation obligation, and \$6,979,705 for net pension liability.

**City of New Brighton's Outstanding Debt**  
**General Obligation Improvement Bonds and Tax Increment Bonds**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds:						
G.O. Improvement bonds	\$ 1,580,000	\$ 2,095,000	\$ -	\$ -	\$ 1,580,000	\$ 2,095,000
Tax increment bonds	29,590,000	31,420,000	-	-	29,590,000	31,420,000
Unamortized Premium	1,118,628	1,204,861	-	-	1,118,628	1,204,861
Total bonded debt	<u>\$ 32,288,628</u>	<u>\$ 34,719,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,288,628</u>	<u>\$ 34,719,861</u>

The City of New Brighton's total bonded debt decreased by a net amount of \$2,431,233 (7%) during 2018. A majority of the decrease \$1,915,000 is due to principal payments and \$430,000 for the early call of the 2011A G. O. Improvement Bond and 2012B Tax Increment Bond.

The City of New Brighton maintains an "AA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 3% of its total market value. The current debt limitation for the City of New Brighton is \$64,158,555.

Additional information on the City of New Brighton's long-term debt can be found in Note 3-F.

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

- According to the Minnesota Department of Employment and Economic Development, the City of New Brighton's unemployment rate as of December 2018, was 2.5%; Ramsey County was 2.7%; the State of Minnesota was 3.7%.
- Maintaining acceptable service levels while being sensitive to increases in property taxes remains the most significant challenge during a time of revenue reductions, followed by a long-term plan to reinvest into the City's capital assets.
- The 2019 total tax levy is \$9,513,110, an increase of \$851,940 from 2018.

- The utility rates for 2019 were increased and a new sewer rate created for commercial accounts. The increases were 6.75% for water, 4% for residential sanitary sewer and 40% for commercial accounts, 7% for stormwater and 2% for streetlights.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2018

**Statement 1**

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 35,090,431	\$ 2,771,948	\$ 37,862,379
Restricted cash and investments	31,449,338	-	31,449,338
Accrued interest receivable	227,555	9,543	237,098
Due from other governmental units	838,441	-	838,441
Internal balances	1,995,533	(1,995,534)	(1)
Accounts receivable-net	383,155	1,500,897	1,884,052
Taxes receivable:			
Delinquent	189,639	319	189,958
Due from county	192,409	59	192,468
Special assessments receivable	464,979	4,439	469,418
Prepaid items	76,090	19,999	96,089
Net pension asset	1,283,027	-	1,283,027
Assets held for resale	4,349,779	-	4,349,779
Capital assets (net of accumulated depreciation):			
Land	9,156,349	372,776	9,529,125
Buildings and structures	16,826,019	2,668,496	19,494,515
Machinery and equipment	6,680,077	186,620	6,866,697
Infrastructure	20,654,351	11,699,576	32,353,927
Other improvements	5,036,504	49,391	5,085,895
Construction in progress	13,206,116	2,300,185	15,506,301
Total assets	<u>148,099,792</u>	<u>19,588,714</u>	<u>167,688,506</u>
Deferred outflows of resources:			
Deferred outflows of resources related to pension	4,938,806	185,357	5,124,163
Deferred outflows of resources related to OPEB	<u>54,521</u>	<u>8,189</u>	<u>62,710</u>
Total deferred outflows of resources	<u>4,993,327</u>	<u>193,546</u>	<u>5,186,873</u>
Liabilities:			
Accounts payable	796,605	136,610	933,215
Salaries payable	338,677	46,209	384,886
Deposits payable	100,740	-	100,740
Due to other governmental units	290,831	11,691	302,522
Contracts payable	1,334,700	21,509	1,356,209
IBNR payable	282,001	-	282,001
Unearned revenue	30,846,682	-	30,846,682
Accrued interest payable	394,360	-	394,360
Compensated absences:			
Due within one year	631,355	99,802	731,157
Due in more than one year	384,596	33,769	418,365
Bonds payable:			
Due within one year	1,990,000	-	1,990,000
Due in more than one year	30,298,628	-	30,298,628
Pollution remediation obligation			
Due within one year	83,900	-	83,900
Due in more than one year	1,240,700	-	1,240,700
Net pension liability - due in more than one year	6,159,154	820,551	6,979,705
Total OPEB liability - due in more than one year	<u>1,369,884</u>	<u>177,513</u>	<u>1,547,397</u>
Total liabilities	<u>76,542,813</u>	<u>1,347,654</u>	<u>77,890,467</u>
Deferred inflows of resources:			
Deferred inflows of resources related to pension	6,570,613	198,570	6,769,183
State aid received for subsequent years	<u>1,307,789</u>	<u>507,004</u>	<u>1,814,793</u>
Total deferred inflows of resources	<u>7,878,402</u>	<u>705,574</u>	<u>8,583,976</u>
Net Position:			
Net investment in capital assets	69,731,608	17,277,044	87,008,652
Restricted for:			
Public safety forfeitures	70,929	-	70,929
Unrestricted	<u>(1,130,633)</u>	<u>451,988</u>	<u>(678,645)</u>
Total net position	<u>\$ 68,671,904</u>	<u>\$ 17,729,032</u>	<u>\$ 86,400,936</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2018

**Statement 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Government activities:							
General government	\$ 2,745,296	\$565,329	\$ 6,651	\$ -	\$ (2,173,316)	\$ -	\$ (2,173,316)
Community development	1,426,833	771,010	156,004	62,206	(437,613)	-	(437,613)
Parks and recreation	4,260,366	2,020,434	46,659	-	(2,193,273)	-	(2,193,273)
Public safety	6,320,937	193,030	899,448	23,000	(5,205,459)	-	(5,205,459)
Public works	6,761,750	13,072,957	235,951	702,202	7,249,360	-	7,249,360
Interest on long-term debt	876,818	-	-	-	(876,818)	-	(876,818)
Total government activities	22,392,000	16,622,760	1,344,713	787,408	(3,637,119)	-	(3,637,119)
Business-type activities:							
Water	2,652,757	3,122,156	4,351	-	-	473,750	473,750
Sewer	3,059,342	2,998,970	2,039	-	-	(58,333)	(58,333)
Stormwater	634,249	846,425	25,561	182,695	-	420,432	420,432
Street lights	204,425	279,481	-	-	-	75,056	75,056
Total business-type activities	6,550,773	7,247,032	31,951	182,695	-	910,905	910,905
Total primary government	\$ 28,942,773	\$ 23,869,792	\$ 1,376,664	\$ 970,103	(3,637,119)	910,905	(2,726,214)
General revenues:							
Property taxes					8,790,897	5,850	8,796,747
Tax increment					3,954,300	-	3,954,300
Franchise taxes					1,272,679	-	1,272,679
Grants and contributions not restricted to specific programs					689,349	-	689,349
Unrestricted investment earnings					956,122	23,336	979,458
Gain on sale of capital assets					25,330	-	25,330
Transfers					1,520	(1,520)	-
Total general revenues and transfers					15,690,197	27,666	15,717,863
Change in net position					12,053,078	938,571	12,991,649
Net position - beginning, as previously reported					57,878,905	16,951,481	74,830,386
Change in accounting principle (See Note 9)					(1,260,079)	(161,020)	(1,421,099)
Net position - beginning, restated					56,618,826	16,790,461	73,409,287
Net position - ending					\$ 68,671,904	\$ 17,729,032	\$ 86,400,936

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2018

		Special Revenue	Capital Projects	
		Water		Tax
	General	Treatment Plant No. 1	Municipal Development	Increment Districts
<b>Assets:</b>				
Cash and investments	\$ 7,801,805	\$ -	\$ 5,518,453	\$ 51,635
Restricted cash and investments	-	31,449,338	-	-
Accrued interest receivable	26,199	105,526	22,981	173
Due from other governmental units	29,335	-	-	-
Accounts receivable	373,133	-	-	-
Interfund receivable	-	-	1,330,343	-
Taxes receivable:				
Delinquent	107,928	-	-	80,576
Due from county	172,421	-	-	13,716
Special assessments receivable	-	-	-	-
Interfund loan receivable	-	-	14,600,441	-
Prepaid items	62,072	2,389	-	-
Assets held for resale	-	-	2,377,926	1,971,853
<b>Total assets</b>	<b>\$ 8,572,893</b>	<b>\$ 31,557,253</b>	<b>\$ 23,850,144</b>	<b>\$ 2,117,953</b>
<b>Liabilities:</b>				
Accounts payable	\$ 243,337	\$ 281,495	\$ 13,625	\$ 4,680
Interfund payable	-	-	-	-
Salaries payable	321,067	-	-	-
Deposits payable	93,045	-	-	7,695
Due to other governmental units	283,630	4,861	-	-
Contracts payable	24,676	743,814	-	-
Interfund loan payable	-	-	-	14,600,441
Unearned revenue	311,085	30,527,083	-	-
<b>Total liabilities</b>	<b>1,276,840</b>	<b>31,557,253</b>	<b>13,625</b>	<b>14,612,816</b>
<b>Deferred inflows of resources:</b>				
State aid received for subsequent years	-	-	-	-
Unavailable revenue - delinquent taxes	107,928	-	-	80,576
Unavailable revenue - county aid	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>107,928</b>	<b>-</b>	<b>-</b>	<b>80,576</b>
<b>Fund balance (deficit):</b>				
Non-spendable	62,072	2,389	-	-
Restricted	70,929	-	-	-
Committed	51,442	-	23,836,519	-
Assigned	85,470	-	-	-
Unassigned	6,918,212	(2,389)	-	(12,575,439)
<b>Total fund balance (deficit)</b>	<b>7,188,125</b>	<b>-</b>	<b>23,836,519</b>	<b>(12,575,439)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,572,893</b>	<b>\$ 31,557,253</b>	<b>\$ 23,850,144</b>	<b>\$ 2,117,953</b>

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

Statement 3

Capital Projects	Debt Service		
Street	G.O.	Other	
Improvements	Improvement	Governmental	Totals
	Bonds	Funds	
\$ 1,435,904	\$ 315,771	\$ 4,878,788	\$ 20,002,356
-	-	-	31,449,338
4,586	1,060	16,450	176,975
6,992	-	797,629	833,956
-	-	-	373,133
-	-	-	1,330,343
-	-	1,135	189,639
-	2,729	3,543	192,409
-	143,162	321,817	464,979
-	-	2,368,421	16,968,862
-	-	1,349	65,810
-	-	-	4,349,779
<u>\$ 1,447,482</u>	<u>\$ 462,722</u>	<u>\$ 8,389,132</u>	<u>\$ 76,397,579</u>
\$ 30,319	\$ -	\$ 11,062	\$ 584,518
-	-	1,330,343	1,330,343
-	-	3,667	324,734
-	-	-	100,740
-	-	2,340	290,831
532,659	-	-	1,301,149
-	-	-	14,600,441
7,292	-	1,170	30,846,630
<u>570,270</u>	<u>-</u>	<u>1,348,582</u>	<u>49,379,386</u>
1,307,789	-	-	1,307,789
-	-	1,135	189,639
-	-	797,629	797,629
-	143,162	321,817	464,979
<u>1,307,789</u>	<u>143,162</u>	<u>1,120,581</u>	<u>2,760,036</u>
-	-	1,349	65,810
-	319,560	-	390,489
-	-	3,175,896	27,063,857
-	-	4,073,725	4,159,195
(430,577)	-	(1,331,001)	(7,421,194)
<u>(430,577)</u>	<u>319,560</u>	<u>5,919,969</u>	<u>24,258,157</u>
<u>\$ 1,447,482</u>	<u>\$ 462,722</u>	<u>\$ 8,389,132</u>	<u>\$ 76,397,579</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**RECONCILIATION OF THE BALANCE SHEET TO**  
**THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**  
**December 31, 2018**

**Statement 4**

Total Fund Balances - Governmental Funds (Statement 3) \$ 24,258,157

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

Capital assets used in governmental activities are not current financial resources and therefore, are not reported as net position in governmental funds.

Cost of capital assets	112,705,375
Less accumulated depreciation	(50,418,160)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:	
Bond principal payable	(31,170,000)
Unamortized Bond Premium	(1,118,628)
Net Pension Liability	(6,009,682)
Total OPEB Liability	(1,339,994)
Net Pension Asset	1,283,027

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

Property taxes	189,639
Ramsey County Reimbursement	797,629
Special assessments	464,979

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows of resources related to pensions	(6,534,441)
Deferred outflows of resources related to pensions	4,905,041
Deferred outflows of resources related to OPEB	52,981

Governmental funds do not report a liability for accrued interest due and payable. (394,360)

Internal service funds are used by management to charge the cost of compensated absences, fleet and non-fleet capital asset replacement, information technology and risk management services to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

22,324,941

Pollution Remediation obligation is not due and payable in the current year and is not reported in the funds.

(1,324,600)

Total Net Position - Governmental Activities (Statement 1) \$ 68,671,904

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





**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2018

		Special Revenue	Capital Projects	
		Water		Tax
	General	Treatment	Municipal	Increment
		Plant No. 1	Development	Districts
Revenues:				
General property taxes	\$ 8,656,425	\$ -	\$ -	\$ -
Tax increment	-	-	-	3,891,820
Franchise Taxes	1,272,679	-	-	-
Licenses and permits	618,376	-	-	-
Intergovernmental	1,199,581	-	-	-
Charges for services	3,697,625	12,142,236	-	-
Special assessments	-	-	-	-
Fines and forfeits	74,867	-	-	-
Investment income:				
Interest on investments	106,164	494,545	85,685	20,151
Change in fair value of investments	(25,478)	45,968	(30,791)	7,398
Interest on interfund loans	-	-	620,425	-
Rents	297,508	-	-	-
Miscellaneous Revenue	116,458	9,818	69,556	-
Contributions and donations	36,765	-	-	-
Total revenues	16,050,970	12,692,567	744,875	3,919,369
Expenditures:				
Current:				
General government	2,506,744	-	-	-
Community development	988,018	-	70,422	389,214
Parks and recreation	3,714,828	-	-	-
Public safety	5,826,367	-	-	-
Public works	1,213,133	4,313,543	-	-
Capital outlay:				
General government	-	-	-	-
Parks and recreation	6,261	-	-	-
Public safety	107,064	-	-	-
Public works	-	8,380,544	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and paying agent fees	-	-	-	-
Interest on interfund loans	-	-	-	620,424
Total expenditures	14,362,415	12,694,087	70,422	1,009,638
Excess (deficiency) of revenues over (under) expenditures	1,688,555	(1,520)	674,453	2,909,731
Other financing sources (uses):				
Transfers in	-	1,520	-	-
Transfers out	(1,521,369)	-	-	(2,766,693)
Total other financing sources (uses)	(1,521,369)	1,520	-	(2,766,693)
Net increase (decrease) in fund balance	167,186	-	674,453	143,038
Fund balance - (deficit) - January 1	7,020,939	-	23,162,066	(12,718,477)
Fund balance (deficit) - December 31	\$ 7,188,125	\$ -	\$ 23,836,519	\$ (12,575,439)

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

Statement 5

Capital Projects	Debt Service		Other Governmental Funds	Totals
	G.O. Improvement Bonds	Tax Increment Bonds		
Street Improvements				
\$ -	\$ -	\$ -	\$ 128,393	\$ 8,784,818
-	-	-	-	3,891,820
-	-	-	-	1,272,679
-	-	-	-	618,376
678,035	-	-	447,003	2,324,619
168	-	-	303,596	16,143,625
-	44,059	-	146,094	190,153
-	-	-	-	74,867
16,015	1,821	-	80,828	805,209
(13,359)	(780)	-	1,201	(15,841)
-	-	-	16,815	637,240
22,875	-	-	36,023	356,406
4,431	-	-	-	200,263
-	-	-	28,835	65,600
708,165	45,100	-	1,188,788	35,349,834
-	-	-	1,820	2,508,564
-	-	-	-	1,447,654
-	-	-	343,945	4,058,773
-	-	-	-	5,826,367
42,635	7,029	12,806	-	5,589,146
-	-	-	159,591	159,591
-	-	-	42,589	48,850
-	-	-	-	107,064
1,012,539	-	-	-	9,393,083
-	515,000	1,830,000	-	2,345,000
-	51,386	923,885	-	975,271
-	-	-	-	620,424
1,055,174	573,415	2,766,691	547,945	33,079,787
(347,009)	(528,315)	(2,766,691)	640,843	2,270,047
695,000	453,131	2,766,691	759,071	4,675,413
(50,000)	-	-	(873,131)	(5,211,193)
645,000	453,131	2,766,691	(114,060)	(535,780)
297,991	(75,184)	-	526,783	1,734,267
(728,568)	394,744	-	5,393,186	22,523,890
\$ (430,577)	\$ 319,560	\$ -	\$ 5,919,969	\$ 24,258,157

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2018**

**Statement 6**

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

Net changes in fund balances - total governmental funds (statement 5)	\$ 1,734,267
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlays	9,327,146
Depreciation expense	(2,522,517)
Disposal of assets	389,167
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	109,356
Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the statement of activities.	
Bond principal payments	2,345,000
Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	86,233
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	12,220
Governmental funds recognize pension contributions as expenditures at the time of payment whereas the statement of activities factors in items related to pension on full accrual perspective.	
Pension expense	(84,949)
Internal service funds are used by management to charge the cost of compensated absences, fleet and non-fleet capital asset replacement, information technology and risk management services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	669,254
Pollution remediation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(12,100)
Change in net position of governmental activities (statement 2)	<u>\$ 12,053,077</u>

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



**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2018**

	Business-Type Activities - Enterprise Funds	
	Water Utility	Sewer Utility
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,869,765	\$ 177,444
Accrued interest receivable	6,345	600
Accounts receivable:		
Customer - unbilled	189,131	263,603
Customer - billed	284,417	317,763
Customer - certified to county	-	216,067
Taxes Receivable:		
Due from county	-	-
Delinquent	-	-
Special assessments receivable:		
Due from county	-	4,439
Prepaid items	-	19,999
Total current assets	<u>2,349,658</u>	<u>999,915</u>
Noncurrent assets:		
Capital assets:		
Land	365,800	600
Buildings	4,699,672	333,018
Machinery & Equipment	37,177	274,357
Infrastructure	9,560,998	10,639,929
Other improvements	6,398	138,133
Construction in progress	1,169,033	27,124
Less accumulated depreciation	(8,063,756)	(8,368,807)
Net capital assets	<u>7,775,322</u>	<u>3,044,354</u>
Total noncurrent assets	<u>7,775,322</u>	<u>3,044,354</u>
Total assets	<u>10,124,980</u>	<u>4,044,269</u>
Deferred Outflows of Resources:		
Deferred outflows of resources related to pensions	108,614	60,179
Deferred outflows of resources related to OPEB	4,893	2,604
Total deferred outflows of resources	<u>113,507</u>	<u>62,783</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	58,857	50,389
Salaries payable	27,591	14,707
Due to other governmental units	3,908	7,783
Contracts payable	21,509	-
Interfund payable	1,300,000	-
IBNR	-	-
Compensated absences payable - current	74,604	21,053
Unearned revenue	-	-
Total current liabilities	<u>1,486,469</u>	<u>93,932</u>
Noncurrent liabilities:		
Net Pension Liability	480,819	266,405
Total OPEB Liability	91,707	66,322
Compensated absences payable	17,943	13,222
Total noncurrent liabilities	<u>590,469</u>	<u>345,949</u>
Total liabilities	<u>2,076,938</u>	<u>439,881</u>
Deferred Inflows of Resources:		
State aid received for subsequent years	-	-
Deferred inflows of resources related to pensions	116,356	64,469
Total deferred inflows of resources	<u>116,356</u>	<u>64,469</u>
<b>Net position:</b>		
Investment in capital assets	7,775,322	3,044,354
Unrestricted	269,871	558,348
Total net position	<u>\$ 8,045,193</u>	<u>\$ 3,602,702</u>

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

## Statement 7

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Stormwater Management	Street Light System	Totals	Totals
\$ 411,659	\$ 313,079	\$ 2,771,947	15,088,070
1,547	1,051	9,543	50,580
77,224	21,169	551,127	-
94,442	37,081	733,703	14,507
-	-	216,067	-
59	-	59	-
319	-	319	-
-	-	4,439	-
-	-	19,999	10,280
585,250	372,380	4,307,203	15,163,437
6,376	-	372,776	-
-	-	5,032,690	3,083,511
-	-	311,534	11,446,670
7,449,482	99,321	27,749,730	-
-	-	144,531	1,108,064
975,143	128,885	2,300,185	49,922
(2,195,218)	(6,621)	(18,634,402)	(6,415,961)
6,235,783	221,585	17,277,044	9,272,206
6,235,783	221,585	17,277,044	9,272,206
6,821,033	593,965	21,584,247	24,435,643
16,564	-	185,357	33,765
692	-	8,189	1,540
17,256	-	193,546	35,305
4,555	22,809	136,610	212,087
3,911	-	46,209	13,943
-	-	11,691	-
-	-	21,509	33,551
817,385	251,036	2,368,421	-
-	-	-	282,001
4,145	-	99,802	631,355
-	-	-	52
829,996	273,845	2,684,242	1,172,989
73,327	-	820,551	149,472
19,484	-	177,513	29,890
2,604	-	33,769	384,596
95,415	-	1,031,833	563,958
925,411	273,845	3,716,075	1,736,947
507,004	-	507,004	-
17,745	-	198,570	36,172
524,749	-	705,574	36,172
6,235,783	221,585	17,277,044	9,272,206
(847,654)	98,535	79,100	13,425,623
\$ 5,388,129	\$ 320,120	17,356,144	\$ 22,697,829
Adjustment to reflect the consolidation of internal service activities related to enterprise funds		372,888	
Net position of business-type activities		\$ 17,729,032	

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - PROPRIETARY FUNDS**  
For The Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds	
	Water Utility	Sewer Utility
Operating revenues:		
Customer charges	\$ 2,471,365	\$ 2,927,141
Late charges	35,889	45,394
Other charges	10,201	1,700
Total operating revenues	<u>2,517,455</u>	<u>2,974,235</u>
Operating expenses:		
Personnel services	952,350	435,120
Materials and supplies	81,466	8,735
Contractual services	1,285,756	2,477,530
Professional services	102,162	10,392
Depreciation	236,798	136,783
Total operating expenses	<u>2,658,532</u>	<u>3,068,560</u>
Operating income (loss)	<u>(141,077)</u>	<u>(94,325)</u>
Nonoperating revenues (expenses):		
Investment income:		
Interest on investments	16,807	642
Change in fair value of investments	(13,608)	1,580
Property taxes	-	-
Interest on assessments	-	17,073
Interest on interfund loan	-	-
In-house engineering and administrative charges	604,701	7,662
Intergovernmental	4,351	2,039
Gain (loss) on disposal of capital assets	-	-
Miscellaneous Revenue	-	-
Total nonoperating revenues (expenses)	<u>612,251</u>	<u>28,996</u>
Income (loss) before contributions and transfers	<u>471,174</u>	<u>(65,329)</u>
Capital contributions	-	-
School district grant - capital contribution	-	-
Transfers:		
Transfers in	-	-
Transfers out	(1,520)	-
Total transfers	<u>(1,520)</u>	<u>-</u>
Change in net position	469,654	(65,329)
Net position - January 1, as previously reported	7,657,391	3,729,108
Change in accounting principle (See Note 9)	(81,852)	(61,077)
Net position - January 1, restated	<u>7,575,539</u>	<u>3,668,031</u>
Net position - December 31	<u>\$ 8,045,193</u>	<u>\$ 3,602,702</u>

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



Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Stormwater Management Utility	Street Light System	Totals	Totals	
\$ 831,425	\$ 273,467	\$ 6,503,398	\$ 2,318,400	
11,069	6,014	98,366	-	
-	-	11,901	-	
842,494	279,481	6,613,665	2,318,400	
125,952	-	1,513,422	386,943	
13,664	-	103,865	131,415	
258,765	196,099	4,218,150	852,253	
95	-	112,649	78,525	
230,649	3,311	607,541	929,526	
629,125	199,410	6,555,627	2,378,662	
213,369	80,071	58,038	(60,262)	
9,432	4,265	31,146	217,504	
4,314	(96)	(7,810)	(50,750)	
5,850	-	5,850	-	
-	-	17,073	-	
(8,743)	(8,072)	(16,815)	-	
3,931	-	616,294	-	
25,561	-	31,951	1,315	
-	-	-	25,330	
-	-	-	9,236	
40,345	(3,903)	677,689	202,635	
253,714	76,168	735,727	142,373	
182,695	-	182,695	-	
-	-	-	11,250	
-	-	-	537,300	
-	-	(1,520)	-	
-	-	(1,520)	537,300	
436,409	76,168	916,902	690,923	
4,969,811	243,952		22,033,693	
(18,091)	-		(26,787)	
4,951,720	243,952		22,006,906	
\$ 5,388,129	\$ 320,120		\$ 22,697,829	

Adjustment to reflect the consolidation of internal service activities related to enterprise funds

Change in net position of business-type activities

21,669  
\$ 938,571

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds	
	Water Utility	Sewer Utility
Cash flows - operating activities:		
Receipts from customers and users	\$ 2,415,920	\$ 2,955,350
Receipts from interfund services provided	-	-
Payments to employees	(852,237)	(463,502)
Payments to suppliers for goods and services	(756,724)	(1,849,350)
Payments for interfund services used	(647,200)	(664,400)
Miscellaneous Revenue	-	-
Net cash flows - operating activities	159,759	(21,902)
Cash flows - noncapital financing activities:		
General property taxes	-	-
Net cash flows - noncapital and related financing activities	-	-
Cash flows - capital and related financing activities:		
Intergovernmental	740	-
Acquisition of capital assets	(1,190,339)	(35,711)
In-house engineering and administrative charges	604,701	7,662
Interfund Interest	-	-
Interest on assessments	-	17,073
Principal on interfund loan	1,300,000	-
School District Grant	-	-
Transfer in	-	-
Transfer out	(1,520)	-
Proceeds from sale of capital assets	-	-
Net cash flows - capital and related financing activities	713,582	(10,976)
Cash flows - investing activities:		
Investment income:		
Interest on investments	14,041	1,210
Change in fair value of investments	(13,608)	1,580
Net cash flows - investing activities	433	2,790
Net change in cash and cash equivalents	873,774	(30,088)
Cash and cash equivalents - January 1	995,991	207,532
Cash and cash equivalents - December 31	\$ 1,869,765	\$ 177,444
Reconciliation of operating income (loss) to net cash flows - operating activities:		
Operating income (loss)	(141,077)	(94,325)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities:		
Miscellaneous Revenue	-	-
Depreciation	236,798	136,783
Changes in assets and liabilities:		
Pension expense	87,412	(24,343)
OPEB expense	4,893	2,641
Decrease (increase) in prepaids	-	(19,999)
Decrease (increase) in receivables	(101,535)	(18,885)
Increase (decrease) in payables	65,460	2,906
Salaries and compensated absences payable	7,808	(6,680)
Total adjustments	300,836	72,423
Net cash flows - operating activities	\$ 159,759	\$ (21,902)

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

Statement 9

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Stormwater Management	Street Light System	Totals	Totals
\$ 830,641	\$ 273,015	\$ 6,474,926	\$ -
-	-	-	2,318,387
(140,517)	-	(1,456,256)	(363,083)
(41,098)	(143,343)	(2,790,515)	(911,154)
(228,000)	(51,900)	(1,591,500)	-
-	-	-	3,166
421,026	77,772	636,655	1,047,316
5,850	-	5,850	-
5,850	-	5,850	-
25,000	-	25,740	-
(1,023,034)	(128,886)	(2,377,970)	(875,276)
3,931	-	616,294	-
(8,743)	(8,072)	(16,815)	-
-	-	17,073	-
438,698	(23,964)	1,714,734	-
-	-	-	11,250
-	-	-	537,300
-	-	(1,520)	-
-	-	-	35,669
(564,148)	(160,922)	(22,464)	(291,057)
10,965	4,430	30,646	212,151
4,314	(96)	(7,810)	(50,750)
15,279	4,334	22,836	161,401
(121,993)	(78,816)	642,877	917,660
533,652	391,895	2,129,070	14,170,410
\$ 411,659	\$ 313,079	\$ 2,771,947	\$ 15,088,070
213,369	80,071	58,038	(60,262)
-	-	-	3,166
230,649	3,311	607,541	929,526
(10,598)	-	52,471	20,606
701	-	8,235	-
-	-	(19,999)	(7,075)
(11,853)	(6,466)	(138,739)	-
3,426	856	72,648	159,792
(4,668)	-	(3,540)	-
207,657	(2,299)	578,617	1,106,015
\$ 421,026	\$ 77,772	\$ 636,655	\$ 1,045,753

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2018**

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**Statement 10**

	Hazardous Materials Program
Assets:	
Cash and investments	\$ 8,685
Due from other governmental units	<u>1,130</u>
Total assets	<u><u>\$ 9,815</u></u>
Liabilities:	
Due to other governmental units	<u>9,815</u>
Total liabilities	<u><u>\$ 9,815</u></u>

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

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of New Brighton was incorporated in 1887 and operates under the State of Minnesota Statutory Plan B form of government. The governing body consists of a 5 member council elected by voters of the City.

The financial statements of the City of New Brighton have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

### A. Financial Reporting Entity

In accordance with GASB pronouncements and generally accepted accounting principles, the financial statements of the reporting entity include those of the City of New Brighton (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

#### Component Unit

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's government 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, it has been determined the City has no component units.

### B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund activity has been removed from these Statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges to external parties for support.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Government-wide and fund financial statements (Continued)

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

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

### C. Measurement focus, basis of accounting and financial statement presentation

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

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement focus, basis of accounting and financial statement presentation (Continued)**

The government reports the following major governmental funds:

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

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

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

The *Tax Increment Districts Capital Projects Fund* accounts for development costs for projects which are financed with tax increments.

The *Street Improvement Capital Projects Fund* – accounts for street reconstruction and improvement projects some of which are financed by bond issues and some by non-bond sources.

The *G.O. Improvement Bonds Debt Service Funds* account for resources accumulated and payments for principal and interest on long-term general obligation debt related to street improvements.

The *Tax Increment Bonds Debt Service Funds* account for resources accumulated and payments for principal and interest on long-term general obligation debt related to development.

The government reports the following major proprietary funds:

The *Water Utility Fund* accounts for activities related to the operation of a water distribution system.

The *Sewer Utility Fund* accounts for activities related to the operation of a sanitary collection system.

The *Stormwater Management Fund* accounts for activities related to the operation of a surface water collection system.

The *Street Light System Fund* accounts for the activities related to the operation of a city-wide street lighting system.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement focus, basis of accounting and financial statement presentation (Continued)**

Additionally, the government reports the following fund types:

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility, sewer utility, stormwater management, and street light system enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary information**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund. No budgets are prepared for other governmental funds which include special revenue, debt service, and capital projects. All annual appropriations lapse at fiscal year-end. The legal level of budgetary control is at the fund level.

Legal compliance budgets

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

1. The City Manager submits to the City Council, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is prepared by department and legally enacted through passage of a resolution on a fund basis.
5. The City Manager is authorized to transfer appropriations within and between any departmental budgets without Council approval. Additional appropriations and deletions are authorized by Council with fund (contingency) reserves or additional revenues.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The General Fund and the Golf Course are the only funds with a legally adopted annual budget.
7. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
9. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets for the General Fund and Golf Course are maintained at the function level.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Assets, liabilities, deferred inflows of resources, and net position/fund balance

#### 1. Deposits and investments

Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less. In accordance with *Minnesota Statutes*, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

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

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

*Minnesota Statutes* authorize the City to invest in the following:

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)**

Investments for the government are reported at fair value. The City participates in an external investment pool sponsored by the League of Minnesota Cities. The pool is established in accordance with *Minnesota Statutes*, Section 471.59. Only municipalities as defined by statute are permitted to open accounts and become participants in the fund. As of December 31, 2018, the fair value of the City's position in the pool is the same as the value of the pool shares.

**2. Receivables and payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term inter-fund loans are classified as "inter-fund receivable" or "inter-fund payable". All short-term inter-fund receivables and payables at December 31, 2018 are planned to be eliminated in 2019. Long-term inter-fund loans are classified as "inter-fund loan receivable/payable". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

All utility and property tax receivables are shown at a gross amount, since both taxes and utility receivables are assessable to the property taxes and are collectible upon the sale of the assessed property.

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15.

**3. Inventories and prepaid items**

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

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

**4. Land held for resale**

The City from time to time acquires properties for redevelopment purposes. These parcels of land are owned by the City with the intent to sell in the future. The assets are reported at their net realizable value in the capital projects funds.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)**

**5. Capital Assets**

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2018, no interest was capitalized in connection with construction in progress.

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)**

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statement(s) of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. Two of the items reported only arise under the modified accrual basis of accounting and are reported only in the governmental funds balance sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources; property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the governmental funds balance sheet and on the statements of net position for deferred inflows of resources related to municipal state aid received for subsequent years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the statements of net position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

7. Compensated absences

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

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)

#### 8. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

#### 9. Fund balance classifications

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

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

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

*Committed* – consists of internally imposed constraints. These constraints are established by resolution of the City Council, which is the City's high level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

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

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

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)**

10. Minimum fund balance policy

The City Council has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target fund balance amount for cash-flow timing needs (working capital) and contingencies.

At December 31, 2018, the targeted unassigned fund balance for the General Fund was as follows:

Working capital	\$ 4,538,555
Contingencies	<u>1,592,471</u>
Total	<u><u>\$ 6,131,026</u></u>

11. Restricted assets

Assets of the Water Treatment Plant No. 1 fund are classified as restricted cash and investments assets in the Balance Sheet, because their use is limited to the operation and maintenance of the New Brighton Contaminated Ground Water Recovery System pursuant to the long-term LitSAGIA Implementing Agreement.

12. Net Position

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

13. 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 the Fire Relief Association (FRA) and additions to/deductions from PERA's fiduciary and the FRA's net position have been determined on the same basis as they are reported by PERA and the FRA except that 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.

## **NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Deficit fund equity**

The City has deficit fund balances or net position at December 31, 2018 as follows:

Fund	Amount
Tax increment districts	\$ 12,575,439
Street improvements	430,577
Park improvements	1,330,343
Compensated absences	155,064
Total	<u>\$ 14,491,423</u>

It is anticipated future tax increments and a transfer from the municipal development fund will eliminate the deficits in the Tax Increment Districts. Future Municipal State Aid street fund revenues will reimburse the street improvements fund and eliminate its deficit. Future donations, park dedication charges and a reimbursement from Ramsey County will eliminate the deficit in the park improvements fund. Due to the long-term nature of the liability in the compensated absences fund it is anticipated that we will continue to carry a deficit balance.

## **NOTE 3 DETAILED NOTES ON ALL FUNDS**

### **A. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the month-end cash and investment balances.

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

*Minnesota Statutes* authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs.



**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

1. Components of Cash and Investments

Summary of cash deposits and investments as of December 31, 2018:

Petty cash	\$ 5,249
Deposits	972,628
Investments	<u>68,342,524</u>
Total	<u>\$ 69,320,401</u>

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

Statement of Net Positions - Government Wide

Cash and cash equivalents - Primary Government	\$ 37,862,378
Restricted investments - Primary Government	31,449,338
Cash and cash equivalents - Fiduciary Funds	<u>8,685</u>
Total	<u>\$ 69,320,401</u>

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

1. Components of Cash and Investments (continued)

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may be lost. Minnesota statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “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’s investment policy has no additional deposit policies addressing custodial credit risk.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

**2. Investments**

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

Investment Type	Credit Risk		Interest Risk - Maturity Duration in Years				Total
	Rating	Agency	<5	5 to 10	10 to 20	20 to 40	
Brokered Certificates of Deposit:	NR	NA	\$ 18,392,164	\$ -	\$ -	\$ -	\$ 18,392,163
Federal Agency Securities:	AAA/AA+	Moody's/S&P	6,693,882	172,133	-	-	6,866,015
	NA/AA+	Moody's/S&P	993,280	-	-	-	993,280
	NA/AAA	Moody's/S&P	69,743	-	-	-	69,743
	NA/NA	NA	3,505,864	1,855,469	4,651,956	3,110,921	13,124,210
Bankers Acceptance:	NA/NA	NA	1,242,790	-	-	-	1,242,790
Municipal Bonds:	A1/A	Moody's/S&P	299,322	-	-	-	299,322
	A1/A+	Moody's/S&P	260,040	-	-	-	260,040
	AA1/AA	Moody's/S&P	282,684	-	-	-	282,684
	AA1/AA+	Moody's/S&P	245,037	150,036	-	-	395,073
	AA1/AAA	Moody's/S&P	574,101	-	-	-	574,101
	AA1/NA	Moody's/S&P	496,230	-	-	-	496,230
	AA2/AA	Moody's/S&P	451,861	354,773	-	-	806,634
	AA2/AA-	Moody's/S&P	429,979	-	-	-	429,979
	AA2/AA+	Moody's/S&P	246,165	102,678	-	-	348,843
	AA2/NA	Moody's/S&P	2,129,798	182,957	-	-	2,312,755
	AA3/AA-	Moody's/S&P	499,145	-	-	-	499,145
	AA3/NA	Moody's/S&P	-	403,332	154,107	-	557,439
	AAA/AAA	Moody's/S&P	1,476,831	230,098	-	-	1,706,929
	NA/AA	Moody's/S&P	246,678	-	-	-	246,678
	NA/AA-	Moody's/S&P	200,484	-	-	-	200,484
	NA/AA+	Moody's/S&P	248,235	-	-	-	248,235
	NA/AAA	Moody's/S&P	1,516,653	-	-	-	1,516,653
	NR	NA	245,891	-	-	-	245,891
United States Treasuries:	NR	NA	8,729,914	737,555	-	-	9,467,469
Money Market Fund:	NR	NA	6,759,739	-	-	-	6,759,739
Total Investments			<u>\$ 56,236,510</u>	<u>\$ 4,189,031</u>	<u>\$ 4,806,063</u>	<u>\$ 3,110,921</u>	<u>\$ 68,342,524</u>

NR = Not Rated      NA = Not Applicable

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

2. Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted market prices for similar asset. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2018:

Investment Type	12/31/2018	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	
Investments at fair value:					
Brokered Certificates of Deposit	\$    18,392,163	\$          -	\$    18,392,163	\$          -	
Federal Agency Securities:	21,053,248	-	21,053,248	-	
Municipal Bonds	11,427,115	-	11,427,115	-	
United States Treasuries	9,467,469	9,467,469	-	-	
Total/Subtotal	60,339,995	<u>\$    9,467,469</u>	<u>\$    50,872,526</u>	<u>\$          -</u>	
Investments not categorized:					
Bankers Acceptance	1,242,790				
Money Market Fund	6,759,739				
Total	<u>\$    68,342,524</u>				

The City's Bankers Acceptances are valued at principal cost. The City's Money Market Funds are valued at amortized costs.

*Custodial credit risk – 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 possession of an outside party. The City addresses this risk within its investment policy and limits its exposure by holding the majority of 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.

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

2. Investments (Continued)

*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 thirteen 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 the credit quality in the 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 addresses credit risk through statutory regulations as mentioned above and through the diversifying of the City's investment portfolio.

*Concentration risk* -This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. explicitly guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy states that no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Government and its agencies or an external investment pool.

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

Issuer	Investment Type	Amount Reported	% of Portfolio
Federal National Mortgage Association	Federal agency security	\$ 11,988,184	18%

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and investments (Continued)**

2. Investments (Continued)

*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 portfolio is structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**B. Receivables**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer recognition in connection with resources that are not yet available.

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

	<u>Unearned</u>
Recreation fees received but unearned (General Fund)	\$ 100,267
Contributions contingent on eligible expenses:	
(Dedicated Treatment Plant #1 Financing Fund)	30,527,083
Business licenses received but unearned (General Fund)	48,500
Leases received but unearned (General Fund)	162,318
Leases received but unearned (Street Improvements Fund)	7,292
Leases received but unearned (Community Reinvestment Fund)	1,170
	<u>                    </u>
Total unearned revenue for governmental funds	<u><u>\$ 30,846,630</u></u>

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Construction commitments**

At December 31, 2018, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

Project	Contract Amount	Expended To Date	Remaining Commitment
Water Treatment Plant 1: AOP Expansion	\$ 11,103,593	\$ 9,792,314	\$ 1,311,279
Water Treatment Plant 1: Backwash	567,000	512,123	54,877
Silver Lake Road LED Street Lights	416,174	128,886	287,288
2018 Street Rehabilitation	2,632,072	2,191,679	440,393
2018 Pavement Management	119,801	119,613	188
City Hall Roof Replacement	67,100	46,415	20,685
Total	<u>\$ 14,905,740</u>	<u>\$ 12,791,030</u>	<u>\$ 2,114,710</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Transfer	Ending Balance
Governmental Activities:					
Capital Assets not being Depreciated:					
Land	\$ 9,156,349	\$ -	\$ -	\$ -	\$ 9,156,349
Construction in Progress	7,098,421	9,422,038	3,314,343		13,206,116
Total Capital Assets not being Depreciated	16,254,770	9,422,038	3,314,343	-	22,362,465
Capital Assets being Depreciated:					
Buildings	44,120,510	91,355	-	-	44,211,865
Machinery and Equipment	13,338,532	1,106,740	615,963	-	13,829,309
Infrastructure	38,522,643	872,297	-	-	39,394,940
Other Improvements	6,325,854	2,477,532	208,429	-	8,594,957
Total Capital Assets being Depreciated	102,307,539	4,547,924	824,392	-	106,031,071
Less Accumulated Depreciation for:					
Buildings	26,143,077	1,242,769	-	-	27,385,846
Machinery and Equipment	6,834,195	896,470	581,431	-	7,149,234
Infrastructure	17,647,376	1,093,213	-	-	18,740,589
Other Improvements	3,536,952	219,591	198,090	-	3,558,453
Total Accumulated Depreciation	54,161,600	3,452,043	779,521	-	56,834,122
Total Capital Assets being Depreciated, Net	48,145,939	1,095,881	44,871	-	49,196,949
Governmental Activities Capital Assets, Net	<u>\$ 64,400,709</u>	<u>\$ 10,517,919</u>	<u>\$ 3,359,214</u>	<u>\$ -</u>	<u>\$ 71,559,414</u>



**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital assets (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:					
Capital Assets not being Depreciated:					
Land	\$ 372,776	\$ -	\$ -	\$ -	\$ 372,776
Construction in Progress	734,817	2,300,185	734,817	-	2,300,185
Total Capital Assets not being Depreciated	<u>1,107,593</u>	<u>2,300,185</u>	<u>734,817</u>	<u>-</u>	<u>2,672,961</u>
Capital Assets being Depreciated:					
Buildings and structures	5,032,690	-	-	-	5,032,690
Machinery and equipment	280,607	6,977	-	23,950	311,534
Infrastructure	26,968,056	805,624	-	(23,950)	27,749,730
Other Improvements	144,531	-	-	-	144,531
Total Capital Assets being Depreciated	<u>32,425,884</u>	<u>812,601</u>	<u>-</u>	<u>-</u>	<u>33,238,485</u>
Less Accumulated Depreciation for:					
Buildings and structures	2,295,665	68,529	-		2,364,194
Machinery and equipment	96,960	25,559	-	2,395	124,914
Infrastructure	15,543,586	508,963	-	(2,395)	16,050,154
Other Improvements	90,650	4,490	-	-	95,140
Total Accumulated Depreciation	<u>18,026,861</u>	<u>607,541</u>	<u>-</u>	<u>-</u>	<u>18,634,402</u>
Total Capital Assets being Depreciated, Net	<u>14,399,023</u>	<u>205,060</u>	<u>-</u>	<u>-</u>	<u>14,604,083</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,506,616</u>	<u>\$ 2,505,245</u>	<u>\$ 734,817</u>	<u>\$ -</u>	<u>\$ 17,277,044</u>

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital assets (Continued)**

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

General government	\$196,497
Community development	11,273
Parks & recreation	529,242
Public safety	557,695
Public works	2,157,336
Total depreciation expense - governmental activities	<u>\$3,452,043</u>
Business Activities:	
Water	\$236,798
Sewer	136,783
Stormwater	230,649
Street Lights	3,311
Total depreciation expense - business-type activities	<u>\$607,541</u>

**E. Inter-fund receivables, payables, and transfers**

The composition of inter-fund balances as of December 31, 2018, is as follows:

Inter-fund loans were as follows:

Receivable Fund	Payable Fund	Amount
Community Reinvestment (Nonmajor)	Stormwater Management	\$ 129,665
Community Reinvestment (Nonmajor)	Stormwater Management	61,350
Community Reinvestment (Nonmajor)	Stormwater Management	126,370
Community Reinvestment (Nonmajor)	Street Light System	251,036
Community Reinvestment (Nonmajor)	Water	1,300,000
Community Reinvestment (Nonmajor)	Stormwater Management	500,000
Total		<u>\$ 2,368,421</u>

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

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Inter-fund receivables, payables, and transfers (Continued)**

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

The third loan was issued in 2014 for \$200,000 to finance the Oakwood, Imperial, and 15<sup>th</sup> Avenue flood mitigation project. This loan will be repaid by increasing future stormwater utility rates. The loan carries an interest rate of 2.7% and will be repaid in semi-annual installments of \$11,478. The final payment is scheduled for November 1, 2024.

The fourth loan was issued in 2017 for \$275,000 to finance the 2017 LED street lights replacement project along Silver Lake Road. This loan will be repaid by increasing future street light system utility rates. This loan carries an interest rate of 3% and will be repaid in semi-annual installments of \$16,018. The final payment is scheduled for November 1, 2027.

The fifth loan was issued in 2018 for \$1,300,000 to finance the 2018 water meter replacement project and water infrastructure replacement for the 2018 street project. This loan will be repaid by increasing future water utility rates. The loan carries an interest rate of 3% and will be repaid in semi-annual installments of \$75,719. The final payment is scheduled for November 1, 2028.

The sixth loan was also issued in 2018 for \$500,000 to finance the 2018 Freedom Park flood mitigation project. This loan will be repaid by increasing future stormwater utility rates. The loan carries an interest rate of 3% and will be repaid in semi-annual installments of \$29,123. The final payment is scheduled for November 1, 2028.

Receivable Fund	Payable Fund	Amount
Municipal Development	Tax Increment Districts	\$ 14,600,442
Municipal Development	Park Improvements	1,330,343
Total		<u>\$ 15,930,785</u>

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

A loan from the Municipal Development Fund is also covering the cash deficit that exists in the Park Improvements Fund. The deficit will be eliminated by future donations, park dedication charges and a reimbursement from Ramsey County.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Inter-fund receivables, payables, and transfers (Continued)**

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

Transfer Out:	Transfers In						Total Transfers Out
	Water Treatment Plant No.1	G.O. Improvement Bonds	Debt Tax Inc	Street Improvement	Nonmajor Governmental	Internal Service	
General Fund	\$ -	\$ 190,000	\$ -	\$ 115,000	\$ 729,071	\$ 487,300	\$ 1,521,371
Tax Increments	-	-	2,766,691	-	-	-	2,766,691
Nonmajor Governmental	-	263,131	-	580,000	30,000	-	873,131
Street Improvements	-	-	-	-	-	50,000	50,000
Water Fund	1,520	-	-	-	-	-	1,520
Totals	<u>\$ 1,520</u>	<u>\$ 453,131</u>	<u>\$ 2,766,691</u>	<u>\$ 695,000</u>	<u>\$ 759,071</u>	<u>\$ 537,300</u>	<u>\$ 5,212,713</u>

**F. Long-term debt**

The City issues General Obligation (G.O.) bonds to provide funds for street improvements and tax increment financing projects. Debt service is covered respectively by special assessments against benefited properties and tax increments with any shortfalls being paid from general taxes.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The amounts are repaid from governmental activities.

General obligation bonds outstanding as of December 31, 2018 are as follows:

	Interest Rate	Issue Date	Final Maturity Date	Authorized and Issued	Principal Outstanding
Governmental Activities:					
G.O. Improvement Bonds:					
2012A Improvement Bonds	.35% -2.35%	04/24/12	02/01/19	\$ 930,000.00	\$ 230,000.00
2015A Improvement Bonds	2.00% -3.00%	03/25/15	02/01/27	1,695,000	1,350,000
Total G.O. Improvement Bonds				<u>2,625,000</u>	<u>1,580,000</u>
G.O. Tax Increment Bonds:					
2015B Tax Increment Bonds	3.00% - 4.00%	03/25/15	02/01/32	17,385,000	16,500,000
2016A Tax Increment Bonds	2.00% - 3.00%	01/05/16	02/01/33	8,705,000	8,705,000
2017A Tax Increment Bonds	1.99%	09/19/17	02/01/25	5,040,000	4,385,000
Total Tax Increment Bonds				<u>31,130,000</u>	<u>29,590,000</u>
Total - General Obligation Bonds				<u>\$ 33,755,000</u>	<u>\$ 31,170,000</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-term debt (Continued)**

Annual debt service requirements to maturity for these issues are as follows:

Year Ending December 31,	G.O. Improvement Bonds			Tax Increment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 375,000	\$ 35,583	\$ 410,583	\$ 1,615,000	\$ 883,744	\$ 2,498,744
2020	145,000	30,250	175,250	1,665,000	832,261	2,497,261
2021	150,000	27,300	177,300	1,705,000	779,077	2,484,077
2022	150,000	24,300	174,300	1,760,000	723,994	2,483,994
2023	150,000	20,550	170,550	1,820,000	667,013	2,487,013
2024-2028	610,000	36,000	646,000	10,195,000	2,419,119	12,614,119
2029-2033	-	-	-	10,830,000	767,400	11,597,400
Total	<u>\$ 1,580,000</u>	<u>\$ 173,983</u>	<u>\$ 1,753,983</u>	<u>\$ 29,590,000</u>	<u>\$ 7,072,608</u>	<u>\$ 36,662,608</u>

Changes in long-term liabilities

	Balance 01/01/18	Additions	Deletions	Balance 12/31/18	Due Within One Year
Governmental activities:					
Bonded Debt:					
G.O. Improvement bonds	\$ 2,095,000	\$ -	\$ 515,000	\$ 1,580,000	\$ 375,000
Tax increment bonds	31,420,000	-	1,830,000	29,590,000	1,615,000
Unamortized Premium	1,204,861	-	86,233	1,118,628	-
Total bonds payable	34,719,861	-	2,431,233	32,288,628	1,990,000
Compensated Absences	1,020,697	604,110	608,856	1,015,951	631,355
Pollution remediation obligation	1,312,500	12,100	-	1,324,600	83,900
Total government activity long-term liabilities	<u>\$ 37,053,058</u>	<u>\$ 616,210</u>	<u>\$ 3,040,089</u>	<u>\$ 34,629,179</u>	<u>\$ 2,705,255</u>
Business-type activities:					
Compensated absences	\$ 140,932	\$ 89,865	\$ 97,226	\$ 133,571	\$ 99,802
Total business-type activity long-term liabilities	<u>\$ 140,932</u>	<u>\$ 89,865</u>	<u>\$ 97,226</u>	<u>\$ 133,571</u>	<u>\$ 99,802</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities totaling \$1,015,951 for compensated absences are included as part of the totals for governmental activities. For governmental activities, other post-employment benefits are liquidated through the general fund and compensated absences payments are paid from the compensated absences internal service fund.

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-term debt (Continued)**

Pollution remediation liability

One of the City's goals for the New Brighton Exchange redevelopment project (formerly known as Northwest Quadrant Redevelopment), located at the northwest quadrant of Interstate Highways 694 and 35W, is to voluntarily clean up environmental contamination from former industries, thereby making way for development and tax base growth. The 100 acre redevelopment area is split into two smaller project areas, the West Side and the East Side, based upon Old Highway 8 running north and south through the redevelopment area splitting the area in half.

Contamination in the West Side was caused by land owners and operators of a refinery, industrial solvent recycling, and gas station with leaking underground storage tanks. Contaminated soils were removed down to the water table and taken to an approved landfill. Only a portion of the northern point of the project area remains contaminated due to the refinery. Ashland Oil is the Responsible Party and conducted a remediation under the oversight of the Minnesota Pollution Control Agency (MPCA). Ashland was responsible for the costs involved in the remediation of the site. The estimated future liability related to this portion is not determinable, however the City will not bear any costs to conduct further remediation of this area as it will not be sold for redevelopment. Construction of Lion's Park was completed in 2017.

On the East Side, a private dump operated on 20 acres. Low lying wetlands and depressions were filled in with construction and household debris. Organic material continues to decompose, emitting gases. The western edge of the dump material has been removed and consolidated, making room for viable use of this property for development. A special membrane has been laid over the remaining dump materials to collect the gases. Venting has been installed along the perimeter of the remaining dump and new buildings to intercept residual gases. Gas collection and venting systems have been, and will continue to be constructed beneath building structures under MPCA approved Response Action Plans.

The MPCA has approved detailed remediation plans prepared and implemented by the City and is in the process of approving others for the City's development partners. An environmental consultant has been used to assist the City with the preparation of these plans and the various studies that support them. The future estimated costs for further remediation and monitoring, as prepared by the environmental consultant, include approximately \$1,800 for continued monitoring and environmental cleanup on the West Side and approximately \$1,322,800 for future dump closure monitoring on the East Side. It shall be stressed these amounts are estimates and are subject to change due to requirements of the MPCA, proposed development, technology and bidding climate. There are no estimated recoveries anticipated to reduce these liabilities. The pollution remediation liability is liquidated through the tax increment districts fund.

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Conduit debt obligations**

From time-to-time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018, the following series of Industrial Revenue Bonds were outstanding:

<u>Project Name</u>	<u>Bonds Issued</u>	<u>Original Principal</u>	<u>12/31/18 Principal</u>	<u>Maturity Date</u>
Golden Pond	07/18/02	\$ 3,120,000	\$ 2,820,000	07/15/32

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Operating leases**

The City leases space above its water towers to several communication companies. The space is used for antennas and other equipment necessary to provide radio communications. In 2018, the City entered into a new lease agreement with Clear Channel Outdoor Inc. to construct and maintain an outdoor advertising sign on the Community Center property. The City also leases office space in the lower level of City Hall. Lease terms are as follows:

Location	Lessee	2018 Amount	Annual Lease Adjustment Factor*	Renewal Options
660 5th Street SW	AT&T	\$ 34,066	4%	3 5-year terms
660 5th Street SW	Verizon Wireless	35,080	3%	4 5-year terms
660 5th Street SW	Sprint/Nextel	26,072	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Clearwire Communications	27,371	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	T-Mobile	33,350	4%	3 5-year terms
700 Silver Lake Road	Sprint/Nextel	25,234	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	Verizon (US West)	34,561	Greater of CPI or 4%	3 5-year terms
2400 Mississippi Street	T-Mobile	28,382	Greater of CPI or 4%	7 5-year terms
2400 Mississippi Street	AT&T	26,497	Greater of CPI or 4%	3 5-year terms
675 Forestdale Road	T-Mobile	26,395	4%	3 5-year terms
2123 Old Highway 8	Clear Channel	1,000	n/a	4 5-year terms
400 10th Street NW	Clear Channel	21,875	3%	n/a
803 Old Highway 8 NW	UMCPI	17,385	n/a	n/a
803 Old Highway 8 NW	MN Chiefs of Police Assoc.	14,040	n/a	n/a

\* Amounts for future lease receipts are unavailable because they are based on the Consumer Price Index.



**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2018

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Fund balance**

1. Classifications

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

	General Fund	Water Treatment Plant No. 1	Municipal Development	Tax Increments Districts	Street Improvements	G.O. Improvement Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>								
Prepaid items	\$ 62,072	\$ 2,389	\$ -	\$ -	\$ -	\$ -	\$ 1,349	\$ 65,810
Total nonspendable	62,072	2,389	-	-	-	-	1,349	65,810
<b>Restricted for:</b>								
DUI forfeitures	70,929	-	-	-	-	-	-	70,929
Debt service	-	-	-	-	-	319,560	-	319,560
Total restricted	70,929	-	-	-	-	319,560	-	390,489
<b>Committed to:</b>								
Municipal development	-	-	23,836,519	-	-	-	-	23,836,519
Debt service	-	-	-	-	-	-	3,175,896	3,175,896
Public Safety outreach programs	51,442	-	-	-	-	-	-	51,442
Total committed	51,442	-	23,836,519	-	-	-	3,175,896	27,063,857
<b>Assigned to:</b>								
Community reinvestment	-	-	-	-	-	-	4,073,725	4,073,725
Public Safety youth & sr programs	10,250	-	-	-	-	-	-	10,250
Capital projects	75,220	-	-	-	-	-	-	75,220
Total assigned	85,470	-	-	-	-	-	4,073,725	4,159,195
<b>Unassigned</b>	6,918,212	(2,389)	-	(12,575,439)	(430,577)	-	(1,331,001)	(7,421,194)
<b>Total Fund Balance</b>	<b>\$ 7,188,125</b>	<b>\$ -</b>	<b>\$ 23,836,519</b>	<b>\$ (12,575,439)</b>	<b>\$ (430,577)</b>	<b>\$ 319,560</b>	<b>\$ 5,919,969</b>	<b>\$ 24,258,157</b>

#### **NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2018 was \$1,149,453. The components of pension expense are noted in the following plan summaries.

##### **A. Public Employee's Retirement Association**

###### **1. Defined benefit pension plan - statewide**

###### **a. Plan Description**

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

###### **i. General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund))**

All full-time and certain part-time employees of the City of New Brighton are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

###### **ii. Public Employees Police and Fire Plan (Police and Fire Plan (accounted for in the Police and Fire Fund))**

The Police and Fire Plan, 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 Police and Fire Fund also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

###### **b. Benefits Provided**

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% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

#### **NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

##### **A. Public Employee's Retirement Association (Continued)**

###### **1. Defined benefit pension plan – statewide (Continued)**

###### **b. Benefits Provided (Continued)**

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.

###### **i. General Employees Retirement Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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 Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90% funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90% funded, or have fallen below 80%, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

###### **ii. Public Employees Police and Fire Plan Benefits**

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

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

b. Benefits Provided (Continued)

ii. Public Employees Police and Fire Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0% increase. An annual adjustment will equal 2.5% any time the plan exceeds a 90% funded ratio for two consecutive years. If the adjustment is increased to 2.5% and the funded ratio falls below 80% for one year or 85% for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

c. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

i. General Employees Retirement Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2018. The City of New Brighton was required to contribute 7.50% for Coordinated Plan members in calendar year 2018. The City of New Brighton's contributions to the General Employees Fund for the year ended December 31, 2018, were \$397,829. The City of New Brighton's contributions were equal to the required contributions as set by state statute.

ii. Public Employees Police and Fire Fund Contributions

Plan members were required to contribute 10.80% of their annual covered salary in calendar year 2018. The City of New Brighton was required to contribute 16.20% of pay for Police and Fire Fund members in calendar year 2018. The City of New Brighton's contributions to the Police and Fire Fund for the year ended December 31, 2018, were \$465,325. The City of New Brighton's contributions were equal to the required contributions as set by state statute.

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

d. Pension Costs

i. General Employees Retirement Fund Pension Costs

At December 31, 2018, the City of New Brighton reported a liability of \$4,144,050 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the State'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 \$136,020. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of New Brighton's proportion of the net pension liability was based on the City of New Brighton's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City of New Brighton's proportion share was .0747% which was an increase of .0056% from its proportion measured as of June 30, 2017.

City's proportionate share of the net pension liability	\$4,144,050
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>136,020</u>
Total	<u><u>\$4,280,070</u></u>

For the year ended December 31, 2018, the City of New Brighton recognized pension expense of \$452,752 for its proportionate share of the General Employees Fund's pension expense. The City of New Brighton also recognized \$31,720 for the year ended December 31, 2018, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contribution of \$16 million to the General Employees Fund.

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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

d. Pension Costs (Continued)

i. General Employees Retirement Fund Pension Costs (Continued)

At December 31, 2018, the City of New Brighton reported its proportionate share of the General Employees Fund'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	\$ 101,832	\$ 112,127
Changes in actuarial assumptions	\$ 367,244	\$ 441,735
Difference between projected and actual investment earnings	\$ -	\$ 413,654
Changes in proportion	\$ 268,125	\$ 35,328
Contributions paid to PERA subsequent to the measurement date	\$ 198,915	\$ -
Total	\$ 936,116	\$1,002,844

\$198,915 reported as deferred outflows of resources related to pensions resulting from City of New Brighton contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2019	\$ 184,019
2020	\$ (131,465)
2021	\$ (231,704)
2022	\$ (86,493)
2023	\$ -
Thereafter	\$ -
Total	\$ (265,643)

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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

d. Pension Costs (Continued)

ii. Public Employee Police and Fire Fund Pension Costs

At December 31, 2018, the City of New Brighton reported a liability of \$2,835,655 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of New Brighton's proportion of the net pension liability was based on the City of New Brighton's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City of New Brighton's proportion was .2683% which was an increase of .0053% from its proportion measured as of June 30, 2017. The City of New Brighton also recognized \$24,147 for the year ended December 31, 2018, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2018, the City of New Brighton recognized pension expense of \$290,749 for its proportionate share of the Police and Fire Fund's pension expense.

At December 31, 2018, the City of New Brighton reported its proportionate share of the Police and Fire Fund'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	\$ 113,946	\$ 717,223
Changes in actuarial assumptions	\$3,630,981	\$4,128,728
Difference between projected and actual investment earnings	\$ -	\$ 565,419
Changes in proportion	\$ 70,430	\$ 299,982
Contributions paid to PERA subsequent to the measurement date	\$ 232,662	\$ -
\$ Total	\$4,048,019	\$5,711,352

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

d. Pension Costs (Continued)

ii. Public Employee Police and Fire Fund Pension Costs (Continued)

\$232,662 reported as deferred outflows of resources related to pensions resulting from City of New Brighton contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2019	\$ (72,804)
2020	\$ (208,908)
2021	\$ (430,772)
2022	\$(1,186,008)
2023	\$ 2,497
Thereafter	\$ -
Total	\$(1,895,995)

e. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the entry age normal actuarial cost method and 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 for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan, 1.0% per year for the Police and Fire Plan, and 2.0% per year for the Correctional Plan.



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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

e. Actuarial Assumptions (Continued)

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. The most recent four-year experience study for Police and Fire Plan was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

**General Employees Fund**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**Police and Fire Fund**

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year, thereafter, to 1.0% for all years, with no trigger.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33%	5.10%
International Stocks	16%	5.30%
Bonds	24%	.75%
Alternative Assets	25%	5.90%
Cash	<u>2%</u>	0.0%
Total	100%	

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

1. Defined benefit pension plan – statewide (Continued)

f. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

The following presents the City of New Brighton'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 of New Brighton's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity of Net Pension Liability at Current Single Discount Rate (in thousands)				
	General Employees Fund		Police and Fire Fund	
1% Higher	8.50%	\$2,005,615	8.50%	\$ 130,018
Current Discount Rate	7.50%	4,144,050	7.50%	2,835,655
1% Lower	6.50%	6,734,611	6.50%	6,107,447

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 Internet at [www.mnpera.org](http://www.mnpera.org).

2. Defined Contribution Plan

Three council members of the City of New Brighton are covered by the defined contribution pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Defined Contribution Plan (PEDCP), which is a multi-employer deferred compensation plan.

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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**A. Public Employee's Retirement Association (Continued)**

2. Defined Contribution Plan (Continued)

a. Funding policy

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary, which is matched by the elected official's employer.

For salaried employees contributions must be a fixed percentage of salary. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,130	\$ 1,130	5%	5%	5%

**B. Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association**

1. Plan Description

The City of New Brighton Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of New Brighton Fire Department per Minnesota State Statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to City of New Brighton Firefighter's Association, 803 Old Highway 8 NW, New Brighton, Minnesota 55112.

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**B. Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)**

2. Benefits Provided

Volunteer firefighters of the City are members of the City of New Brighton’s Fire Fighter’s Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 20 years of service. Partial benefits are payable to members who have reached 50 and have completed at least 10 years of service. Disability benefits and survivor benefits are also payable to members or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

3. Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	7
Active members	<u>39</u>
Total	<u>46</u>

4. Contributions

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City’s obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure on behalf payment of \$132,422 made by the State of Minnesota for the Relief Association.

5. Net Pension Liability

The City’s net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**B. Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)**

6. Actuarial assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Salary increase	N/A	
Investment rate of return	7.00%	net of pensions plan investment expense: including inflation

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30.00%	1.98%
Domestic Equity	65.00%	5.39%
International Equity	-	5.20%
Real Estate and Alternative	-	4.25%
Cash and Equivalents	<u>5.00%</u>	<u>0.79%</u>
Total (weighted Ave, rounded ¼%)	100%	7.00%

7. Discount rate

The discount rate used to measure the total pension liability was 7.00%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**B. Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)**

8. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at previous Measurement Date 12/31/2017	\$ 2,188,162	\$ 4,059,713	\$ (1,871,551)
Changes for the year:			
Service cost	92,137	-	92,137
Interest	136,246	-	136,246
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Changes of benefit terms	403,578	-	403,578
Contributions - State and local	-	132,422	(132,422)
Contributions - donations and other income	-	12	(12)
Contributions - member	-	-	-
Net investment income	-	(88,904)	88,904
Benefit payments, including member contribution refunds	(667,867)	(667,867)	-
Administrative expense	-	(93)	93
Other deductions (e.g. payables)	-	-	-
Net changes	(35,906)	(624,430)	588,524
Balance at December 31, 2018	<u>\$ 2,152,256</u>	<u>\$ 3,435,283</u>	<u>\$ (1,283,027)</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate 7.00%	1% Increase (8.00%)
Fire Relief Net Pension Liability	<u>\$ (1,217,096)</u>	<u>\$ (1,283,027)</u>	<u>\$ (1,344,898)</u>

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**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**B. Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)**

9. Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

10. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the City recognized pension expense of \$404,822. At December 31, 2018, the City reported 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 experience	\$ -	\$ 37,851
Changes of assumptions	7,427	17,136
Net difference between projected and actual earnings on pension plan investments	<u>132,601</u>	<u>-</u>
Total	<u>\$ 140,028</u>	<u>\$ 54,987</u>

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

Year ended:	Future Recognition
2019	42,019
2020	(5,946)
2021	2,738
2022	64,242
2023	(7,387)
Thereafter	<u>(10,625)</u>
	<u>\$ 85,041</u>

## NOTE 5 OTHER POST EMPLOYMENT BENEFITS

### Post-Employment Health Care Plan

#### 1. Plan Description

The City's defined benefit OPEB plan provides a group defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Sourcewell and coverage is provided by HealthPartners. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are acculturated in a trust.

#### 2. Benefits Provided

At retirement, employees of the City receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension plan may continue to participate in the City's group medical insurance plan.

#### 3. Contributions

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Health Partners. For the year 2018, the City contributed \$0 to the plan.

All current public safety officers disabled in the line of duty receive a direct rate subsidy. The City contributes the lesser of the premium or the City's contribution amount as agreed upon in the Union contract. For the year 2018, the City contributed \$24,078 to the plan.

#### 4. Members

As of December 31, 2018, the following were covered by the benefit terms:

Active employees electing coverage	69
Active employees waiving coverage	18
Retirees electing coverage	<u>7</u>
Total	<u>93</u>



**NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Post-Employment Health Care Plan (Continued)**

5. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods including the measurement, unless otherwise specified:

Investment rate of return	N/A
Inflation	2.75%
Healthcare cost trend increases	6.90% initially, gradually decreasing to an ultimate rate of 4.40% in FY2074

Mortality assumptions were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2016, and other adjustments.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2018 – December 31, 2018.

The discount rate used to measure the total OPEB liability was 3.31% based on updated 20-year municipal bond rates using the Fidelity 20-year Municipal GO AA Index.

6. Total OPEB Liability

The City's total OPEB liability of \$1,547,397 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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**NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Post-Employment Health Care Plan (Continued)**

6. Total OPEB Liability (Continued)

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at January 1, 2018	<u>\$ 1,421,100</u>
Changes for the year	
Service cost	77,558
Interest	55,904
Differences between expected and actual economic experience	-
Changes of assumptions	55,545
Employer contributions	-
Net investment income	-
Benefit payments	(62,710)
Administrative expense	.
Other charges	-
Net changes	<u>126,297</u>
Balance at December 31, 2018	<u><u>\$ 1,547,397</u></u>

7. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 3.31% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	<u>1% Decrease (2.31%)</u>	<u>Current Discount Rate 3.31%</u>	<u>1% Increase (4.31%)</u>
Total OPEB Liability	<u>\$ 1,665,726</u>	<u>\$ 1,547,397</u>	<u>\$ 1,438,658</u>

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**NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Post-Employment Health Care Plan (Continued)**

7. OPEB Liability Sensitivity (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

	1% Decrease (5.90% decreasing to 3.40%)	Current Trend Rate (6.90% decreasing to 4.40%)	1% Increase (7.90% decreasing to 5.40%)
Total OPEB Liability	<u>\$ 1,395,439</u>	<u>\$ 1,547,397</u>	<u>\$ 1,726,144</u>

8. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended December 31, 2018, the City recognized OPEB expense of \$189,008. At December 31, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	<u>62,710</u>	<u>-</u>
Total	<u>\$ 62,710</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	<u>\$ 62,710</u>
Total	<u>\$ 62,710</u>

## **NOTE 6 OTHER INFORMATION**

### **A. Risk Management**

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

Workers' compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City has a \$50,000 deductible. The City's workers' compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Comprehensive general liability, comprehensive automotive liability, and property/casualty insurance are provided through a pooled self-insurance program through the LMCIT up to the maximum of \$2,000,000. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains the risk of the first \$100,000 of each occurrence with an annual maximum exposure of \$200,000. These amounts are considered immaterial to the financial statements.

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

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amount for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The claims liability of \$63,135 for workers compensation and \$218,866 for property casualty reported in the Risk Management Fund at December 31, 2018 are based on the requirements of Government Accounting Standards Board Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated (IBNR).

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**NOTE 6 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Changes in the fund's claims liability amount are shown in the following table:

	Risk Management Fund			
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
Workers Compensation:	\$ 44,543	\$ 85,773	\$ 67,181	\$ 63,135
Property Casualty:	203,009	78,389	62,532	218,866

**B. Deferred ad valorem tax levies – bonded debt**

General Obligation bond issues sold by the City are financed by ad valorem tax levies and special assessment bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest.

These future scheduled tax levies are not shown as assets in the accompanying financial statements at December 31, 2018.

**NOTE 7 - GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED**

GASB has issued GASB Statement No 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement will be effective for reporting periods beginning after December 15, 2018.

GASB has issued GASB Statement No 87, Leases. This new Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement will be effective for the year ending December 31, 2020.

**NOTE 7 - GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED (Continued)**

GASB has issued GASB Statement No 89, Accounting for Interest Cost Incurred Before the end of a Construction Period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement will be effective for reporting periods beginning after December 15, 2019.

**NOTE 8 - SUBSEQUENT EVENTS**

**A. New Brighton Elementary Site**

Since 2017, the City has actively worked to assemble a roughly 12-acre development site to the north and south of Old Highway 8 surrounding the former New Brighton Elementary School. The area has been targeted for redevelopment since the 1980's. To date, the City has invested nearly \$2.8M in land acquisition costs, all of which will be fully reimbursed should a pending development proposal from Dominion & Pulte be approved in early to mid-2019. Staff currently anticipates a public hearing will be held in May 2019 on the preliminary proposal, with Council consideration occurring shortly thereafter. If granted approval, the City would anticipate land preparation activities to occur over the summer (i.e. demo of the school and mass grading), and construction of the first townhomes beginning in late 2019. All development to the south of Old Highway 8 is anticipated to begin no sooner than 2020. As part of this development process, the City is working to establish a new Tax Increment Financing (TIF) District (#34) to aid in financing a portion of the development.

**B. Water Meter Replacement Program**

In 2018, the City began a three (3) year schedule for replacing all water meters. The accuracy of water meters tend to diminish as they get older, and many water meters in the City have been in service for more than 25 years. The new meters will communicate with a central collector antenna which will collect consumption information without the need to access properties. This project will improve consistency and make reading more efficient. The project is being funded by the water utility fund.

**D. Comp Plan Update**

The City completed its Comprehensive Plan Update in 2018, and is currently awaiting final authorization from the Metropolitan Council to put the plan into effect. The new plan is a culmination of a 2+ year planning effort led by Hoisington Koegler Group Inc. (HKGi) that was overseen by City staff. Once approved, the City will have nine months to update its zoning map and zoning ordinance (as may be needed) to comply with the new plan.

**NOTE 8 - SUBSEQUENT EVENTS (Continued)**

**E. Comprehensive Park and Trail System Plan**

The City entered into an agreement with WSP & Associates, Inc. in November 2018 to begin work on a Comprehensive Park and Trail System Plan. The process will take approximately 8-10 months to complete. The Plan will be used to guide the future development, redevelopment and improvements to the park and trail system. One of the major pieces of feedback gained during the public engagement process for the city-wide Comprehensive Plan was the importance of parks and recreation to those who live in New Brighton. The last time a park system plan was done for the City was in 2006.

**NOTE 9 – CHANGES IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This resulted in an adjustment to the beginning net position on the Statement of Activities of \$1,421,099 to add the beginning total OPEB liability.





**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF NEW BRIGHTON, MINNESOTA**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2018**

**Statement 11**

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 8,661,170	\$ 8,661,170	\$ 8,656,425	\$ (4,745)
Franchise taxes	1,309,800	1,309,800	1,272,679	(37,121)
Licenses and permits	636,400	636,400	618,376	(18,024)
Intergovernmental	1,113,500	1,145,100	1,199,581	54,481
Charges for services	3,718,300	3,718,300	3,697,625	(20,675)
Fines and forfeits	60,000	86,800	74,867	(11,933)
Investment income:				
Interest on investments	83,000	83,000	106,164	23,164
Change in fair value of investments	-	-	(25,478)	(25,478)
Rents	269,400	269,400	297,508	28,108
Miscellaneous Revenue	34,600	68,500	116,458	47,958
Contributions and donations	-	16,700	36,765	20,065
Total revenues	<u>15,886,170</u>	<u>15,995,170</u>	<u>16,050,970</u>	<u>55,800</u>
Expenditures:				
Current				
General government				
Council	57,900	57,900	56,299	(1,601)
Administration	864,600	921,180	942,276	21,096
Elections	129,920	130,150	145,805	15,655
Legal	140,000	140,000	125,733	(14,267)
Central Services	212,950	212,950	234,503	21,553
Finance	534,800	541,450	525,063	(16,387)
License Bureau	516,000	516,000	477,065	(38,935)
Total General government	<u>2,456,170</u>	<u>2,519,630</u>	<u>2,506,744</u>	<u>(12,886)</u>
Community development				
Community development	806,800	812,190	740,520	(71,670)
Recycling	246,200	246,370	247,498	1,128
Total Community development	<u>1,053,000</u>	<u>1,058,560</u>	<u>988,018</u>	<u>(70,542)</u>
Parks and recreation				
Parks	1,226,800	1,227,600	1,218,239	(9,361)
Forestry	226,200	226,200	198,544	(27,656)
Recreation	799,200	801,200	742,212	(58,988)
Community center	1,543,600	1,549,600	1,562,094	12,494
Total Parks and recreation	<u>3,795,800</u>	<u>3,804,600</u>	<u>3,721,089</u>	<u>(83,511)</u>
Public safety				
Police	4,894,200	4,997,400	4,988,965	(8,435)
Fire	945,200	947,500	944,466	(3,034)
Total Public safety	<u>5,839,400</u>	<u>5,944,900</u>	<u>5,933,431</u>	<u>(11,469)</u>
Public works				
Engineering	465,400	470,100	398,680	(71,420)
Streets	319,000	319,160	279,739	(39,421)
Garage	548,600	548,600	534,714	(13,886)
Total Public works	<u>1,333,000</u>	<u>1,337,860</u>	<u>1,213,133</u>	<u>(124,727)</u>
Total expenditures	<u>14,477,370</u>	<u>14,665,550</u>	<u>14,362,415</u>	<u>(303,135)</u>
Excess of revenues over expenditures	<u>1,408,800</u>	<u>1,329,620</u>	<u>1,688,555</u>	<u>358,935</u>
Other financing sources (uses):				
Transfers out	(1,408,800)	(1,521,200)	(1,521,369)	(169)
Total other financing sources (uses)	<u>(1,408,800)</u>	<u>(1,521,200)</u>	<u>(1,521,369)</u>	<u>(169)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (191,580)</u>	<u>167,186</u>	<u>\$ 358,766</u>
Fund balance - January 1			<u>7,020,939</u>	
Fund balance - December 31			<u><u>\$ 7,188,125</u></u>	

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

## CITY OF NEW BRIGHTON, MINNESOTA

## Statement 12

## PROPORTIONATE SHARE OF NET PENSION LIABILITY - GERF RETIREMENT FUND

Last Ten Fiscal Years

Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the City	City's Proportionate share of the Pension Liability and the State's proportionate share of the Net Pension Liability Associated with the City	Covered Payroll	City's Proportionate share of the Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.0747%	\$ 4,144,050	\$ 136,020	\$ 4,280,070	\$ 5,021,867	82.52%	79.53%
2017	0.0691%	4,411,298	55,440	4,466,738	4,449,333	99.15%	75.90%
2016	0.0693%	5,626,816	73,483	5,700,299	4,302,547	130.78%	68.91%
2015	0.0714%	3,700,320	-	3,700,320	4,125,373	89.70%	78.19%

Note: GASB 68 was implemented in 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.

**CITY OF NEW BRIGHTON, MINNESOTA****Statement 13****PROPORTIONATE SHARE OF NET PENSION LIABILITY - PEPFF RETIREMENT FUND**

Last Ten Fiscal Years

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Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.268%	\$ 2,835,655	\$ 2,827,414	100.3%	88.84%
2017	0.263%	3,550,813	2,700,630	131.5%	85.43%
2016	0.274%	10,996,097	2,635,777	417.2%	63.88%
2015	0.275%	3,124,644	2,444,735	127.8%	86.61%

Note: GASB 68 was implemented in 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**CITY CONTRIBUTIONS, GERF RETIREMENT FUND**  
Last Ten Fiscal Years

**Statement 14**

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<u>Fiscal Year Ended December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2018	\$ 397,829	\$ 397,829	\$ -	\$ 5,304,387	7.50%
2017	354,424	354,424	-	4,725,653	7.50%
2016	324,400	324,400	-	4,325,333	7.50%
2015	336,353	336,353	-	4,484,707	7.50%

Note: GASB 68 was implemented in 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**CITY CONTRIBUTIONS, PEPFF RETIREMENT FUND**  
 Last Ten Fiscal Years

**Statement 15**

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Fiscal Year Ended December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contribution as a Percentage of Covered Payroll
2018	\$ 465,325	\$ 465,325	\$ -	\$ 2,872,377	16.20%
2017	443,480	443,480	-	2,737,531	16.20%
2016	433,772	433,772	-	2,677,605	16.20%
2015	428,240	428,240	-	2,643,457	16.20%

Note: GASB 68 was implemented in 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**EMPLOYER CONTRIBUTIONS AND NON-EMPLOYER**  
**CONTRIBUTING ENTITIES, FIRE RELIEF ASSOCIATION**  
Last Ten Fiscal Years

**Statement 16**

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer:				
Statutorily determined contribution (SDC)	\$ -	\$ -	\$ -	\$ -
Contribution deficiency SDC	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-employer				
2% aid	\$ 122,575	\$ 124,661	\$ 123,509	\$ 128,422

Note: GASB 68 was implemented for the year ended December 31, 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**CHANGES IN NET PENSION LIABILITY AND**  
**RELATED RATIOS, FIRE RELIEF ASSOCIATION**  
Last Ten Fiscal Years

**Statement 17**

	2015	2016	2017	2018
<b>Total Pension Liability (TPL)</b>				
Service Cost	\$ 93,391	\$ (956,132)	\$ 97,510	\$ 92,137
Interest	223,890	157,557	162,462	136,246
Difference between expected and actual experience	-	-	(48,853)	-
Changes of assumptions	-	(26,031)	9,585	-
Changes of benefit terms	-	47,372	72,708	403,578
Benefit payments, including refunds or member contributions	(258,650)	(242,292)	(497,183)	(667,867)
Net change in total pension liability	<u>58,631</u>	<u>(1,019,526)</u>	<u>(203,771)</u>	<u>(35,906)</u>
Beginning of year (1)	<u>3,352,828</u>	<u>3,411,459</u>	<u>2,391,933</u>	<u>2,188,162</u>
End of Year	<u>\$ 3,411,459</u>	<u>\$ 2,391,933</u>	<u>\$ 2,188,162</u>	<u>\$ 2,152,256</u>
<b>Plan Fiduciary Net Pension (FNP)</b>				
Contributions - employer	\$ 124,575	\$ 126,661	\$ 126,509	\$ 132,422
Contributions - employee	-	-	-	-
Net investment income	14,046	290,240	567,803	(88,904)
Benefit payments, including refunds or member contributions	(258,650)	(242,292)	(497,183)	(667,867)
Administrative expenses	(9,200)	(13,100)	(1,780)	(93)
Other	(267)	(349)	-	12
Net Change in plan fiduciary net	<u>(129,496)</u>	<u>161,160</u>	<u>195,349</u>	<u>(624,430)</u>
Beginning of year (1)	<u>3,832,700</u>	<u>3,703,204</u>	<u>3,864,364</u>	<u>4,059,713</u>
End of Year	<u>\$ 3,703,204</u>	<u>\$ 3,864,364</u>	<u>\$ 4,059,713</u>	<u>\$ 3,435,283</u>
<b>Net Pension Liability (NPL)</b>	<u>\$ (291,745)</u>	<u>\$ (1,472,431)</u>	<u>\$ (1,871,551)</u>	<u>\$ (1,283,027)</u>

Note: GASB 68 was implemented for the year ended December 31, 2015. Schedules are intended to show ten years of information. Additional years will be displayed as they become available.



**CITY OF NEW BRIGHTON, MINNESOTA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
Last Ten Fiscal Years

**Statement 18**

	<u>December 31, 2018</u>
Total OPEB Liability	
Service cost	\$ 77,559
Interest	55,904
Changes of assumptions	55,545
Benefit payments	<u>(62,710)</u>
Net change in total OPEB liability	<u>126,298</u>
Beginning of year	<u>1,421,100</u>
End of Year	<u><u>\$ 1,547,398</u></u>
Plan Fiduciary Net Pension (FNP)	
Employer contributions	\$ 62,710
Benefit payments	<u>(62,710)</u>
Net change in plan fiduciary net position	<u>-</u>
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>
Net OPEB Liability	<u><u>\$ 1,547,398</u></u>
Plan FNP as a percentage of the total OPEB liability	0.00%
Covered-employee payroll	\$ 6,930,052
Net OPEB liability as a percentage of covered-employee payroll	22.33%

Note: GASB 75 was implemented in 2018. Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

## **GENERAL EMPLOYEES FUND**

### **2018 Changes**

#### Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

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### **2017 Changes**

#### Changes in Plan Provisions:

- The State's special funding contribution increased from \$6 million to \$16 million.

#### Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.00 percent for vested deferred member liability and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

### **2016 Changes**

#### Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

### **2015 Changes**

#### Changes in Plan Provisions

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

#### Changes in Actuarial Assumptions

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

## **POLICE AND FIRE FUND**

### **2018 Changes**

#### Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

### **2017 Changes**

#### Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter. For accounting purposes, this change was treated as a difference between expected and actual experience.
- The Single Discount Rate changed from 5.60% per annum to 7.50% per annum.

### **2016 Changes**

#### Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**POLICE AND FIRE FUND (CONTINUED)**

**2015 Changes**

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

**FIRE RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN**

**2018 Changes**

Changes in Plan Provisions

- The lump sum benefit amount increased from \$7,500 to \$7,700

**2017 Changes**

Changes in Plan Provisions

- The lump sum benefit amount increased from \$6,500 to \$7,500

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 7.25% to 7.00% to reflect updated capital market assumptions.
- The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2017 Minnesota PERA Police & Fire Plan actuarial valuation.

**2016 Changes**

Changes in Plan Provisions

- The lump sum benefit amount increased from \$6,300 to \$6,500

Changes in Actuarial Assumptions

- The expected investment return and discount rate increased from 6.75% to 7.25% to reflect updated capital market models.

## **NONMAJOR GOVERNMENTAL FUNDS**

Golf Course – Accounts for the resources and payments related to the operation and maintenance of a nine-hole golf course.

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

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

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

**CITY ON NEW BRIGHTON, MINNESOTA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2018**

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	Special Revenue	Capital Projects
	Golf Course	Community
	Fund	Reinvestment
	Fund	Fund
Assets:		
Cash and investments	\$ 6,376	\$ 1,710,148
Accrued interest receivable	-	5,839
Due from other governmental units	-	-
Taxes receivable:		
Delinquent	-	1,135
Due from county	-	197
Special assessments receivable:		
Delinquent	-	-
Deferred	-	-
Interfund loan receivable	-	2,368,421
Prepaid items	1,349	-
Total assets	<u>\$ 7,725</u>	<u>\$ 4,085,740</u>
Liabilities		
Accounts payable	\$ 1,027	\$ 9,710
Interfund payable	-	-
Salaries and benefits payable	3,667	-
Due to other governmental units	2,340	-
Unearned revenue	-	1,170
Total liabilities	<u>7,034</u>	<u>10,880</u>
Deferred inflows of resources		
Unavailable revenue - delinquent taxes	-	1,135
Unavailable revenue - county aid	-	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,135</u>
Fund Balance:		
Non-spendable	1,349	-
Committed	-	-
Assigned	-	4,073,725
Unassigned	(658)	-
Total fund balance	<u>691</u>	<u>4,073,725</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,725</u>	<u>\$ 4,085,740</u>

Statement 19

Capital Projects		
Closed Bond Fund	Park Improvements Fund	Total Other Governmental Funds
\$ 3,162,264	\$ -	\$ 4,878,788
10,611	-	16,450
-	797,629	797,629
-	-	1,135
3,346	-	3,543
11,456	-	11,456
310,361	-	310,361
-	-	2,368,421
-	-	1,349
<u>\$ 3,498,038</u>	<u>\$ 797,629</u>	<u>\$ 8,389,132</u>
\$ 325	\$ -	\$ 11,062
-	1,330,343	1,330,343
-	-	3,667
-	-	2,340
-	-	1,170
<u>325</u>	<u>1,330,343</u>	<u>1,348,582</u>
-	-	1,135
-	797,629	797,629
321,817	-	321,817
<u>321,817</u>	<u>797,629</u>	<u>1,120,581</u>
-	-	1,349
3,175,896	-	3,175,896
-	-	4,073,725
-	(1,330,343)	(1,331,001)
<u>3,175,896</u>	<u>(1,330,343)</u>	<u>5,919,969</u>
<u>\$ 3,498,038</u>	<u>\$ 797,629</u>	<u>\$ 8,389,132</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For The Year Ended December 31, 2018**

	Special Revenue	Capital Projects
	Golf Course	Community
	Fund	Reinvestment
	Fund	Fund
Revenues:		
General property taxes:		
Current and delinquent	\$ -	\$ 128,393
Intergovernmental	-	-
Charges for services	236,733	-
Special assessments:		
Current and delinquent	-	-
Prepayments	-	-
Penalties and interest	-	-
Investment income:		
Interest on investments	-	34,974
Change in fair value of investments	-	12,237
Interest on interfund loan	-	16,815
Rents	4,598	31,425
Other:		
Donations	-	-
Total revenues	<u>241,331</u>	<u>223,844</u>
Expenditures		
Current:		
General government	-	-
Parks and recreation	343,945	-
Capital outlay:		
General government	-	159,591
Parks and recreation	-	-
Total expenditures	<u>343,945</u>	<u>159,591</u>
Excess deficiency of revenues over (under) expenditures	<u>(102,614)</u>	<u>64,253</u>
Other financing sources (uses)		
Transfer in	109,700	139,800
Transfer out	-	(30,000)
Total other financing sources (uses)	<u>109,700</u>	<u>109,800</u>
Net increase (decrease) in fund balance	7,086	174,053
Fund balance (deficit) - January 1	<u>(6,395)</u>	<u>3,899,672</u>
Fund balance (deficit) - December 31	<u>\$ 691</u>	<u>\$ 4,073,725</u>



Statement 20

Capital Projects		
Closed Bond Fund	Park Improvements Fund	Total Other Governmental Funds
\$ -	\$ -	\$ 128,393
447,003	-	447,003
-	66,863	303,596
38,566	-	38,566
106,445	-	106,445
1,083	-	1,083
45,854	-	80,828
(11,036)	-	1,201
-	-	16,815
-	-	36,023
-	28,835	28,835
627,915	95,698	1,188,788
1,820	-	1,820
-	-	343,945
-	-	159,591
-	42,589	42,589
1,820	42,589	547,945
626,095	53,109	640,843
509,400	171	759,071
(843,131)	-	(873,131)
(333,731)	171	(114,060)
292,364	53,280	526,783
2,883,532	(1,383,623)	5,393,186
\$ 3,175,896	\$ (1,330,343)	\$ 5,919,969

**CITY OF NEW BRIGHTON, MINNESOTA**  
**GOLF FUND - SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2018**

**Schedule A**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Charges for services	\$ 280,200	\$ 280,200	\$ 236,733	\$ (43,467)
Rents	5,000	5,000	4,598	(402)
Total revenues	285,200	285,200	241,331	(43,869)
Expenditures:				
Current				
Parks and recreation	364,100	364,900	343,945	(20,955)
Total expenditures	364,100	364,900	343,945	(20,955)
Excess of revenues under expenditures	(78,900)	(79,700)	(102,614)	(22,914)
Other financing sources:				
Transfers in	78,900	109,700	109,700	-
Total other financing sources	78,900	109,700	109,700	-
Net increase (decrease) in fund balance	\$ -	\$ 30,000	7,086	\$ (22,914)
Fund balance - January 1			(6,395)	
Fund balance - December 31			\$ 691	

## **INTERNAL SERVICE FUNDS**

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

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

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

Capital Replacement Fund – This fund is used to account for the replacement of the City's capital items that have a value of \$5,000 or more and a useful life of at least two years.

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

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**For The Year Ended December 31, 2018**

	Risk Management	Compensated Absences	Capital Replacement
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 1,872,115	\$ 858,008	\$ 9,771,494
Accrued Interest Receivable	6,296	2,879	32,787
Due from other governmental units	-	-	4,485
Accounts receivable	10,022	-	-
Prepaid Items	-	-	-
Total current assets	<u>1,888,433</u>	<u>860,887</u>	<u>9,808,766</u>
Noncurrent assets:			
Capital assets:			
Buildings	-	-	3,083,511
Equipment	-	-	10,011,195
Other improvements	-	-	291,859
Construction in progress	-	-	49,922
Less: accumulated depreciation	-	-	(5,418,712)
Total capital assets (net of accumulated depreciation)	-	-	8,017,775
Total assets	<u>\$ 1,888,433</u>	<u>\$ 860,887</u>	<u>\$ 17,826,541</u>
Deferred Outflows of Resources:			
Deferred outflows of resources related to pensions	2,379	-	-
Deferred outflows of resources related to OPEB	105	-	-
Total deferred outflows of resources	<u>2,484</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 72,963	\$ -	\$ 53,408
Salaries payable	586	-	-
Contracts payable	-	-	27,570
Workers Comp IBNR	63,135	-	-
Property Casualty IBNR	218,866	-	-
Compensated absences - current	-	631,355	-
Unearned revenue	-	-	-
Total current liabilities	<u>355,550</u>	<u>631,355</u>	<u>80,978</u>
Noncurrent liabilities:			
Net Pension Liability	10,530	-	-
Total OPEB Liability	2,424	-	-
Compensated absences - noncurrent	-	384,596	-
Total non-current liabilities	<u>12,954</u>	<u>384,596</u>	<u>-</u>
Total liabilities	<u>368,504</u>	<u>1,015,951</u>	<u>80,978</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to pensions	<u>2,548</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>			
Investment in capital assets	-	-	8,017,775
Unrestricted	1,519,865	(155,064)	9,727,788
Total net position	<u>\$ 1,519,865</u>	<u>\$ (155,064)</u>	<u>\$ 17,745,563</u>

Statement 21

Information Technology	Pavement Management	Total
\$ 1,257,544	\$ 1,328,909	\$ 15,088,070
4,159	4,459	50,580
-	-	4,485
-	-	10,022
10,280	-	10,280
1,271,983	1,333,368	15,163,437
-	-	3,083,511
1,435,475	-	11,446,670
70,176	746,029	1,108,064
-	-	49,922
(861,321)	(135,928)	(6,415,961)
644,330	610,101	9,272,206
\$ 1,916,313	\$ 1,943,469	\$ 24,435,643
31,386	-	33,765
1,435	-	1,540
32,821	-	35,305
\$ 85,716	\$ -	\$ 212,087
13,357	-	13,943
-	5,981	33,551
-	-	63,135
-	-	218,866
-	-	631,355
52	-	52
99,125	5,981	1,172,989
138,942	-	149,472
27,466	-	29,890
-	-	384,596
166,408	-	563,958
265,533	5,981	1,736,947
33,624	-	36,172
644,330	610,101	9,272,206
1,005,647	1,327,387	13,425,623
\$ 1,649,977	\$ 1,937,488	\$ 22,697,829

**CITY OF NEW BRIGHTON, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUE,**  
**EXPENSES AND CHANGES IN NET POSITION**  
**For The Year Ended December 31, 2018**

	<u>Risk Management</u>	<u>Compensated Absences</u>	<u>Capital Replacement</u>
Operating revenue:			
Customer charges	\$ 528,000	\$ 71,700	\$ 959,300
Total operating revenues	<u>528,000</u>	<u>71,700</u>	<u>959,300</u>
Operating expenses:			
Personnel services	17,800	110,138	-
Materials and supplies	-	-	51,903
Contractual services	562,068	-	49,922
Professional services	30,071	-	-
Depreciation	-	-	812,035
Total operating expenses	<u>609,939</u>	<u>110,138</u>	<u>913,860</u>
Operating income (loss)	<u>(81,939)</u>	<u>(38,438)</u>	<u>45,440</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest on investments	26,361	12,274	139,180
Change in fair value of investments	(5,511)	(1,961)	(36,001)
Intergovernmental	251	-	-
Gain (loss) on disposal of capital assets	-	-	25,330
Miscellaneous Revenue	5,707	-	2,255
Total nonoperating revenues (expenses)	<u>26,808</u>	<u>10,313</u>	<u>130,764</u>
Income (loss) before capital contributions and transfers	<u>(55,131)</u>	<u>(28,125)</u>	<u>176,204</u>
School district grant	-	-	9,000
Transfers:			
Transfers in	-	-	469,300
Total Transfers	<u>-</u>	<u>-</u>	<u>469,300</u>
Change in net position	(55,131)	(28,125)	654,504
Net position - January 1, as previously reported	1,577,208	(126,939)	17,091,059
Change in accounting principle (See Note 9)	(2,212)	-	-
Net position - January 1, restated	<u>1,574,996</u>	<u>(126,939)</u>	<u>17,091,059</u>
Net position - December 31	<u>\$ 1,519,865</u>	<u>\$ (155,064)</u>	<u>\$ 17,745,563</u>

Statement 22

Information Technology	Pavement Management	Total
\$ 638,200	\$ 121,200	\$ 2,318,400
638,200	121,200	2,318,400
259,005	-	386,943
79,512	-	131,415
240,263	-	852,253
48,454	-	78,525
95,985	21,506	929,526
723,219	21,506	2,378,662
(85,019)	99,694	(60,262)
19,440	20,249	217,504
(2,874)	(4,403)	(50,750)
1,064	-	1,315
-	-	25,330
1,274	-	9,236
18,904	15,846	202,635
(66,115)	115,540	142,373
2,250	-	11,250
18,000	50,000	537,300
18,000	50,000	537,300
(45,865)	165,540	690,923
1,720,417	1,771,948	22,033,693
(24,575)	-	(26,787)
1,695,842	1,771,948	22,006,906
\$ 1,649,977	\$ 1,937,488	\$ 22,697,829

**CITY OF NEW BRIGHTON, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For The Year Ended December 31, 2018**

	Risk Management	Compensated Absences	Capital Replacement
Cash flows from operating activities:			
Receipts from customers and users	\$ 528,000	\$ 71,700	\$ 959,300
Payments to employees	(17,760)	(114,885)	-
Payments to suppliers for goods and services	(495,493)	-	(98,826)
Miscellaneous Revenue	4,122	-	(2,230)
Net cash provided (used) by operating activities	18,869	(43,185)	858,244
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	(606,492)
Transfers	-	-	469,300
Proceeds from sale of capital assets	-	-	35,669
School District Grant	-	-	9,000
Net cash provided (used) by capital and related financing activities	-	-	(92,523)
Cash flows from investing activities:			
Investment income:			
Interest on investments	25,931	12,237	134,810
Change in fair value of investments	(5,511)	(1,961)	(36,001)
Net cash provided (used) by investing activities	20,420	10,276	98,809
Net increase in cash and cash equivalents	39,289	(32,909)	864,530
Cash and cash equivalents - January 1	1,832,826	890,917	8,906,964
Cash and cash equivalents - December 31	\$ 1,872,115	\$ 858,008	\$ 9,771,494
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (81,939)	\$ (38,438)	\$ 45,440
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Miscellaneous revenue	4,122	-	(2,230)
Depreciation	-	-	812,035
Changes in assets and liabilities:			
Pension expense	(65)	-	-
OPEB expense	107	-	-
Decrease (increase) in prepaids	-	-	3,205
Increase (decrease) in payables	96,644	(4,747)	(206)
Total adjustments	100,808	(4,747)	812,804
Net cash provided (used) by operating activities	\$ 18,869	\$ (43,185)	\$ 858,244



**Statement 23**

Information Technology	Pavement Management	Total
\$ 638,187	\$ 121,200	\$ 2,318,387
(230,438)	-	(363,083)
(316,835)	-	(911,154)
1,274	-	3,166
92,188	121,200	1,047,316
(155,023)	(113,761)	(875,276)
18,000	50,000	537,300
-	-	35,669
2,250	-	11,250
(134,773)	(63,761)	(291,057)
19,376	19,797	212,151
(2,874)	(4,403)	(50,750)
16,502	15,394	161,401
(26,083)	72,833	917,660
1,283,627	1,256,076	14,170,410
\$ 1,257,544	\$ 1,328,909	\$ 15,088,070
\$ (85,019)	\$ 99,694	\$ (60,262)
1,274	-	3,166
95,985	21,506	929,526
20,671	-	20,606
1,456	-	1,563
(10,280)	-	(7,075)
68,101	-	159,792
177,207	21,506	1,107,578
\$ 92,188	\$ 121,200	\$ 1,047,316



## **AGENCY FUNDS**

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

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For The Year Ended December 31, 2018

**Statement 24**

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	Balance 1/1/2018	Additions	Deductions	Balance 12/31/2018
Hazardous Materials Program Fund:				
Assets				
Cash and investments with trust agent	\$ 6,766	56,141	\$ 54,222	\$ 8,685
Due from other governmental units	1,936	48,865	49,671	1,130
Total assets	<u>\$ 8,702</u>	<u>\$ 105,006</u>	<u>\$ 103,893</u>	<u>\$ 9,815</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	8,702	1,113	-	9,815
Total liabilities	<u>\$ 8,702</u>	<u>\$ 1,113</u>	<u>\$ -</u>	<u>\$ 9,815</u>

**SUPPLEMENTARY  
FINANCIAL  
INFORMATION**

**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2018

	Tax Increment District 20	Tax Increment District 23	Tax Increment District 25	Tax Increment District 26
<b>Assets:</b>				
Cash and investments	\$ 22,430	\$ -	\$ -	\$ 29,205
Accrued interest receivable	75	-	-	98
Taxes receivable:				
Delinquent	22,649	-	32,188	593
Due from county	308	-	6,937	2,170
Assets held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 45,462</b>	<b>\$ -</b>	<b>\$ 39,125</b>	<b>\$ 32,066</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Interfund loans payable	-	2,777	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,777</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue - delinquent taxes	22,649	-	32,188	593
<b>Fund balance (deficit):</b>				
Restricted	22,813	-	6,937	31,473
Unassigned	-	(2,777)	-	-
<b>Total fund balance (deficit)</b>	<b>22,813</b>	<b>(2,777)</b>	<b>6,937</b>	<b>31,473</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 45,462</b>	<b>\$ -</b>	<b>\$ 39,125</b>	<b>\$ 32,066</b>

**Exhibit 1**  
**Page 1 of 2**

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Tax Increment District 27	Tax Increment District 28	Tax Increment District 29	Tax Increment District 30
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	17,436	3,207	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 17,436</u>	<u>\$ 3,207</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
114,105	-	64,022	133,248
<u>114,105</u>	<u>-</u>	<u>64,022</u>	<u>133,248</u>
-	17,436	3,207	-
-	-	-	-
(114,105)	-	(64,022)	(133,248)
<u>(114,105)</u>	<u>-</u>	<u>(64,022)</u>	<u>(133,248)</u>
<u>\$ -</u>	<u>\$ 17,436</u>	<u>\$ 3,207</u>	<u>\$ -</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2018

	Tax Increment District #31	Tax Increment District #31A	Tax Increment District #32
<b>Assets:</b>			
Cash and investments	\$ -	\$ -	\$ -
Accrued interest receivable	-	-	-
Taxes receivable:			
Delinquent	4,503	-	-
Due from county	4,055	246	-
Assets held for resale	-	-	1,971,853
<b>Total assets</b>	<b>\$ 8,558</b>	<b>\$ 246</b>	<b>\$ 1,971,853</b>
<b>Liabilities:</b>			
Accounts payable	\$ 258	\$ -	\$ 258
Deposits payable	-	-	-
Interfund loans payable	5,747,471	1,003,628	4,519,384
<b>Total Liabilities</b>	<b>5,747,729</b>	<b>1,003,628</b>	<b>4,519,642</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue - delinquent taxes	4,503	-	-
<b>Fund balance (deficit):</b>			
Restricted	-	-	-
Unassigned	(5,743,674)	(1,003,382)	(2,547,789)
<b>Total fund balance (deficit)</b>	<b>(5,743,674)</b>	<b>(1,003,382)</b>	<b>(2,547,789)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,558</b>	<b>\$ 246</b>	<b>\$ 1,971,853</b>



**Exhibit 1**  
**Page 2 of 2**

<u>Tax Increment District #32A</u>	<u>Tax Increment District 33</u>	<u>Tax Increment District 34</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 51,635
-	-	-	173
-	-	-	80,576
-	-	-	13,716
-	-	-	1,971,853
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,117,953</u>
\$ 2,099	\$ -	\$ 2,065	\$ 4,680
-	-	7,695	7,695
<u>2,723,559</u>	<u>283,026</u>	<u>9,221</u>	<u>14,600,441</u>
<u>2,725,658</u>	<u>283,026</u>	<u>18,981</u>	<u>14,612,816</u>
-	-	-	80,576
-	-	-	61,223
<u>(2,725,658)</u>	<u>(283,026)</u>	<u>(18,981)</u>	<u>(12,636,662)</u>
<u>(2,725,658)</u>	<u>(283,026)</u>	<u>(18,981)</u>	<u>(12,575,439)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,117,953</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**For The Year Ended December 31, 2018**

	Tax Increment District 18	Tax Increment District 20	Tax Increment District 23	Tax Increment District 25
Revenue:				
Taxes:				
Tax increment	\$ 288,668	\$ 382,874	\$ 20,220	\$ 313,802
Investment income:				
Interest on investments	9,396	2,697	110	1,219
Change in fair value of investments	6,559	404	-	-
Total revenue	<u>304,623</u>	<u>385,975</u>	<u>20,330</u>	<u>315,021</u>
Expenditures:				
Current:				
Community development	(16,335)	374	1,658	58,202
Interfund interest	-	-	825	346
Total expenditures	<u>(16,335)</u>	<u>374</u>	<u>2,483</u>	<u>58,548</u>
Excess (deficiency) of revenue over (under) expenditures	<u>320,958</u>	<u>385,601</u>	<u>17,847</u>	<u>256,473</u>
Other financing source (uses):				
Transfer in	-	-	-	-
Transfer out	(982,390)	(427,512)	-	(240,886)
Total other financing sources (uses)	<u>(982,390)</u>	<u>(427,512)</u>	<u>-</u>	<u>(240,886)</u>
Net increase (decrease) in fund balance	(661,432)	(41,911)	17,847	15,587
Fund balance (deficit) - January 1	<u>661,432</u>	<u>64,724</u>	<u>(20,624)</u>	<u>(8,650)</u>
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ 22,813</u>	<u>\$ (2,777)</u>	<u>\$ 6,937</u>

**Exhibit 2**  
**Page 1 of 2**

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Tax Increment District 26	Tax Increment District 27	Tax Increment District 28	Tax Increment District 29
\$ 931,817	\$ 32,088	\$ -	\$ 38,461
3,779	175	-	130
435	-	-	-
<u>936,031</u>	<u>32,263</u>	<u>-</u>	<u>38,591</u>
1,919	2,157	24	(7,122)
-	5,546	-	3,812
<u>1,919</u>	<u>7,703</u>	<u>24</u>	<u>(3,310)</u>
<u>934,112</u>	<u>24,560</u>	<u>(24)</u>	<u>41,901</u>
-	-	-	-
<u>(910,017)</u>	<u>-</u>	<u>(26,302)</u>	<u>(10,614)</u>
<u>(910,017)</u>	<u>-</u>	<u>(26,302)</u>	<u>(10,614)</u>
24,095	24,560	(26,326)	31,287
<u>7,378</u>	<u>(138,665)</u>	<u>26,326</u>	<u>(95,309)</u>
<u>\$ 31,473</u>	<u>\$ (114,105)</u>	<u>\$ -</u>	<u>\$ (64,022)</u>

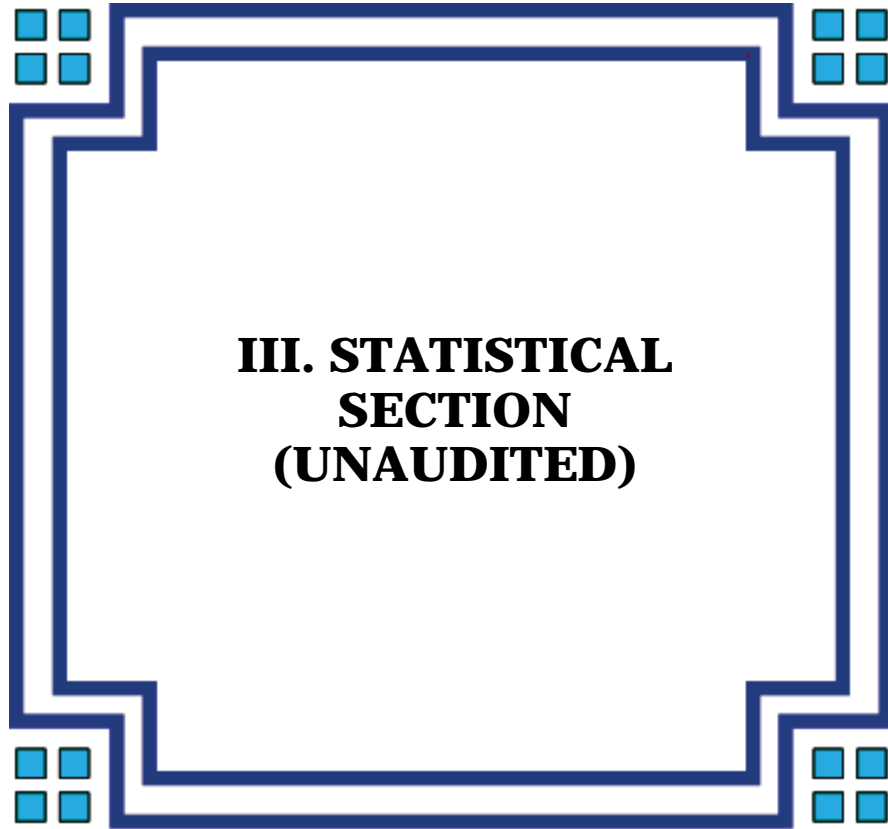
**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**For The Year Ended December 31, 2018**

	Tax Increment District 30	Tax Increment District #31	Tax Increment District #31A	Tax Increment District #32
Revenue:				
Taxes:				
Tax increment	\$ 309,337	\$ 880,677	\$ 53,252	\$ 525,829
Investment income:				
Interest on investments	1,697	49	308	378
Change in fair value of investments	-	-	-	-
Total revenue	<u>311,034</u>	<u>880,726</u>	<u>53,560</u>	<u>526,207</u>
Expenditures:				
Current:				
Community development	75,491	(1,266)	915	243,329
Interfund interest	14,184	255,730	40,651	179,712
Total expenditures	<u>89,675</u>	<u>254,464</u>	<u>41,566</u>	<u>423,041</u>
Excess (deficiency) of revenue over (under) expenditures	<u>221,359</u>	<u>626,262</u>	<u>11,994</u>	<u>103,166</u>
Other financing source (uses):				
Transfer in	-	2,301,255	-	-
Transfer out	-	(2,281,988)	-	(188,239)
Total other financing sources (uses)	<u>-</u>	<u>19,267</u>	<u>-</u>	<u>(188,239)</u>
Net increase (decrease) in fund balance	221,359	645,529	11,994	(85,073)
Fund balance (deficit) - January 1	<u>(354,607)</u>	<u>(6,389,203)</u>	<u>(1,015,376)</u>	<u>(2,462,716)</u>
Fund balance (deficit) - December 31	<u><u>\$ (133,248)</u></u>	<u><u>\$ (5,743,674)</u></u>	<u><u>\$ (1,003,382)</u></u>	<u><u>\$ (2,547,789)</u></u>

**Exhibit 2**  
**Page 2 of 2**

<u>Tax Increment District #32A</u>	<u>Tax Increment District 33</u>	<u>Tax Increment District 34</u>	<u>Total</u>
\$ 99,193	\$ 15,602	\$ -	\$ 3,891,820
107	86	20	20,151
-	-	-	7,398
<u>99,300</u>	<u>15,688</u>	<u>20</u>	<u>3,919,369</u>
50,410	(39,543)	19,001	389,214
106,608	13,010	0	620,424
<u>157,018</u>	<u>(26,533)</u>	<u>19,001</u>	<u>1,009,638</u>
<u>(57,718)</u>	<u>42,221</u>	<u>(18,981)</u>	<u>2,909,731</u>
-	-	-	2,301,255
-	-	-	(5,067,948)
-	-	-	(2,766,693)
(57,718)	42,221	(18,981)	143,038
<u>(2,667,940)</u>	<u>(325,247)</u>	<u>-</u>	<u>(12,718,477)</u>
<u>\$ (2,725,658)</u>	<u>\$ (283,026)</u>	<u>\$ (18,981)</u>	<u>\$ (12,575,439)</u>









### III. Statistical Section (Unaudited)

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends -----</b>	<b>146</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity -----</b>	<b>154</b>
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity -----</b>	<b>158</b>
These schedules present information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information -----</b>	<b>165</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information -----</b>	<b>167</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

**CITY OF NEW BRIGHTON, MINNESOTA****NET POSITION**

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
Governmental activities				
Net Investment in capital assets	\$ 69,731,608	\$ 62,261,408	\$ 57,479,876	\$ 45,354,096
Restricted	70,929	91,272	522,592	1,198,804
Unrestricted	(1,130,633)	(4,473,775)	(4,290,321)	577,002
Total governmental activities net position	<u>\$ 68,671,904</u>	<u>\$ 57,878,905</u>	<u>\$ 53,712,147</u>	<u>\$ 47,129,902</u>
Business-type activities				
Net Investment in capital assets	\$ 17,277,044	\$ 15,506,616	\$ 14,780,445	\$ 11,631,546
Restricted	-	-	-	-
Unrestricted	451,988	1,444,865	1,155,070	1,693,129
Total business-type activities net position	<u>\$ 17,729,032</u>	<u>\$ 16,951,481</u>	<u>\$ 15,935,515</u>	<u>\$ 13,324,675</u>
Primary government				
Net Investment in capital assets	\$ 87,008,652	\$ 77,768,024	\$ 72,260,321	\$ 56,985,642
Restricted	70,929	91,272	522,592	1,198,804
Unrestricted	(678,645)	(3,028,910)	(3,135,251)	2,270,131
Total primary government net position	<u>\$ 86,400,936</u>	<u>\$ 74,830,386</u>	<u>\$ 69,647,662</u>	<u>\$ 60,454,577</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.

Years prior to 2015 have not been restated.

**Schedule 1**

Fiscal Year					
2014	2013	2012	2011, Restated	2010	2009
\$ 43,387,892	\$ 40,676,120	\$ 40,746,517	\$ 41,276,316	\$ 39,399,953	\$ 37,130,837
1,444,849	1,207,779	1,337,498	1,452,611	2,802,493	4,505,248
5,804,103	11,748,464	18,074,024	15,851,796	14,083,779	10,417,177
<u>\$ 50,636,844</u>	<u>\$ 53,632,363</u>	<u>\$ 60,158,039</u>	<u>\$ 58,580,723</u>	<u>\$ 56,286,225</u>	<u>\$ 52,053,262</u>
\$ 12,296,679	\$ 11,511,673	\$ 11,326,255	\$ 11,054,111	\$ 10,560,115	\$ 10,124,668
-	-	-	58,940	58,940	58,940
2,679,887	2,550,101	3,164,475	3,366,382	3,508,642	3,839,992
<u>\$ 14,976,566</u>	<u>\$ 14,061,774</u>	<u>\$ 14,490,730</u>	<u>\$ 14,479,433</u>	<u>\$ 14,127,697</u>	<u>\$ 14,023,600</u>
\$ 55,684,571	\$ 52,187,793	\$ 52,072,772	\$ 52,330,427	\$ 49,960,068	\$ 47,255,505
1,444,849	1,207,779	1,337,498	1,511,551	2,861,433	4,564,188
8,483,990	14,298,565	21,238,499	19,218,178	17,592,421	14,257,169
<u>\$ 65,613,410</u>	<u>\$ 67,694,137</u>	<u>\$ 74,648,769</u>	<u>\$ 73,060,156</u>	<u>\$ 70,413,922</u>	<u>\$ 66,076,862</u>

**CITY OF NEW BRIGHTON, MINNESOTA**
**CHANGES IN NET POSITION**

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,745,296	\$ 2,224,568	\$ 2,177,152	\$ 1,915,089
Community development	1,426,833	6,298,922	1,536,112	1,890,214
Public safety	6,320,937	5,013,798	7,338,380	3,588,558
Public works	6,761,750	6,173,626	6,532,262	5,986,989
Parks and recreation	4,260,366	4,281,616	3,922,278	7,527,468
Interest on long-term debt	876,818	1,376,699	2,442,688	2,331,218
Total governmental activities expenses	<u>\$ 22,392,000</u>	<u>\$ 25,369,229</u>	<u>\$ 23,948,872</u>	<u>\$ 23,239,536</u>
Business-type activities:				
Water	\$ 2,652,757	\$ 1,749,193	\$ 1,774,765	\$ 1,874,022
Sewer	3,059,342	2,899,580	2,729,499	2,737,021
Stormwater	634,249	698,488	597,915	611,290
Street lights	204,425	178,527	177,083	172,147
Golf course	-	-	-	-
Total business-type activities expenses	<u>6,550,773</u>	<u>5,525,788</u>	<u>5,279,262</u>	<u>5,394,480</u>
Total primary government expenses	<u>\$ 28,942,773</u>	<u>\$ 30,895,017</u>	<u>\$ 29,228,134</u>	<u>\$ 28,634,016</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 565,329	\$ 394,922	\$ 334,683	\$ 542,005
Community development	771,010	1,164,743	1,106,693	1,257,167
Public safety	193,030	158,308	161,453	253,174
Public works	13,072,957	9,011,482	8,416,959	4,877,032
Parks and recreation	2,020,434	2,573,989	1,916,753	1,661,638
Operating grants and contributions	1,344,713	1,054,578	1,088,455	927,899
Capital grants and contributions	787,408	1,272,420	4,573,343	1,970,627
Total governmental activities program revenues	<u>\$ 18,754,881</u>	<u>\$ 15,630,442</u>	<u>\$ 17,598,339</u>	<u>\$ 11,489,542</u>
Business-type activities:				
Charges for services:				
Water	\$ 3,122,156	\$ 2,301,673	\$ 2,050,779	\$ 1,778,546
Sewer	2,998,970	2,942,163	2,975,802	2,924,951
Stormwater	846,425	849,361	789,271	760,865
Street lights	279,481	271,053	253,760	249,525
Golf Course	-	-	-	-
Operating grants and contributions	31,951	184,667	36,169	-
Capital grants and contributions	182,695	-	1,636,422	-
Total business-type activities program revenues	<u>7,461,678</u>	<u>6,548,917</u>	<u>7,742,203</u>	<u>5,713,887</u>
Total primary government program revenues	<u>\$ 26,216,559</u>	<u>\$ 22,179,359</u>	<u>\$ 25,340,542</u>	<u>\$ 17,203,429</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (3,637,119)	\$ (9,738,787)	\$ (6,350,533)	\$ (10,899,155)
Business-type activities	910,905	1,023,129	2,462,941	319,407
Total primary government net (expense)	<u>\$ (2,726,214)</u>	<u>\$ (8,715,658)</u>	<u>\$ (3,887,592)</u>	<u>\$ (10,579,748)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	8,790,897	8,001,827	\$ 7,209,297	\$ 6,853,344
Tax increment	3,954,300	3,226,023	3,063,506	3,186,152
Franchise taxes (1)	1,272,679	1,230,636	1,129,176	850,839
Unrestricted grants and contributions	689,349	600,375	616,960	554,412
Unrestricted investment earnings	956,122	1,015,101	1,034,227	417,380
Gain (loss) on sale of capital assets	25,330	(144,800)	-	-
Premium on debt issued	-	-	-	-
Transfers	1,520	(23,616)	(120,388)	323,233
Total governmental activities	<u>\$ 15,690,197</u>	<u>\$ 13,905,546</u>	<u>\$ 12,932,778</u>	<u>\$ 12,185,360</u>
Business-type activities:				
Taxes:				
Property taxes	\$ 5,850	\$ 5,850	\$ 5,850	\$ 5,850
Unrestricted investment earnings	23,336	(36,629)	17,715	8,271
Transfers	(1,520)	23,616	120,388	(323,233)
Other Business Type Activities	-	-	3,946	-
Total business-type activities	<u>27,666</u>	<u>(7,163)</u>	<u>147,899</u>	<u>(309,112)</u>
Total primary government	<u>\$ 15,717,863</u>	<u>\$ 13,898,383</u>	<u>\$ 13,080,677</u>	<u>\$ 11,876,248</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 12,053,078	\$ 4,166,759	\$ 6,582,245	\$ 435,366
Business-type activities	938,571	1,015,966	2,610,840	10,295
Total primary government	<u>\$ 12,991,649</u>	<u>\$ 5,182,725</u>	<u>\$ 9,193,085</u>	<u>\$ 445,661</u>

(1) The City began reporting Franchise Taxes separately from Charges for Services in 2016. Years 2015 and prior have been restated on this schedule in order to match the reporting change.

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

Fiscal Year					
2014	2013	2012	2011, restated	2010	2009
\$ 1,957,766	\$ 1,768,059	\$ 1,708,455	\$ 1,669,295	\$ 1,649,952	\$ 1,563,223
6,875,181	7,921,259	2,338,616	2,294,932	1,929,557	1,010,044
3,013,969	5,201,983	5,074,784	5,131,153	5,180,599	5,125,263
5,500,940	6,710,073	5,620,482	4,939,938	5,202,189	5,115,047
7,563,176	2,839,949	2,787,129	1,958,747	2,597,584	2,547,634
1,680,389	1,751,388	1,966,395	2,085,176	2,277,117	2,653,080
<u>\$ 26,591,421</u>	<u>\$ 26,192,711</u>	<u>\$ 19,495,861</u>	<u>\$ 18,079,241</u>	<u>\$ 18,836,998</u>	<u>\$ 18,014,291</u>
\$ 1,606,114	\$ 1,574,048	\$ 1,575,995	\$ 1,390,229	\$ 1,475,820	\$ 2,448,142
2,588,947	2,548,167	2,402,868	2,354,110	2,377,676	2,365,701
610,347	577,036	577,794	584,133	499,466	547,197
180,786	181,004	202,503	180,971	135,291	154,145
314,317	317,793	334,621	321,992	381,813	326,760
<u>5,300,511</u>	<u>5,198,048</u>	<u>5,093,781</u>	<u>4,831,435</u>	<u>4,870,066</u>	<u>5,841,945</u>
<u>\$ 31,891,932</u>	<u>\$ 31,390,759</u>	<u>\$ 24,589,642</u>	<u>\$ 22,910,676</u>	<u>\$ 23,707,064</u>	<u>\$ 23,856,236</u>
\$ 595,503	\$ 579,246	\$ 585,618	\$ 575,232	\$ 473,030	\$ 619,381
1,174,719	754,608	913,972	341,215	907,172	4,361,146
178,703	187,172	190,095	171,107	205,459	184,173
5,095,968	4,227,093	3,612,025	3,181,989	3,091,953	2,599,646
1,383,207	1,367,810	1,302,489	300,830	1,151,129	1,399,049
742,034	1,218,959	1,336,617	16,581	865,658	1,108,118
1,413,933	407,943	342,903	2,627,411	2,804,804	3,100,371
<u>\$ 10,584,067</u>	<u>\$ 8,742,831</u>	<u>\$ 8,283,719</u>	<u>\$ 7,214,365</u>	<u>\$ 9,499,205</u>	<u>\$ 13,371,884</u>
\$ 1,578,036	\$ 1,603,368	\$ 1,565,125	\$ 1,483,494	\$ 1,395,182	\$ 1,476,476
2,745,692	2,407,673	2,245,207	2,340,793	2,195,172	2,119,513
720,385	629,458	642,159	644,395	694,998	753,890
217,308	189,845	181,562	176,641	164,902	170,113
246,447	235,737	257,495	246,508	303,604	317,075
-	-	-	-	2,918	21,416
-	-	-	-	-	-
<u>5,507,868</u>	<u>5,066,081</u>	<u>4,891,548</u>	<u>4,891,831</u>	<u>4,756,776</u>	<u>4,858,483</u>
<u>\$ 16,091,935</u>	<u>\$ 13,808,912</u>	<u>\$ 13,175,267</u>	<u>\$ 12,106,196</u>	<u>\$ 14,255,981</u>	<u>\$ 18,230,367</u>
\$ (15,118,101)	\$ (17,449,880)	\$ (11,212,142)	\$ (10,864,876)	\$ (9,337,793)	\$ (4,642,407)
207,357	(131,967)	(202,233)	60,396	(113,290)	(983,462)
<u>\$ (14,910,744)</u>	<u>\$ (17,581,847)</u>	<u>\$ (11,414,375)</u>	<u>\$ (10,804,480)</u>	<u>\$ (9,451,083)</u>	<u>\$ (5,625,869)</u>
\$ 6,936,603	\$ 7,570,367	\$ 7,520,854	\$ 7,205,425	\$ 7,182,201	\$ 7,251,348
2,980,823	3,588,394	4,361,146	4,377,928	4,481,254	4,054,948
889,253	888,142	832,883	848,710	831,599	851,673
496,215	-	-	33,968	56,987	203,872
1,988,225	(1,376,544)	259,280	925,189	1,104,505	1,091,817
343,586	12,731	14,394	13,091	74,993	20,113
-	-	-	-	-	-
(622,870)	241,114	(199,099)	(244,937)	(160,783)	(457,117)
<u>\$ 13,011,835</u>	<u>\$ 10,924,204</u>	<u>\$ 12,789,458</u>	<u>\$ 13,159,374</u>	<u>\$ 13,570,756</u>	<u>\$ 13,016,654</u>
\$ 4,475	\$ 4,268	\$ 2,207	\$ 2,219	\$ 4,158	\$ 4,186
80,090	(60,143)	12,224	44,184	52,446	71,706
622,870	(241,114)	199,099	244,937	160,783	457,117
-	-	-	-	-	-
<u>707,435</u>	<u>(296,989)</u>	<u>213,530</u>	<u>291,340</u>	<u>217,387</u>	<u>533,009</u>
<u>\$ 13,719,270</u>	<u>\$ 10,627,215</u>	<u>\$ 13,002,988</u>	<u>\$ 13,450,714</u>	<u>\$ 13,788,143</u>	<u>\$ 13,549,663</u>
\$ (2,995,519)	\$ (6,525,676)	\$ 1,577,316	\$ 2,294,498	\$ 4,232,963	\$ 8,374,247
914,792	(428,956)	11,297	351,736	104,097	(450,453)
<u>\$ (2,080,727)</u>	<u>\$ (6,954,632)</u>	<u>\$ 1,588,613</u>	<u>\$ 2,646,234</u>	<u>\$ 4,337,060</u>	<u>\$ 7,923,794</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable:				
Prepays	62,072	57,476	12,777	9,234
Restricted	70,929	91,272	74,689	66,497
Committed	51,442	46,744	49,566	44,348
Assigned	85,470	92,845	150,096	144,734
Unassigned	6,918,212	6,732,602	6,461,527	6,263,521
Total Reserved	-	-	-	-
Total Unreserved	-	-	-	-
Total General Fund Balance	<u>\$ 7,188,125</u>	<u>\$ 7,020,939</u>	<u>\$ 6,748,655</u>	<u>\$ 6,528,334</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable:				
Prepays	3,738	1,903,630	110	58,379
Restricted	319,560	394,744	27,171,772	19,886,343
Committed	27,012,415	24,141,968	24,897,975	25,369,966
Assigned				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Fund	4,073,725	3,897,558	3,649,618	3,687,205
Unassigned	(14,339,406)	(14,834,949)	(8,410,708)	(6,715,267)
Total Reserved	-	-	-	-
Total Unreserved	-	-	-	-
Total All Other Governmental Funds	<u>17,070,032</u>	<u>15,502,951</u>	<u>47,308,767</u>	<u>42,286,626</u>
Total All Governmental Funds	<u>\$ 24,258,157</u>	<u>\$ 22,523,890</u>	<u>\$ 54,057,422</u>	<u>\$ 48,814,960</u>

Note: GASB 54 was implemented in 2011.

**Schedule 3**

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 8,032	\$ 6,628
-	-	-	-	4,845,673	5,901,102
8,117	8,059	3,938	9,631	-	-
67,321	-	-	-	-	-
46,701	-	-	-	-	-
97,269	-	-	-	-	-
6,223,393	6,071,022	6,031,782	5,744,435	-	-
-	-	-	-	8,032	6,628
-	-	-	-	4,845,673	5,901,102
\$ 6,442,801	\$ 6,079,081	\$ 6,035,720	\$ 5,754,066	\$ 4,853,705	\$ 5,907,730
\$ -	\$ -	\$ -	\$ -	\$ 11,650,364	\$ 13,542,485
-	-	-	-	2,391,073	4,273,491
-	-	-	-	9,421,952	7,180,581
58,269	-	-	429	-	-
1,808,414	15,410,209	6,312,907	5,279,524	-	-
25,039,034	23,878,389	23,377,592	-	-	-
-	95,812	89,660	96,917	-	-
-	4,669,631	5,867,005	29,402,857	-	-
4,088,629	-	-	-	-	-
(5,142,621)	(6,787,937)	(13,198,761)	(12,722,794)	-	-
-	-	-	-	11,650,364	13,542,485
-	-	-	-	11,813,025	11,454,072
25,851,725	37,266,104	22,448,403	22,056,933	23,463,389	24,996,557
\$ 32,294,526	\$ 43,345,185	\$ 28,484,123	\$ 27,810,999	\$ 28,317,094	\$ 30,904,287

**CITY OF NEW BRIGHTON, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2018	2017	2016	2015
<b>Revenues</b>				
General property taxes	\$ 8,784,818	\$ 8,003,069	\$ 7,213,740	\$ 7,015,264
Tax increment	3,891,820	3,227,535	3,063,506	3,186,152
Franchise Taxes	1,272,679	1,230,636	1,129,176	850,839
Licenses and permits	618,376	924,381	862,200	1,066,742
Intergovernmental	2,324,619	2,349,800	2,256,427	2,321,590
Charges for services	16,143,625	10,777,332	10,382,672	7,036,073
Notes receivable payments	-	-	-	-
Loan receivable payments	-	-	-	-
Special assessments	190,153	162,008	118,327	132,795
Fines and forfeits	74,867	73,272	76,626	80,322
Investment earnings	789,368	880,221	912,800	348,295
Interest on note receivable	-	-	-	-
Interest on interfund loans	637,240	638,164	599,677	535,461
Other Interest	-	-	-	-
Capital use fee	-	-	-	-
Rents	356,406	320,186	302,236	317,186
Miscellaneous Revenue	200,263	159,407	289,463	883,608
In-house engineering and administrative charges	-	-	-	-
Contributions and donations	65,600	60,158	62,631	43,938
Park dedication charge	-	81,876	31,572	84,280
Other	-	-	-	-
Total revenues	<u>35,349,834</u>	<u>28,888,045</u>	<u>27,301,053</u>	<u>23,902,545</u>
<b>Expenditures</b>				
General government	2,508,564	2,144,204	1,923,885	1,763,743
Community development	1,447,654	6,472,445	1,357,963	1,594,417
Parks and recreation	4,058,773	3,807,583	3,494,387	3,393,779
Public safety	5,826,367	5,642,856	5,587,020	5,487,201
Public works	5,589,146	5,041,787	4,787,990	5,051,123
Interfund interest	620,424	628,006	588,139	522,782
Capital outlay	9,708,588	6,700,132	7,290,505	4,744,770
Debt service:				
Principal	2,345,000	32,825,000	2,675,000	3,785,000
Interest	975,271	2,057,542	2,471,427	2,163,795
Bond issuance costs	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>33,079,787</u>	<u>65,319,555</u>	<u>30,176,316</u>	<u>28,506,610</u>
Excess of revenues over (under) expenditures	2,270,047	(36,431,510)	(2,875,263)	(4,604,065)
<b>Other Financing Sources (Uses)</b>				
Bond proceeds	-	5,040,000	8,705,000	19,080,000
Premium (discount) on debt issued	-	-	252,773	1,178,131
Refunded debt	-	-	-	-
Transfers in	4,675,413	4,454,413	5,991,850	6,885,916
Transfers out	(5,211,193)	(4,602,589)	(6,832,273)	(6,017,687)
Sale of land or capital assets	-	6,158	375	450
Total other financing sources (uses)	(535,780)	4,897,982	8,117,725	21,126,810
Special Item - contribution of land	-	-	-	-
Special Item - sale of land	-	-	-	-
Net change in fund balances	<u>\$ 1,734,267</u>	<u>\$ (31,533,528)</u>	<u>\$ 5,242,462</u>	<u>\$ 16,522,745</u>
Debt service as a percentage of noncapital expenditures	12.9%	60.1%	22.3%	23.8%



## Schedule 4

Fiscal Year					
2014	2013	2012	2011, restated	2010	2009
\$ 6,916,110	\$ 7,688,670	\$ 7,559,535	\$ 7,301,270	\$ 7,059,034	\$ 7,048,127
2,980,823	3,588,394	4,361,145	4,377,928	4,481,254	4,054,948
889,253	888,142	832,883	848,710	831,599	851,673
738,257	516,160	482,589	691,400	481,672	437,869
1,977,064	1,435,030	1,437,101	1,333,219	3,719,919	4,095,446
7,261,900	6,209,042	8,060,642	6,836,548	7,263,721	6,999,196
-	-	-	-	-	-
-	-	-	-	-	-
174,558	95,327	145,934	205,342	161,272	258,479
68,845	118,675	95,798	98,140	59,827	65,897
1,267,551	(979,447)	191,949	717,309	901,177	958,723
-	-	-	-	-	-
567,337	515,909	464,602	465,892	531,654	455,275
-	97	790	-	-	-
-	-	-	-	-	63,000
273,609	238,722	260,637	217,959	204,931	208,253
42,018	30,179	39,295	11,942	24,170	55,733
-	-	8,557	36,466	-	-
28,094	64,575	31,120	24,121	55,598	45,838
249,359	-	1,630	202,120	-	-
122,700	-	-	-	-	-
<u>23,557,478</u>	<u>20,409,475</u>	<u>23,974,207</u>	<u>23,368,366</u>	<u>25,775,828</u>	<u>25,598,457</u>
1,681,922	1,685,427	1,641,015	1,563,831	1,579,475	1,579,060
6,974,429	7,108,035	1,265,774	1,349,740	1,617,739	2,149,606
2,943,043	2,824,212	2,687,080	2,521,209	2,665,955	2,514,504
5,156,815	4,847,483	4,778,626	4,868,047	4,914,930	4,850,850
4,485,796	3,923,398	6,654,129	5,407,871	6,155,603	5,587,675
558,885	515,909	464,602	465,875	531,323	453,342
4,633,264	2,793,433	1,240,885	3,713,523	2,564,031	6,542,705
3,280,000	3,770,000	5,865,000	3,515,000	3,680,000	3,945,000
1,716,532	1,814,228	2,011,060	2,190,988	2,490,903	2,764,390
-	-	-	-	-	-
-	-	-	-	-	3,745
<u>31,430,686</u>	<u>29,282,125</u>	<u>26,608,171</u>	<u>25,596,084</u>	<u>26,199,959</u>	<u>30,390,877</u>
(17,873,208)	(8,872,650)	(2,633,964)	(2,227,718)	(424,131)	(4,792,420)
-	-	3,790,000	4,335,000	4,760,000	2,295,000
-	-	-	-	76,238	14,116
-	(1,015,000)	-	(3,640,000)	(5,725,000)	(1,890,000)
5,038,663	7,943,246	6,947,232	8,349,567	8,422,604	6,235,149
(5,670,589)	(7,767,783)	(7,430,144)	(8,017,729)	(9,751,653)	(5,907,842)
321,957	4,149	-	-	54,749	2,800
<u>(309,969)</u>	<u>(835,388)</u>	<u>3,307,088</u>	<u>1,026,838</u>	<u>(2,163,062)</u>	<u>749,223</u>
12,543,600	-	-	-	-	-
-	-	-	694,785	-	-
<u>\$ (5,639,577)</u>	<u>\$ (9,708,038)</u>	<u>\$ 673,124</u>	<u>\$ (506,095)</u>	<u>\$ (2,587,193)</u>	<u>\$ (4,043,197)</u>
18.1%	20.0%	30.6%	25.0%	25.0%	23.3%

**CITY OF NEW BRIGHTON, MINNESOTA****TAX CAPACITY AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY****Schedule 5**

Last Ten Fiscal Years

(Unaudited)

Year Taxes Payable	Tax Capacity Value					Net Taxable Value	Assessor's Estimated Market Value of Taxable Property	Total Direct Tax Rate
	Real Property	Personal Property	Total	Fiscal Disparities	Tax Increment			
2009	24,615,700	260,600	24,876,300	996,700	(3,929,500)	21,943,500	2,091,744,100	1.30%
2010	23,727,900	255,600	23,983,500	1,083,000	(4,103,900)	20,962,600	2,005,697,200	1.31%
2011	22,461,200	270,700	22,731,900	862,500	(3,850,800)	19,743,600	1,910,547,900	1.46%
2012	20,644,900	283,500	20,928,400	528,400	(3,602,300)	17,854,500	1,736,054,500	1.74%
2013	19,548,500	300,900	19,849,400	747,400	(2,950,000)	17,646,800	1,746,296,100	1.78%
2014	19,537,600	302,400	19,840,000	475,700	(2,875,600)	17,400,000	1,747,585,600	1.49%
2015	20,535,500	328,600	20,864,100	602,959	(2,512,100)	18,954,900	1,838,979,100	1.36%
2016	21,568,300	341,500	21,909,800	712,100	(2,742,600)	19,879,300	1,927,158,300	1.35%
2017	23,197,100	421,000	23,618,100	795,200	(2,909,700)	21,503,600	2,058,438,500	1.41%
2018	25,601,600	439,000	26,040,500	730,300	(3,402,500)	23,368,300	2,233,653,900	1.44%

Source: Ramsey County Department of Property Records and Revenue.

Note: Amounts rounded to the nearest hundred.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years  
 (rate per \$1,000 of assessed value)  
 (Unaudited)

**Schedule 6**

Fiscal Year	City Direct Rates			Overlapping Rates			
	Basic Rate	General Obligation Debt Service	Total Direct	School (1)	County	Other (2)	Total
2009	1.12%	0.18%	1.30%	0.81%	1.65%	0.27%	4.03%
2010	1.14%	0.17%	1.31%	0.91%	1.85%	0.29%	4.36%
2011	1.24%	0.23%	1.47%	0.99%	2.12%	0.32%	4.90%
2012	1.51%	0.23%	1.74%	1.22%	2.57%	0.42%	5.95%
2013	1.59%	0.18%	1.78%	1.25%	2.76%	0.43%	6.21%
2014	1.35%	0.15%	1.49%	1.16%	2.48%	0.38%	5.51%
2015	1.26%	0.11%	1.36%	1.03%	2.22%	0.35%	4.96%
2016	1.25%	0.10%	1.35%	0.98%	2.20%	0.34%	4.86%
2017	1.31%	0.11%	1.41%	0.97%	2.14%	0.33%	4.86%
2018	1.30%	0.14%	1.44%	1.10%	2.09%	0.32%	4.95%

(1) The majority of New Brighton is served by School District 621 and Intermediate School District 916.

Rates for these districts are used in the table.

(2) Other includes: Metropolitan Council, Metropolitan Mosquito Control, Metro Transit and Rice Creek Watershed.

Source: Ramsey County Department of Taxation.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Ten Years Ago  
(Unaudited)

**Schedule 7**

<u>Taxpayer</u>	2018			2009		
	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity
Industrial Equities Group LLC	\$ 598,190	1	2.59%	\$ 761,284	1	3.45%
Xcel Energy	\$ 299,922	2	1.30%	217,576	5	0.99%
Cardiovascular Systems Inc.	\$ 279,250	3	1.21%			
View at Long Lake LLC	\$ 250,000	4	1.08%			
HSNB LLC	\$ 237,750	5	1.03%	-		-
Sterling Georgetown LLC	\$ 221,111	6				
Engelsma Investment LP	\$ 220,902	7	0.96%	-		-
Polynsian Village 1994 LP	\$ 204,910	8	0.89%	172,310	7	0.78%
AX US LP	\$ 200,064	9	0.87%	-		-
New Brighton Business Center LLC	\$ 192,894	10	0.83%	226,850	2	1.03%
CU Mortgage Services Inc.	\$ 148,250		0.64%	219,250	3	0.99%
Donatelle Associates	\$ 128,250		0.55%	218,668	4	0.99%
Individual	\$ -		-	179,250	6	0.81%
Remmele Engineering Inc.	\$ 144,402		-	161,148	8	0.73%
Brighton Village Apts LLP	\$ -		-	156,000	9	0.71%
Brooks New Brighton LLC	\$ 124,732		-	153,966	10	0.70%
Total	<u>\$ 3,250,627</u>		<u>11.94%</u>	<u>\$ 2,466,302</u>		<u>11.17%</u>

Source: Ramsey County Department of Property Records and Revenue.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

**Schedule 8**

Fiscal Year Ended Dec 31,	Total Tax Levy	Current Tax Collections	Percent of Current Levy Collected	Delinquent Tax Collections in Subsequent Years	Total Tax Collections	Total Collections and Adjustments as a Percent of Levy
2009	7,395,700	7,261,300	98.18%	57,200	7,318,500	98.96%
2010	7,395,700	7,243,400	97.94%	79,100	7,322,500	99.01%
2011	7,395,700	7,312,200	98.87%	45,500	7,357,700	99.49%
2012	7,287,300	7,215,400	99.01%	33,300	7,248,700	99.47%
2013	7,388,300	7,330,800	99.22%	15,900	7,346,700	99.44%
2014	6,794,300	6,744,500	99.27%	18,200	6,762,700	99.53%
2015	6,925,000	6,864,900	99.13%	23,600	6,888,500	99.47%
2016	7,191,700	7,122,100	99.03%	43,400	7,165,500	99.64%
2017	7,900,100	7,844,500	99.30%	20,700	7,865,200	99.56%
2018	8,661,170	8,602,700	99.32%	40,800	8,643,500	99.80%

Note: Does not include tax increment levies and collections.

Note: Amounts rounded to the nearest hundred.

Note: Excludes Lake Diane (3,750.00) and Bicentennial Pond (2,100.00) Levies

**CITY OF NEW BRIGHTON, MINNESOTA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Governmental Activities				
	G.O. Improvement Bonds	Tax Increment Bonds	EDA Revenue Bonds	Notes Payable	Contract for Deed Payable
2009	4,010,000	47,165,000	6,405,000	-	80,700
2010	7,715,000	45,220,000	-	-	59,265
2011	6,790,000	43,325,000	-	-	38,855
2012	5,775,000	42,265,000	-	-	-
2013	4,405,000	38,850,000	-	-	-
2014	3,135,000	36,840,000	-	-	-
2015	3,379,054	53,015,499	-	-	-
2016	2,379,177	60,211,917	-	-	-
2017	2,139,300	32,580,561	-	-	-
2018	1,827,808	30,460,820	-	-	-

(1) See Schedule 14 for personal income and population data.

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

Note: 2015 and 2016 outstanding debt amounts have been restated to include unamortized bond premiums

## Schedule 9

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Business- Type Activities			
Revenue Bonds	Total Primary Government	Debt as a Percentage of Personal Income (1)	Debt Per Capita (1)
580,000	58,240,700	8.38%	2,587
480,000	53,474,265	8.28%	2,492
340,000	50,493,855	7.29%	2,353
-	48,040,000	6.93%	2,235
-	43,255,000	6.10%	1,966
-	39,975,000	5.60%	1,807
-	56,394,553	7.62%	2,554
-	62,591,094	8.65%	2,823
-	34,719,861	4.42%	1,536
-	32,288,628	3.94%	1,412

**CITY OF NEW BRIGHTON, MINNESOTA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
Last Ten Fiscal Years  
(Unaudited)

**Schedule 10**

<u>Fiscal Year</u>	<u>G.O. Improvement Bonds</u>	<u>Less Amount Restricted to Debt Service</u>	<u>Total</u>	<u>Percentage of Assessor's Estimated Market Value of Taxable Property (1)</u>	<u>Per Capita (2)</u>
2009	4,010,000	-	4,010,000	0.19%	178
2010	7,715,000	-	7,715,000	0.38%	360
2011	6,790,000	1,110,567	5,679,433	0.30%	265
2012	5,775,000	934,884	4,840,116	0.28%	225
2013	4,405,000	806,018	3,598,982	0.21%	164
2014	3,135,000	745,050	2,389,950	0.14%	108
2015	3,379,054	415,566	2,963,488	0.16%	134
2016	2,379,177	386,138	1,993,039	0.10%	90
2017	2,139,300	394,744	1,744,556	0.08%	77
2018	1,827,808	319,560	1,508,248	0.07%	66

(1) See Schedule 5 for property value data.

(2) See Schedule 14 for population data.

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

Note: 2015 and 2016 outstanding debt amounts have been restated to include unamortized bond premiums



**CITY OF NEW BRIGHTON, MINNESOTA****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****Schedule 11**

As of December 31, 2018

(Unaudited)

<u>Governmental Unit:</u>	<u>Bonded Gross Debt Outstanding</u>	<u>Percentage Applicable In City*</u>	<u>Estimated City Share of Debt</u>
<u>Debt repaid with property taxes</u>			
Ramsey County	\$ 130,950,000	3.98%	\$ 5,211,810
Ramsey County Library	28,860,000	7.92%	\$ 2,285,712
Metro Watershed	3,655,000		\$ -
School Districts:			
ISD No. 282	31,625,000	14.21%	\$ 4,493,913
ISD No. 621	229,320,000	21.02%	\$ 48,203,064
Metro Council	8,360,000	0.59%	\$ 49,324
Metro Transit District	<u>182,390,000</u>	<u>0.73%</u>	<u>\$ 1,331,447</u>
Total Overlapping Debt	615,160,000		61,575,270
<u>Direct Debt:</u>			
City of New Brighton	<u>32,288,628</u>		<u>32,288,628</u>
Total Overlapping and Direct Debt	<u>\$ 647,448,628</u>		<u>\$ 93,863,898</u>
<u>Debt Ratios:</u>			
Ratio of debt per capita (22,600 population) - overlapping			\$ 2,692
Ratio of debt per capita (22,600 population) - direct			\$ 1,412
Ratio of debt per capita (22,600 population) - total			\$ 4,103
Ratio of debt to estimated market valuation of	\$ 2,233,653,900		4.20%

\* Determined by ratio of net tax capacity (after fiscal disparities and tax increment adjustment) of property subject to taxation in overlapping unit to net tax capacity of property subject to taxation in City.

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

Source: Ramsey County

**CITY OF NEW BRIGHTON, MINNESOTA**  
**LEGAL DEBT MARGIN INFORMATION**  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year			
	2018	2017	2016	2015
Market value	\$ 2,233,653,900	\$ 2,058,438,500	\$ 1,927,158,300	\$ 1,838,979,100
Applicable debt limit (percentage)	3%	3%	3%	3%
Debt limit	<u>67,009,617</u>	<u>61,753,155</u>	<u>57,814,749</u>	<u>55,169,373</u>
Amount of debt applicable to debt limit:				
Total bonded debt	32,288,628	33,515,000	61,300,000	56,394,554
Less: Improvement, tax increment and revenue bonds	(32,288,628)	(33,515,000)	(61,300,000)	(56,394,554)
Less: Cash and investments in related debt service funds		-	-	-
Total debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 67,009,617</u>	<u>\$ 61,753,155</u>	<u>\$ 57,814,749</u>	<u>\$ 55,169,373</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

**Schedule 12**

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 1,747,585,600	\$ 1,746,296,100	\$ 1,736,054,500	\$ 1,910,547,900	\$ 2,005,697,200	\$ 2,091,744,100
3%	3%	3%	3%	3%	3%
<u>52,427,568</u>	<u>52,388,883</u>	<u>52,081,635</u>	<u>57,316,437</u>	<u>60,170,916</u>	<u>62,752,323</u>
39,975,000	43,255,000	48,040,000	50,455,000	53,415,000	58,160,000
(39,975,000)	(43,255,000)	(48,040,000)	(50,455,000)	(53,415,000)	(51,755,000)
-	-	-	-	-	(1,005,668)
-	-	-	-	-	5,399,332
<u>\$ 52,427,568</u>	<u>\$ 52,388,883</u>	<u>\$ 52,081,635</u>	<u>\$ 57,316,437</u>	<u>\$ 60,170,916</u>	<u>\$ 57,352,991</u>
0.00%	0.00%	0.00%	0.00%	0.00%	8.60%

**CITY OF NEW BRIGHTON, MINNESOTA**  
**PLEDGED-REVENUE COVERAGE**  
Last Ten Fiscal Years  
(Unaudited)

**Schedule 13**

Fiscal Year	Special Assessment Collections	Debt Service Requirements			Coverage
		Principal	Interest and Paying Agent Fees	Total	
Special Assessment:					
2009	128,900	1,050,000	160,600	1,210,600	11%
2010	115,000	1,055,000	131,800	1,186,800	10%
2011	96,700	2,320,000	174,400	2,494,400	4%
2012	84,000	1,945,000	137,800	2,082,800	4%
2013	73,800	1,370,000	109,700	1,479,700	5%
2014	55,700	1,270,000	86,100	1,356,100	4%
2015	59,200	1,505,000	75,300	1,580,300	4%
2016	56,500	995,000	69,800	1,064,800	5%
2017	49,900	235,000	55,900	290,900	17%
2018	74,300	470,000	51,400	521,400	14%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Amounts rounded to the nearest hundred.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Calendar Years  
 (Unaudited)

**Schedule 14**

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2009	22,511	694,599	30,856	6.7%
2010	21,456	645,804	30,099	7.0%
2011	21,456	692,278	32,265	6.1%
2012	21,496	699,437	32,538	5.4%
2013	21,996	731,785	33,269	4.6%
2014	22,123	741,629	33,523	3.6%
2015	22,084	740,322	33,523	3.1%
2016	22,170	723,873	32,651	3.0%
2017	22,600	785,915	34,775	3.1%
2018	22,875	819,268	35,815	3.3%

- (1) Population provided by the federal census for 2010 through 2011.  
 Population provided by Metropolitan Council estimate for 2007 through 2009 and 2012 through 2018.
- (2) Personal income and per capita personal income figures provided by American Community Survey compiled by Metropolitan Council.
- (3) Unemployment rate figures provided by Minnesota Dept of Employment and Economic Development based on an annual average.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**PRINCIPAL EMPLOYERS**  
Current Year and Ten Years Ago  
(Unaudited)

**Schedule 15**

Employer	2018			2009		
	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Independent School District No. 621 (3)	673	1	5.59%	255	3	2.11%
Medtox Laboratory Inc.	600	2	4.99%	593	1	4.92%
Donatelle	400	3	3.33%	-		-
Cardiovascular System Inc.	285	4	2.37%	-		-
Pentair	250	5	2.08%	-		-
API	225	6	1.87%	-		-
Mission Foods	218	7	1.81%	200	4	0.00%
Benedictine Health Center at Innsbruck	209	8	1.74%	175	7	1.50%
City of New Brighton (4)	132	9	1.10%	347	2	3.32%
New Brighton Avilla Center	128	10	1.06%	126	9	0.00%
Trend Enterprises, Inc.	-		-	200	5	1.66%
Data Sciences International	-		-	185	6	1.53%
Remele Engineering	-		-	166	8	1.38%
Courier Systems, Inc.	-		-	120	10	0.99%

(1) Source: Telephone survey (April 2019)

(2) Source: 2009 New Brighton CAFR

(3) Includes schools only in New Brighton

(4) 2018 is based on total FTE's, 2009 includes all employees (all seasonal / part time park and rec employees)

**CITY OF NEW BRIGHTON, MINNESOTA****FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM****Schedule 16**

Last Ten Fiscal Years

(Unaudited)

<b>Function/Program</b>	<b>Fiscal Year</b>									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Administration (1)	4.85	3.85	3.85	4.00	4.33	4.33	4.33	4.30	4.00	5.30
Finance	5.75	5.00	5.00	5.00	5.00	5.25	5.25	5.25	5.30	5.30
Elections	0.67	0.95	2.16	0.50	0.98	0.65	1.04	1.00	0.80	0.40
License Bureau	7.75	5.95	4.65	2.10	2.10	1.60	1.60	1.60	1.60	1.60
Community Development	6.31	6.31	6.31	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Parks and Recreation										
Parks	9.38	8.12	7.12	7.12	7.12	7.12	7.07	7.07	7.10	7.10
Forestry	1.87	2.02	1.90	1.90	1.10	1.40	0.60	0.60	0.60	1.40
Recreational Programs	10.95	9.89	9.15	8.81	8.33	8.41	8.76	8.80	10.60	13.20
Community Center	16.09	14.57	13.99	13.95	13.57	13.23	12.31	12.30	13.20	13.80
Public Safety										
Police	35.30	34.10	34.10	34.10	32.60	31.60	31.60	31.60	32.60	33.60
Fire (2)	2.70	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Public Works										
Engineering	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Streets	16.52	15.02	15.02	15.02	15.02	15.02	14.77	14.77	14.80	14.80
City Garage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Golf	4.19	4.19	4.19	4.19	4.41	4.90	4.90	4.90	4.70	4.90
Information Technology	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	131.83	119.87	117.34	112.59	110.46	109.91	108.63	108.59	111.70	118.80

Source: City Personnel Budget

(1) City Council members are paid salaries, but are not considered employees

(2) Firefighters are volunteers who are paid per call and per drill and are not considered employees

**CITY OF NEW BRIGHTON, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
For the Fiscal Year Ending December 31, 2018

**Schedule 17**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Community development										
Single family building permits	643	778	905	383	221	204	217	248	265	197
Multi-family building permits	22	11	25	5	9	4	16	11	18	12
All other building permits	37	34	38	53	50	37	65	60	80	49
Public Safety										
Police										
Criminal offenses (actual and attempts)	591	625	545	517	551	566	602	530	611	564
Traffic accidents	330	273	318	285	322	349	309	261	320	293
DWT's	163	128	154	147	77	62	84	87	134	121
Parking violations	361	344	322	345	387	496	447	456	660	653
Hazardous moving violations	521	548	703	979	1,481	1,346	1,855	1,226	1,289	1,259
Non-hazardous moving violations	892	924	887	999	1,021	564	742	598	769	824
Fire										
Fire incidents	294	309	310	63	57	79	90	83	94	102
Rescue and emergency medical service incidents	8	11	9	7	11	18	10	6	11	9
Hazardous conditions (no fire)	48	49	60	63	51	52	50	41	71	50
False alarms	124	112	107	112	98	108	125	118	120	116
Public Works										
Street sealcoating (miles)	0	0	1.03	1	-	2	4	4	4	4
Street mill and overlay (miles)	0	0	0.06	-	2	4	-	1	1	-
Street reconstruction (miles)	1.35	1.92	2.8	1	0	1	-	1	1	-
Water										
Average daily consumption (thousands of gallons)	2,060	1,923	2,107	2,262	2,096	2,282	2,566	2,313	2,346	2,411
Peak daily consumption (thousands of gallons)	3,909	4,494	9,000	4,108	4,454	5,477	5,647	5,277	3,959	5,892
Water main breaks	21	14	24	11	28	22	17	20	20	26
Sewer										
Average daily sewage discharge (thousands of gallons)	1,890	1,840	1,853	1,657	1,813	1,780	1,737	1,974	1,737	1,686
Parks and Recreation										
Daily youth wristbands (includes twilight)	81,530	53,593	51,141	48,187	51,714	52,659	48,247	52,738	44,847	42,234
Daily teen wristbands		-	-	-	-	-	-	-	84	276
Daily adult wristbands	3,312	3,422	4,423	4,291	5,033	5,108	3,224	2,935	2,910	4,818
Birthday parties	1,438	1,036	1,220	953	953	995	1,140	1,170	991	954
Softball teams	81	87	84	80	91	91	108	105	116	124
Aquatic registrants	1,223	1,038	1,277	1,214	1,062	918	827	754	741	896
Life-long recreation registrants	1,162	931	1,121	1,095	864	998	943	648	952	1,560
Sports camps and league registrants	1,109	1,991	1,510	1,466	1,240	1,284	1,341	838	1,047	1,234
Adaptive recreation registrants	61	52	53	60	69	60	63	69	73	111
Summer playground registrants	103	60	-	-	-	-	-	-	296	278
Dance registrants	181	173	223	178	142	148	154	117	93	104
Golf course										
Number of rounds played	18,128	19,675	22,072	22,136	20,822	19,795	21,632	20,877	25,124	25,658

Source: Departmental Questionnaire



**CITY OF NEW BRIGHTON, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
For the Fiscal Year Ending December 31, 2018

**Schedule 18**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Elections										
Date of last election	11/6/2018	11/7/2017	11/8/2016	11/3/2015	11/4/2014	11/5/2013	11/6/2012	11/8/2011	11/2/2010	11/3/2009
Number of registered voters	15,073	13,950	15,445	13,395	14,169	13,497	15,074	13,324	14,439	13,748
Number of votes cast	11,722	5,041	13,060	2,936	8,870	3,831	13,004	3,011	10,729	2,876
Percentage of registered voters voting	77.8%	36.1%	84.6%	21.9%	62.6%	28.4%	86.3%	22.6%	74.3%	20.9%
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	71.26	71.26	70	72	71	71	71	71	71	71
Water										
Water mains (miles)	96.82	96.82	96.82	96.82	96	96	96	96	96	96
Wells	11	11	11	11	11	11	11	11	11	11
Fire hydrants	805	805	805	798	784	771	770	770	769	769
Water towers/tanks	4	4	4	4	4	4	4	4	4	4
Treatment plants	4	4	4	4	4	5	5	5	5	5
Sewer										
Sanitary sewers (miles)	75.79	75.79	75.79	75	74	74	74	74	74	74
Lift stations	4	4	4	5	5	5	5	5	5	5
Stormwater										
Storm sewers (miles)	44.23	44	44	44	42	42	42	42	42	42
Street Lights										
Number of streetlights	1047	1047	1047	1024	1007	962	962	962	962	961
Parks and Recreation										
Neighborhood parks	14	14	12	12	12	12	12	12	12	12
Community parks	2	2	1	1	1	1	1	1	1	1
Ball fields (softball)	8	8	7	9	9	9	9	9	9	9
Acreage of parks	183	183	170	172	172	172	172	172	172	170
Tennis courts	6	6	5	6	6	6	6	6	6	6
Golf course										
Number of holes	9	9	9	9	9	9	9	9	9	9
Acreage	32.5	32.5	32.5	31	31	31	31	31	31	31

Source: Departmental Questionnaire

