

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

CITY OF MAPLE GROVE, MINNESOTA

PREPARED BY THE FINANCE DEPARTMENT

JAMES L. KNUTSON, DIRECTOR
STEVEN D. HAUER, ASSISTANT DIRECTOR

(MEMBER OF GOVERNMENT FINANCE OFFICER'S ASSOCIATION
OF THE UNITED STATES AND CANADA)



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**INTRODUCTORY
SECTION**

City of Maple Grove, Minnesota
December 31, 2013
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*City of Maple Grove, Minnesota
Listing of City Officials
December 31, 2013*

ELECTED OFFICIALS

		<u>Term Expires</u>
Mayor	Mark Steffenson	12/31/2014
Councilmember	Erik Johnson	12/31/2016
Councilmember	Phil Leith	12/31/2014
Councilmember	LeAnn Sargent	12/31/2016
Councilmember	Karen Jaeger	12/31/2014

APPOINTED OFFICIALS

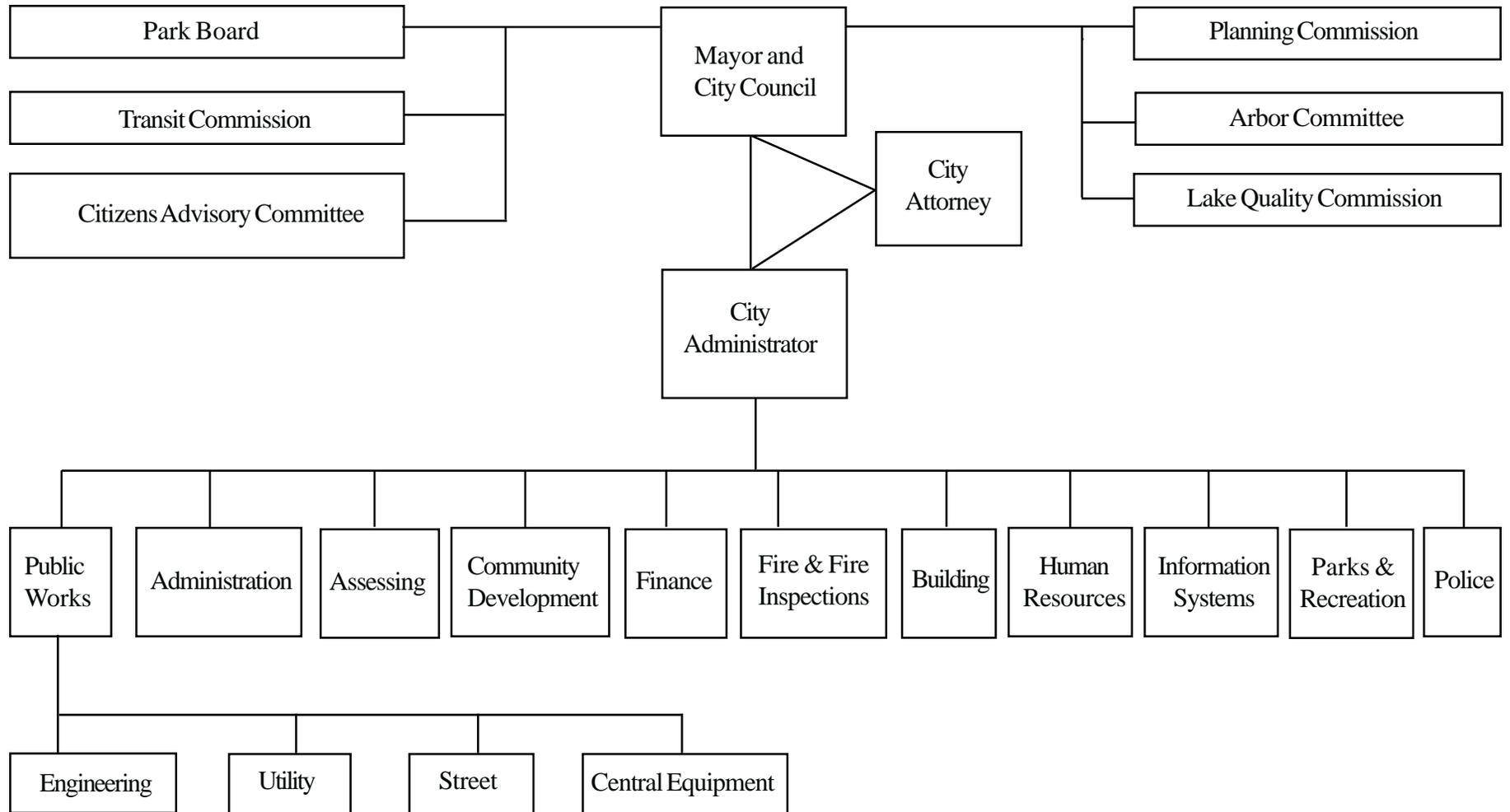
City Administrator	Alan A. Madsen
City Clerk	Alan A. Madsen
City Treasurer	James L. Knutson
City Attorney	George C. Hoff

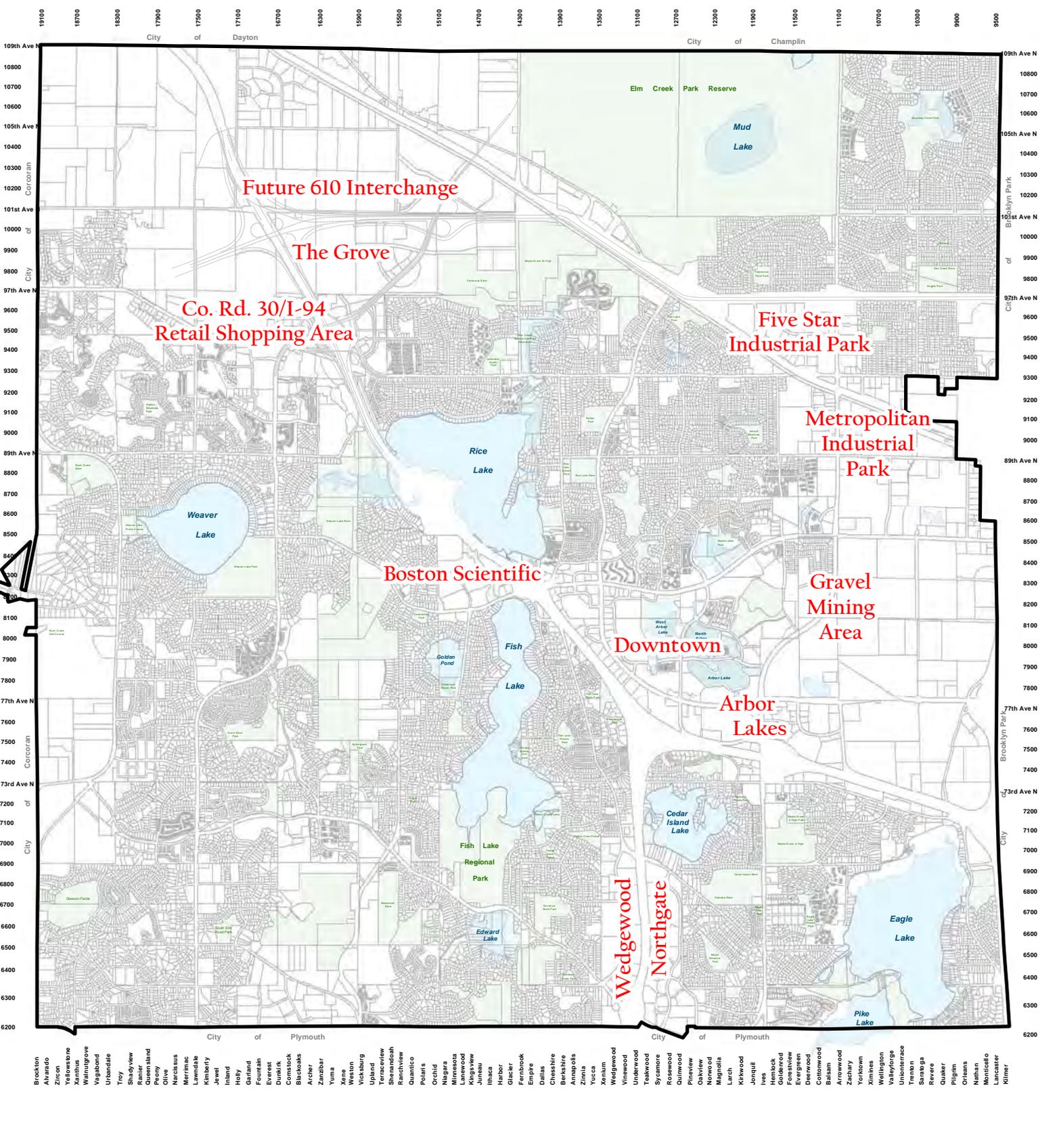
DEPARTMENT DIRECTORS

Administration / Information Systems	Alan A. Madsen
Assessor	Timothy S. Mitchell
Community Development	Richard A. Edwards
Public Works / City Engineer	Kenneth G. Ashfeld
Finance	James L. Knutson
Fire and Fire Inspections	Scott A. Anderson
Building Inspections	Richard K. Davidson
Human Resources	Ann Marie Shandley
Parks and Recreation	Terrence J. Just
Police	David J. Jess

City of Maple Grove

Organizational Chart





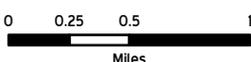


**City of
Maple Grove**

GENERAL INFORMATION MAP



Map Date
4/29/2013



Miles



City of Maple Grove

12800 Arbor Lakes Parkway, P.O. Box 1180, Maple Grove, MN 55311-6180
(763) 494-6000

May 6, 2014

The Honorable Mayor and Council Members
City of Maple Grove
Maple Grove, Minnesota 55311

Dear Mayor Steffenson and Members of the City Council:

The Comprehensive Annual Financial Report of the City of Maple Grove, Minnesota for the fiscal year ended December 31, 2013 is hereby submitted. The report was prepared in accordance with generally accepted accounting principles (GAAP) 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 in 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 reliable information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their 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 financial report is complete and reliable in all material respects.

The City of Maple Grove's financial statements have been audited by Eide Bailly LLP, a firm of 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, 2013, 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 unqualified opinion that the City's financial statements, for the year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is present on page 1 of the financial section of this report.

Honorable Mayor and City Council
May 6, 2014

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found in the financial section of this report immediately following the report of the independent auditors.

Profile of Government

The City is a suburban community located 20 miles northwest of Minneapolis in Hennepin County. The City has a land area of 36 square miles and serves a population of approximately 64,744 residents. Maple Grove is currently the 11th largest city in the state. The City has excellent access to the Minneapolis-St. Paul metropolitan region via interstate highways I-94, I-494 and I-694.

The City operates under the Mayor-Council form of government. The governing council consists of the Mayor and four other Council members. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing members to the park board and various commissions, and hiring the City Administrator, heads of various departments and city employees. The City Administrator is responsible for carrying out the policies, directions and ordinances of the Council and for overseeing the day-to-day operations of the City. The Council is elected on a non-partisan at large basis. The Mayor is elected to serve a four-year term, while Council members serve four-year staggered terms, with two council members elected every two years.

The City provides a full range of services to its residents, including police and fire protection, the construction and maintenance of streets and other infrastructure, park and recreational activities, planning, zoning and inspection services, and transit services. The City also provides water and sewer services to residents and businesses.

The City is also financially accountable for the Housing and Redevelopment Authority (HRA), which is included in the City’s financial statement. Additional information on the HRA can be found in Note 1.A. in the notes to financial statements.

Honorable Mayor and City Council
May 6, 2014

The annual budget serves as the foundation for the City’s financial planning and control. All departments of the City are required to submit requests for appropriations to the Finance Director in July of each year. The Finance Director uses these requests as the starting point for developing a proposed budget. The Finance Director presents this proposed budget to the City Council for review prior to September 15th of each year. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than December 28th of each year.

Department directors may make transfers of appropriations within a department. A transfer of appropriations between funds, however, requires approval of the City Council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the general fund, this comparison is presented on pages 21-25 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with annual budgets, this comparison is presented in the combining and individual fund statements and schedules subsection of this report on pages 85-90.

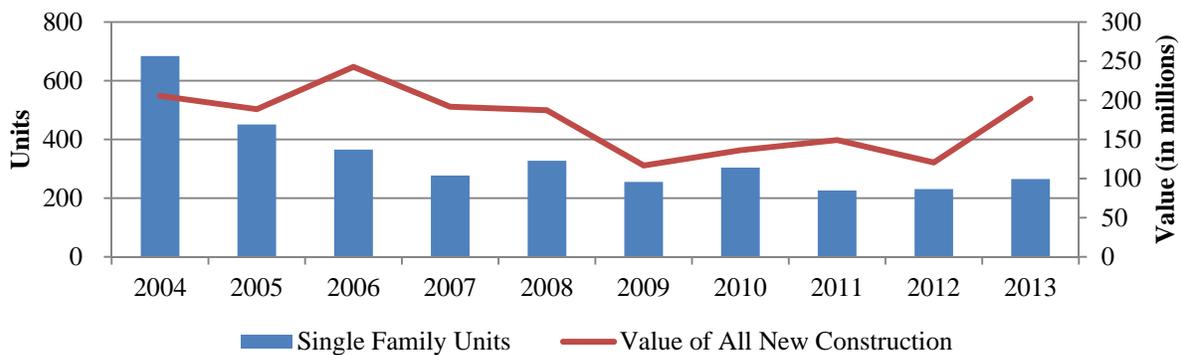
Factors Affecting Financial Condition

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 Maple Grove operates.

Economic Condition and Outlook

The economic outlook for the City is certainly considered good, both in the immediate future and for the long term. The current forecast for the Twin Cities metropolitan area is for growth in population over the next 10-15 years. The City is poised to get a good share of both the residential and commercial/industrial growth. The Metropolitan Council has indicated that Maple Grove is projected to be one of the top five communities in the seven county metropolitan area for new housing starts through 2020. Current development patterns are validating that forecast.

Number of Units vs. Value of New Construction



Honorable Mayor and City Council
May 6, 2014

Residential and commercial/industrial construction continued to be strong, with total construction exceeding \$202.0 million. New construction of single-family homes and multi-unit dwellings added approximately \$127.7 million of new market value with 265 units for the year. Non-residential activity continued to be strong, with about \$59.5 million of new construction started during 2013. An additional \$14.8 million in market value was added in the form of remodeling/additions to residential properties.

Construction has been ongoing for The Grove, a mixed use project area of 210 acres consisting of approximately 1.4 million square feet of high quality retail, medical, office and hospitality functions including a multi-story hospital. The Grove, which serves as a northwest gateway into the City, received approvals beginning in 2004. North Memorial Health Care and Fairview Health Services medical clinics opened in 2007 and the Maple Grove Hospital, located in The Grove development, opened in December, 2009. In 2012, the Maple Grove Hospital added 40 beds to its facility and this will give the hospital a total of 140 patient beds. These additional beds will be used for adult medicine and surgical beds and were completed at the end of 2012. The Grove Medical Plaza is located near the hospital and clinics and is a two-story building that houses medical offices with 42,000 square feet. The clinics, hospital and offices are located in The Grove development which also includes Home Depot and a Super Target. Austin Mutual Insurance Company opened its headquarters, a 49,600 square foot two story building and Eagle Community Bank, a 33,000 square foot two story building, in 2008 and Cambria Suites, a 129 unit four story hotel in The Grove, opened in 2009. In 2013, construction was completed on a 17,900 square foot Aldi grocery store in The Grove.

The City's Gravel Mining Area (GMA), portions of which are actively being mined, is rapidly becoming an urban town center. The present core development of the GMA, known as "Arbor Lakes", is nearly complete. Arbor Lakes has added in excess of 1.5 million square feet of retail space, a three-story medical office building, Great River Energy corporate headquarters, a 125-unit rental housing development, and the Arbor Lakes Senior Living facility consisting of 157 units. In 2008, Great River Energy completed construction on a four-story, 167,000 square foot corporate headquarters facility for approximately 350 employees. The company has received Platinum LEED status and was the 14th company in the world of its size to do so. In May of 2010, Hennepin County completed construction of a new 40,000 square foot library with a parking ramp in the city's Town Green area. The new library is clearly in response to the need to accommodate a larger collection and handling increases in item usage for a growing community. In January 2012, Skye at Arbor Lakes received council approval to construct the first of two phases of a high-density multi-family community in the GMA. The Skye development's first phase, currently under construction, will include 259 rental units in a four-story building surrounding a four-story enclosed heated parking garage. This phase will also include a clubhouse, pool, small pavilion, playground and courtyards. The second phase would include a 207 unit four-story building, bringing the total number of units to 466. In March, 2014 construction was completed on a 276,000 square foot single story Fed Ex package sort and distribution facility in the GMA. In March, 2014, SilverCrest Properties received council approval to construct 195 units of senior housing in the GMA with completion anticipated in 2016.

Honorable Mayor and City Council
May 6, 2014

The Gravel Mining Area Special Area Plan projects that approximately 4,500 dwelling units will occupy this central geographic area. Residential development to date has produced or created 2,255 units through construction and development approvals. That amount of housing adjacent to the Arbor Lakes retail areas will provide a good “core” for the developing “downtown” of Maple Grove. At this time, there remains approximately 3,300 acres (or 5 square miles) remaining for development within the City boundaries. The majority of that land is in the western, rural part of the City with approximately 1,000 acres remaining in the heart of the City. Depending on the final development patterns of the City, the final population of Maple Grove should be approximately 84,000 with employment of approximately 63,000.

Major Initiatives

Maple Grove is both a developing and evolving suburban community. On one hand, the City Council and its appointed commissions are planning the future development of approximately 5 square miles of vacant land within the City boundaries. At the same time, the City must continue to provide services for a growing population. Major initiatives in the City have taken one of two forms during the past year and will continue in the future. One is the continuing planning for the orderly expansion and development of the City. The second is providing a continually expanding range of services for the residents of the City.

The City has a number of expansion projects to meet the future needs of a developing suburban community. The City has expanded the water treatment plant and clearwell to handle the ultimate water demand of the City as well as providing water to neighboring communities. Expansion of the City’s public works garage was completed in June of 2012 and will provide the space to service the final development of the City.

The park department is aggressively pursuing a construction program for trails and parks that will enhance an already extensive system of trails, neighborhood parks and athletic facilities. Neighborhood park (Maple Lakes) and an athletic facility (Gleason Fields) have recently been completed in new developments throughout the City. The Bandshell and Town Green area, located between the Government Center and the Community Center next to West Arbor Lake, opened in June, 2010. This project includes a bandshell with outdoor seating for 300, three pavilions with concession space, restrooms, and a rentable meeting facility for small gatherings. In 2010, the City acquired 20 acres in the Gravel Mining Area for park purposes located on Lakeview Avenue east of the Bridges neighborhood and west of the Arbor Lakes Senior facility. The Park Board is currently working to develop schematic design and construction plans for the park with anticipated construction to begin in summer of 2014. The 92,000 square foot Maple Grove Sports Dome opened to the public in November, 2011 and offers activities for baseball, softball, soccer, and lacrosse and has an indoor walking track.

The City, along with the North Metro Crossing Coalition, has been working to secure Federal and State transportation funding for the final segment of Trunk Highway 610 (a four lane major east west freeway) through the northern half of the City. Funding was received from the American Recovery and Reinvestment Act for the construction of 2.7 miles of Highway 610 between Highway 169 and

Honorable Mayor and City Council
May 6, 2014

Hennepin County 81 in the City. All construction on this phase was completed in August, 2011. Planning and right of way acquisition continue for the remaining 2.5 miles with funding from the Met Council and the City. Funding was received for the remaining 2.5 miles with construction scheduled to begin in October, 2014.

The City is entering its nineteenth year of the street rehabilitation program. The City has a fairly large reconstruction program for 2014 and 2015 with a number of large neighborhoods and numerous collector and commercial area streets. Financing for these projects will continue to be from a combination of annual levy, special assessments, and annual interest earnings from the Road Reconstruction Fund.

The City has always been one of the municipal leaders in the data processing area. Maple Grove is a member of the Local Government Information Systems (LOGIS), a consortium of forty-five Minnesota governmental units to provide data processing systems to its members. Over the last 5 years, LOGIS has replaced all of its major applications including police computer-aided dispatch and records management system, financial, payroll and human resources applications, the park and recreation systems, property data and permit applications, as well as the utility billing software. The City is in the process of installing a fiber optic network as part of a partnership with the Osseo school district.

The City has made a significant commitment to the youth of the community by working with the Osseo school district to share the cost of four police officers assigned full-time as a liaison between the City, the two junior high schools and the two senior high schools. The City's drug education effort has also greatly expanded through the nationally recognized DARE program in all Maple Grove elementary schools. That effort continues with participation in the program by all students in the second, fourth and sixth grades.

To facilitate a wide range of housing alternatives, the City presently has several different initiatives underway. Through its Housing and Redevelopment Authority (HRA), the city has been acquiring and rehabilitating sub-standard housing units. Since 1996, the City has successfully acquired and rehabilitated 28 sub-standard housing units. These units have had an extremely positive impact on the neighborhoods in which they are located, and all have been leased to low-income families. The HRA continues to look for one or two homes to purchase and rehabilitate each year. In addition, the Metropolitan Council has acquired 20 units throughout the City that are operated in the same manner as the City's program.

The Maple Grove Transit Commission continues to provide transit service to residents of the City. Ridership continues to be extremely good with levels consistently exceeding 3,200 riders per day. Funding for transit operations is provided through the state motor vehicle excise tax (purchase of cars). A three level, 926-stall transit station opened adjacent to "the Shoppes at Arbor Lakes". In 2010, the City acquired property adjacent to "The Grove" for a transit station. Phase I was completed in 2011 and provided a 500 stall surface park and ride lot, bus way, indoor station, and the footings and foundation for a future parking ramp. Phase II will provide a one level structured parking ramp with an additional 475 stalls with anticipated completion in June, 2014.

Honorable Mayor and City Council
May 6, 2014

Certificate of Achievement

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 Maple Grove for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This is the 29th consecutive year the city has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

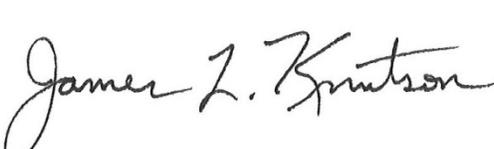
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

We would like to express our appreciation to all members of the Finance Department for their professional, efficient and dedicated service during the entire year. Specific recognition for the preparation of this report needs to go to Steve Hauer, Sheri Robertson, and Jamey Larson. They have prepared the majority of this report.

The Finance Department wishes to express our appreciation to the City Administrator and members of the City Council for their continued interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



James L. Knutson
Finance Director



Alan A. Madsen
City Administrator



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Government Finance Officers Association

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

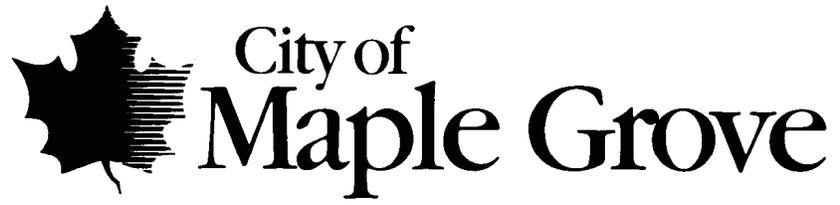
Presented to

**City of Maple Grove
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



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FINANCIAL
SECTION



Independent Auditor's Report

To the Honorable Mayor and City Council
City of Maple Grove, Minnesota
Maple Grove, 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 City of Maple Grove, Minnesota (City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 entity'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 entity'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 above 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 Maple Grove, Minnesota, as of December 31, 2013, 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.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and has retroactively restated the previously reported net position to account for bond issuance costs in accordance with this Statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 13 and page 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of American, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 compromise the City of Maple Grove, Minnesota's financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 are fairly stated, in all material respects, in relation to the 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 6, 2014 on our consideration of the City of Maple Grove, Minnesota'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Maple Grove, Minnesota's internal control over financial reporting and compliance.



Minneapolis, Minnesota
May 6, 2014

**Management's Discussion
and Analysis**

City of Maple Grove, Minnesota

Management's Discussion and Analysis

As management of the City of Maple Grove, this section of the City's comprehensive annual financial report presents a discussion and analysis of the City's financial activities during the fiscal year ended December 31, 2013. This discussion and analysis should be read in conjunction with the letter of transmittal in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded liabilities by \$609 million. Of this amount, \$223 million may be used to meet the City's ongoing obligations to citizens and creditors within the City's fund classifications and fund policies.
- The City's total net position increased by \$2,652,980.
- The City's governmental funds reported combined ending fund balances of \$192.7 million as of December 31, 2013. Of this total amount, approximately 53% is available for spending within the City's policies for committed, assigned and unassigned fund balances.
- As of December 31, 2013, unassigned fund balance for the General Fund was \$7.1 million, or 20.2% of the 2014 general fund budget.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements consist of 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.

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, and provide information about the activities of the City as a whole and present a long-term view of the City's finances.

Fund financial statements provide information about governmental activities by showing how these services were financed in the short-term as well as what remains for future spending. These statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining fund financial statements provide information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Notes to the financial statements 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 on pages 33-62 of this report.

Reporting the City as a Whole

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities found on pages 15-16. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These statements report the City's Net Position and changes in them. The City's net position can be used as a way of measuring the City's financial health, or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's tax base or the condition of the City's infrastructure to assess the overall health of the City.

Reporting the City's Most Significant Funds

The fund financial statements that begin on page 17 provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other revenues. The City's two kinds of funds each use different accounting approaches.

- **Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end are available for spending. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance city programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation to each of the fund financial statements on pages 18 and 20. The basic governmental fund financial statements can be found on pages 17-25.
- **Proprietary funds** – When the City charges customers for the services it provides, whether to outside customers or units of the City, these services are generally reported in the proprietary funds. These funds are reported in the same manner that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detailed and additional information, such as

cash flows, for proprietary funds. The City uses internal funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities. The basic proprietary fund financial statements can be found on pages 27-30.

- The City uses fiduciary funds to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide statements because the resources of these funds are not available to support programs of the City. The accounting method used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 31.
- Notes to financial statements – The notes provide additional information that is essential to fully understand the data provided in government-wide and governmental fund financial statements. The notes to the financial statements can be found on pages 33-62 of this report.
- Other information – The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds and internal service funds are presented immediately following the basic financial statements. Combining and individual fund statements and schedules can be found on pages 69-101 of this report.

Financial Analysis of the City as a Whole

City of Maple Grove's Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012
Assets:						
Current and other assets	\$ 306,129	\$ 250,611	\$ 66,170	\$ 74,683	\$ 372,299	\$ 325,294
Capital assets	<u>288,355</u>	<u>284,599</u>	<u>132,174</u>	<u>131,071</u>	<u>420,529</u>	<u>415,670</u>
Total assets	<u>594,484</u>	<u>535,210</u>	<u>198,344</u>	<u>205,754</u>	<u>792,828</u>	<u>740,964</u>
Deferred Outflows of Resources	<u>378</u>	<u>440</u>	<u>2</u>	<u>13</u>	<u>380</u>	<u>453</u>
Liabilities:						
Long-term liabilities	170,517	122,789	2,316	4,577	172,833	127,366
Other liabilities	<u>10,402</u>	<u>6,254</u>	<u>948</u>	<u>1,425</u>	<u>11,350</u>	<u>7,679</u>
Total liabilities	<u>180,919</u>	<u>129,043</u>	<u>3,264</u>	<u>6,002</u>	<u>184,183</u>	<u>135,045</u>
Net Position:						
Invested in capital assets	181,755	174,544	129,860	126,507	311,615	301,051
Restricted	74,921	22,268			74,921	22,268
Unrestricted	<u>157,267</u>	<u>209,795</u>	<u>65,222</u>	<u>73,258</u>	<u>222,489</u>	<u>283,053</u>
Total net position	<u>\$ 413,943</u>	<u>\$ 406,607</u>	<u>\$ 195,082</u>	<u>\$ 199,765</u>	<u>\$ 609,025</u>	<u>\$ 606,372</u>

City of Maple Grove's Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 10,477	\$ 9,492	\$ 14,847	\$ 16,169	\$ 25,324	\$ 25,661
Operating grants and contributions	3,147	1,915			3,147	1,915
Capital grants and contributions	26,106	16,537	3,345	1,613	29,451	18,150
General revenues:						
Property taxes	31,688	32,192			31,688	32,192
Other taxes	122	360			122	360
Grants and contributions	1	4			1	4
Other	35	(8)			35	(8)
Investment income	<u>(2,814)</u>	<u>4,554</u>	<u>(1,151)</u>	<u>2,109</u>	<u>(3,965)</u>	<u>6,663</u>
Total revenues	<u>68,762</u>	<u>65,046</u>	<u>17,041</u>	<u>19,891</u>	<u>85,803</u>	<u>84,937</u>
Expenses:						
General government	7,520	8,242			7,520	8,242
Community and economic development	1,804	2,518			1,804	2,518
Public safety	14,794	14,514			14,794	14,514
Public works	21,368	26,074			21,368	26,074
Park and recreation	6,242	5,775			6,242	5,775
Transit	5,369	4,807			5,369	4,807
Conservation of natural resources	612	543			612	543
Interest on long-term debt	4,592	4,054			4,592	4,054
Water			8,291	6,054	8,291	6,054
Sewer			6,391	6,168	6,391	6,168
Community center			3,783	3,614	3,783	3,614
Recycling			1,149	1,263	1,149	1,263
Street lighting			833	792	833	792
Sports dome			<u>402</u>	<u>360</u>	<u>402</u>	<u>360</u>
Total expenses	<u>62,301</u>	<u>66,527</u>	<u>20,849</u>	<u>18,251</u>	<u>83,150</u>	<u>84,778</u>
Change in net position before transfers	6,461	(1,481)	(3,808)	1,640	2,653	159
Internal transfers	<u>875</u>	<u>677</u>	<u>(875)</u>	<u>(677)</u>		
Change in net position	7,336	(804)	(4,683)	963	2,653	159
Net position as restated, January 1	<u>406,607</u>	<u>407,411</u>	<u>199,765</u>	<u>198,802</u>	<u>606,372</u>	<u>606,213</u>
Net position, December 31	<u>\$ 413,943</u>	<u>\$ 406,607</u>	<u>\$ 195,082</u>	<u>\$ 199,765</u>	<u>\$ 609,025</u>	<u>\$ 606,372</u>

Governmental Activities

Governmental activities net position increased by \$7.3 million, and accounts for 68% of the total net position of the City.

Revenues increased by \$3.7 million, or 5.7%, the key elements of this change are as follows:

Capital Grants and Contributions

- Special assessments levied from development projects in 2013 were \$6.8 million higher than in 2012 due to an increase in development activity.
- The City received \$5.4 million from the Met Council for the construction of phase 2 of the Parkway Transit Station and \$1.3 million from the State for the widening of Zachary Lane for in 2013.
- During 2012, the City was the lead agency for the construction of a county road project and received \$3.9 million for the project.

Operating Grants and Contributions

- The City started receiving motor vehicle excise tax (MVET) in the second half of 2013 of \$1.2 million after not receiving any MVET in 2012.

General Revenues

- The City adopted a slight increase in the property tax levy for 2013 of \$440,800.
- Investment income was down \$7.4 million in 2013 due to a weak bond market.

Expenses decreased by \$4.2 million, or 6.4% less than last year; some of the key changes are as follows:

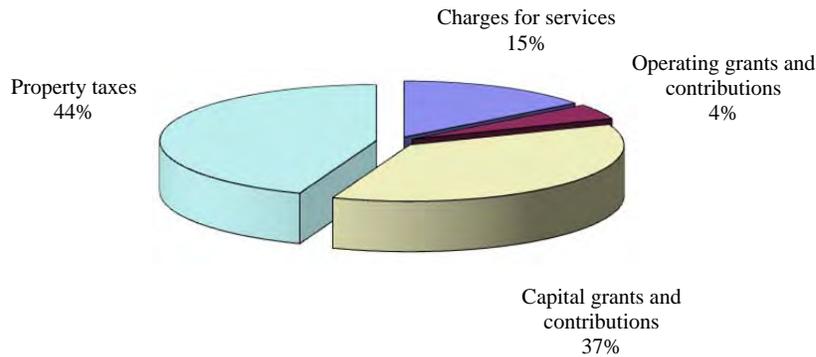
Overall

- An increase in operating expenses due to normal inflationary increases and a growth in a demand for services, of about \$781,900, or a 2.0% increase.

Public Works

- The City was the lead agency and received Federal funding for the reconstruction of a major County road through the City. The cost of the project for 2013 was \$4.7 million compared to \$7.8 million in 2012.

Revenues by Source - Governmental Activities



Business-type Activities

Business-type activities decreased net position by approximately \$4.7 million, and accounts for 32% of the total net position of the City.

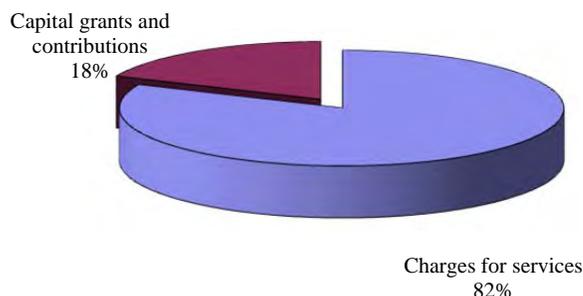
Revenues decreased \$2.8 million in 2013 as compared to 2012, or 14.3%. The key elements making up this change are as follows:

- The City increased sewer rates in 2013, an increase of \$365,300. During 2012, the Sewer Fund received a one-time reimbursement of \$1.3 million from Met Council for a sewer interceptor built by the City.
- An increase of \$1.7 million in connection fees and contributions from developers for water and sewer mains in developments assessed in 2013.
- Investment income was down \$3.2 million due to a weak bond market during 2013.

Expenses increased \$2.6 million, or 14.2%. The elements of this change are as follows:

- An increase in operating expenses due to normal inflationary increases and a growth in a demand for services, an increase of \$193,000, or 1.5%.
- The City finished the replacement of approximately 16,000 water meters in 2013 with automatic meter reading technology, an increase of \$2.5 million.

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

Governmental Funds

The 2006A Improvement Bonds debt service fund had an increase of \$30.9 million due to the issuance of \$26.2 million in refunding bonds to call the bonds in 2014 and the collection of \$8.2 in special assessments pledged for the repayment of the bonds.

The decrease in the Road Reconstruction Fund of \$1.8 million was due to the transfer of \$1.3 million to the 2011A Road Reconstruction Fund for the reconstruction of collector streets.

The Trunk Street Construction Fund had an increase of \$5.7 million in fund balance due to the collection of special assessments related to the construction of collector roads.

The decrease in the Transit Fund of \$1.2 million is due a reduction in vehicle excise tax in order to spend down fund balance for transit operations.

The decrease in the Senior Citizen Housing Fund of \$82,100 is due to the replacement of the roof at Woodland Mounds.

The 2003B Road Reconstruction Bond Fund had a decrease in fund balance of 2.2 million due to calling the bonds in 2013.

The 2005A Road Reconstruction and Refunding Bonds Fund had an increase in fund balance of \$2.0 million due to the issuance of refunding bonds in 2013. The bonds will be called in 2014.

The 2005B Improvement Refunding Bonds Fund had an increase in fund balance of \$3.5 million due to the issuance of refunding bonds in 2013. The bonds will be called in 2014.

The 2005C Capital Improvement Plan Refunding Bonds Fund had an increase in fund balance of \$5.8 million due to the issuance of refunding bonds in 2013. The bonds will be called in 2016.

The 2010C Capital Improvement Plan Bond Fund had an increase in fund balance of \$11.0 million due to the issuance of refunding bonds in 2013. The bonds will be called in 2017.

The increase in fund balance of \$2.8 million in the 2013A Improvement Refunding Fund was due to the issuance of cross-over refunding bonds in 2013.

The decrease in fund balance of \$2.8 million in the Park Dedication Fund was due to the transfer of \$2.5 million to the Capital Improvement Fund for the construction of a central park in the gravel mining area.

The increase in fund balance of \$4.8 million in the Capital Improvement Fund was the result of year end transfers from the general fund for future projects of \$3.0 million.

The Transit Capital Improvement Fund had an increase of \$1.0 million in fund balance due to receiving funds from the Met Council for the construction of Phase 2 of the Parkway Transit Station at the beginning of the project. The project will be completed in 2014.

The decrease of \$3.4 million in the Improvement Project Fund was due to the payment of specials on parcels to be used as right of way for the final segment of Trunk Highway 610.

The increase in fund balance in the 2012 Improvement Project Financing Fund of \$3.0 million is related to the collection of special assessments for residential and commercial improvement projects.

The decrease in fund balance in the 2013 Improvement Project Financing Fund of \$2.7 million is due to construction costs for 2013 residential and commercial improvement projects that will be assessed for in 2014.

Proprietary Funds

The Water Fund experienced a decrease in net position of \$3.2 million, which was due to the cost of replacing approximately 16,000 water meters with wireless automatic meter reading technology. This will enable the City to automatically read the meters through a fixed network reading system.

The decrease of \$1.0 million in the Sewer Fund was due mainly to a decrease in investment earnings for 2013.

General Fund Budgetary Highlights

The City did not make any supplemental appropriations during the year. However, at year-end the City Council made a number of transfers to finance capital projects that will be completed in the future. These transfers which were not budgeted are listed below:

Community Park PSA 23	\$2,450,000
Fiber Optic	250,000
Community Center Building Maintenance Reserve	300,000
Hockey Boards	300,000
Mini-Excavator	70,000
Imaging System Upgrade	50,000

General Fund fund balance increased approximately \$57,900 at year-end. Revenues and transfers were \$900,700 more than budgeted, or 102.6% of the budget. This was due to an increase in building permits for the year of \$668,100. Expenditures and transfers were \$842,800 more than budgeted for the year, or 102.4% of the budget, which was due to the transfers at year-end.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at the end of the year amounts to \$420.5 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, park facilities, equipment, streets, storm sewers and water and sewer mains. The total increase in the City's capital assets for the current fiscal year was \$4.8 million or 1.2% (a 1.3% increase for governmental activities and a 0.8% increase in business-type activities).

Major changes in capital assets during the current fiscal year included the following:

- Reconstruction of existing residential and collector streets, \$4.1 million.
- A variety of improvement projects (streets, storm sewers, and water and sewer lines) related to new residential and commercial developments in the City, \$9.1 million of which \$5.7 million was related to construction in progress.
- Rehab of existing sanitary sewer mains of \$2.7 million.
- The purchase of stand-by generators for the Government Center, Maintenance Facility, Water Treatment Plant, several water wells and storm sewer lift stations, \$1.6 million.
- Construction in progress for phase 2 at the Parkway Transit Station of \$3.9 million.
- Replacement of various City vehicles on the replacement schedule, \$555,200.

- The construction of a new City park with work in progress of \$660,700.
- The purchase of land for future Trunk Highway 610, \$817,900.
- Depreciation for 2013 was \$14.5 million for governmental activities and \$4.4 million for business-type activities.

City of Maple Grove's Capital Assets (net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 39,378	\$ 38,560	\$ 2,023	\$ 2,023	\$ 41,401	\$ 40,583
Park improvements	19,764	19,646			19,764	19,646
Park play structures	1,097	898			1,097	898
Buildings and improvements	46,523	47,736	15,933	16,734	62,456	64,470
Furniture and equipment	9,196	9,196	2,117	748	11,313	9,944
Infrastructure	159,829	164,114			159,829	164,114
Distribution systems			112,101	111,566	112,101	111,566
Construction in progress	12,568	4,449			12,568	4,449
Total capital assets	<u>\$288,355</u>	<u>\$284,599</u>	<u>\$132,174</u>	<u>\$131,071</u>	<u>\$420,529</u>	<u>\$415,670</u>

Additional information on the City's capital assets can be found in Note 4 – Capital Assets on pages 44-45 of this report.

Debt Administration

The City's total debt increased by \$40.3 million during the current fiscal year after the payment of \$11.4 million in bonds due in 2013. Total bonds outstanding at the end of the year were \$153.8 million.

During the year, the City issued \$3.9 million of road reconstruction bonds to finance the cost of reconstructing various residential streets of the City.

The City also issued \$47.8 million of refunding bonds to refinance three general obligation bond issues and two special assessment bond issues. The refinancing for these bond issues will result in a decrease in future debt service payments of approximately \$4.2 million.

City of Maple Grove's Outstanding Debt
 Bonds Payable (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Special assessment bonds	\$ 68,730	\$ 41,650			\$ 68,730	\$ 41,650
General obligation bonds	82,720	67,235			82,720	67,235
Revenue bonds			\$ 2,315	\$ 4,565	2,315	4,565
Total bonds outstanding	<u>\$151,450</u>	<u>\$108,885</u>	<u>\$ 2,315</u>	<u>\$ 4,565</u>	<u>\$153,765</u>	<u>\$113,450</u>

Additional information on the City's long-term debt can be found in Note 5 – Long-Term Debt on pages 46-50 of this report.

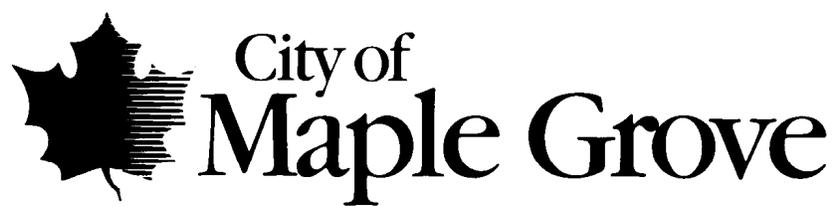
The City bond rating with Standard and Poor's is AAA.

Economic Factors and Next Year's Budgets

The City's elected officials considered many factors when setting the fiscal year 2014 budget and rates and fees that will be charged for the business-type activities. These factors include: 1) A slight increase in City property taxes on the average residential property of 0.08%, 2) the level of growth in the City to be the same in 2014, with new construction/remodeling/etc in the \$125-\$150 million range, 3) a slight increase in the population of approximately 1.3%, and 4) an inflationary factor of 2.5%.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those interested in the government's finances. If you have any questions about this report or need additional information, contact the City of Maple Grove Finance Department at 12800 Arbor Lakes Parkway, P.O. Box 1180, Maple Grove, MN 55311-6180, (763) 494-6000.



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**Government-Wide
Financial Statements**

City of Maple Grove, Minnesota

Statement of Net Position
December 31, 2013

Assets	Governmental Activities	Business-Type Activities	Total
Equity in cash pool	\$ 184,080,743	\$ 60,307,780	\$ 244,388,523
Cash and investments not in pool	517,918	305,819	823,737
Cash and investments held with escrow agent	40,151,265	-	40,151,265
Interest receivable	468,599	201,743	670,342
Accounts receivable	311,181	2,874,281	3,185,462
Taxes receivable	144,119	-	144,119
Special assessments receivable	78,823,413	1,718,999	80,542,412
Intergovernmental receivable	1,611,801	-	1,611,801
Internal balances	(324,650)	324,650	-
Inventory	301,813	78,874	380,687
Prepaid items	42,374	357,504	399,878
Capital assets, net of accumulated depreciation:			
Land and improvements	39,378,074	2,023,369	41,401,443
Park improvements	19,763,923	-	19,763,923
Park play structures	1,096,771	-	1,096,771
Buildings and improvements	46,523,511	15,933,318	62,456,829
Furniture and equipment	9,195,559	2,116,934	11,312,493
Infrastructure	159,828,910	-	159,828,910
Distribution systems		112,100,454	112,100,454
Construction in progress	12,568,596	-	12,568,596
Total assets	<u>594,483,920</u>	<u>198,343,725</u>	<u>792,827,645</u>
Deferred Outflows of Resources			
Loss on refunding bonds	<u>377,829</u>	<u>1,800</u>	<u>379,629</u>
Liabilities			
Interest payable	2,092,976	25,042	2,118,018
Accounts payable	2,644,170	716,628	3,360,798
Accrued wages payable	964,669	100,109	1,064,778
Deposits	79,325	250	79,575
Unearned revenue	4,620,696	105,512	4,726,208
Noncurrent liabilities:			
Due within one year	30,409,045	2,315,748	32,724,793
Due in more than one year	140,108,449	-	140,108,449
Total liabilities	<u>180,919,330</u>	<u>3,263,289</u>	<u>184,182,619</u>
Net Position			
Net investment in capital assets	181,754,891	129,860,127	311,615,018
Restricted for:			
Parks	5,448,640	-	5,448,640
Debt service	69,472,528	-	69,472,528
Unrestricted	<u>157,266,360</u>	<u>65,222,109</u>	<u>222,488,469</u>
Total net position	<u>\$ 413,942,419</u>	<u>\$ 195,082,236</u>	<u>\$ 609,024,655</u>

The notes to the financial statements are an integral part of this statement.

City of Maple Grove, Minnesota

**Statement of Activities
For the Year Ended December 31, 2013**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities:							
General government	\$ 7,519,568	\$ 929,184	\$ 36,883		\$ (6,553,501)		\$ (6,553,501)
Community and economic development	1,803,785	1,203,894	40,000		(559,891)		(559,891)
Public safety	14,793,605	3,391,723	1,173,068		(10,228,814)		(10,228,814)
Public works	21,368,170	1,373,811	658,768	\$ 19,673,982	338,391		338,391
Parks and recreation	6,242,350	1,465,336	5,000	1,019,307	(3,752,707)		(3,752,707)
Transit	5,369,450	2,113,201	1,232,813	5,412,541	3,389,105		3,389,105
Conservation of natural resources	612,155				(612,155)		(612,155)
Interest on long-term debt	4,591,636				(4,591,636)		(4,591,636)
Total governmental activities	62,300,719	10,477,149	3,146,532	26,105,830	(22,571,208)		(22,571,208)
Business-type activities:							
Water	8,290,734	4,427,737		2,381,776	\$ (1,481,221)		(1,481,221)
Sewer	6,391,395	5,724,825		963,127	296,557		296,557
Community center	3,782,728	2,495,032			(1,287,696)		(1,287,696)
Recycling	1,148,976	1,125,891			(23,085)		(23,085)
Street lighting	833,214	717,757			(115,457)		(115,457)
Sports dome	402,168	356,330			(45,838)		(45,838)
Total business-type activities	20,849,215	14,847,572		3,344,903	(2,656,740)		(2,656,740)
Total government	\$ 83,149,934	\$ 25,324,721	\$ 3,146,532	\$ 29,450,733	(22,571,208)	(2,656,740)	(25,227,948)
General revenues:							
Property taxes levied for general purpose					29,458,083		29,458,083
Property taxes levied for debt service					1,710,379		1,710,379
Property taxes levied for housing and redevelopment					148,167		148,167
Property taxes from tax increments					371,834		371,834
Other taxes					122,251		122,251
Grants and contributions not restricted to specific programs					578		578
Investment income					(2,814,432)	(1,150,675)	(3,965,107)
Gain on sale of capital assets					34,743		34,743
Internal transfers					875,000	(875,000)	-
Total general revenues and internal transfers					29,906,603	(2,025,675)	27,880,928
Change in net position					7,335,395	(4,682,415)	2,652,980
Net position as restated, January 1					406,607,024	199,764,651	606,371,675
Net position, December 31					\$ 413,942,419	\$ 195,082,236	\$ 609,024,655

The notes to the financial statements are an integral part of this statement.

Fund

Financial Statements

Balance Sheet
Governmental Funds
December 31, 2013

	General	2006 Series A Improvement Bonds	Road Reconstruction	Trunk Street Construction	Other Governmental Funds	Total
Assets						
Equity in cash pool	\$ 8,530,734	\$ 5,671,802	\$ 21,439,415	\$ 30,228,687	\$ 92,057,203	\$ 157,927,841
Cash and investments not in pool					517,918	517,918
Cash and investments held with escrow agent		26,372,792			13,778,473	40,151,265
Interest receivable	11,271	6,634	68,736	80,249	221,145	388,035
Accounts receivable	132,594				164,265	296,859
Taxes receivable	129,478		6,327		8,314	144,119
Special assessments receivable	9,197	37,324,227	580,721	20,975,214	19,934,054	78,823,413
Intergovernmental receivable	203,071				1,408,730	1,611,801
Due from other funds	154,353				-	154,353
Prepaid items	33,968				8,406	42,374
Total assets	\$ 9,204,666	\$ 69,375,455	\$ 22,095,199	\$ 51,284,150	\$ 128,098,508	\$ 280,057,978
Liabilities and Fund Balances						
Liabilities:						
Interest payable					\$ 5,226	\$ 5,226
Accounts payable	\$ 600,765		\$ 14,860	\$ 17,055	1,932,287	2,564,967
Accrued wages payable	595,964				125,968	721,932
Deposits					79,325	79,325
Due to other funds	300,000				179,003	479,003
Unearned revenue	469,715				4,150,981	4,620,696
Total liabilities	1,966,444		14,860	17,055	6,472,790	8,471,149
Deferred Inflows of Resources:						
Unavailable revenue - taxes	84,787		4,384		5,405	94,576
Unavailable revenue - special assessments	9,197	\$ 37,324,116	580,721	20,970,358	19,923,963	78,808,355
Total deferred inflows of resources	93,984	37,324,116	585,105	20,970,358	19,929,368	78,902,931
Fund Balances:						
Nonspendable	33,968				8,306	42,274
Restricted		32,051,339			58,735,106	90,786,445
Committed			21,495,234		24,680,582	46,175,816
Assigned				30,296,737	20,969,324	51,266,061
Unassigned	7,110,270				(2,696,968)	4,413,302
Total fund balances	7,144,238	32,051,339	21,495,234	30,296,737	101,696,350	192,683,898
Total liabilities, deferred inflows of resources and fund balances	\$ 9,204,666	\$ 69,375,455	\$ 22,095,199	\$ 51,284,150	\$ 128,098,508	\$ 280,057,978

The notes to the financial statements are an integral part of this statement

City of Maple Grove, Minnesota

*Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Funds
December 31, 2013*

Total fund balances - governmental funds	\$ 192,683,898
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	422,577,140
Less accumulated depreciation	(141,162,911)
Other long-term assets not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	78,902,931
Internal service funds are used by the City to charge the costs of certain activities, such as vehicle maintenance, replacement of City vehicles and equipment, and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	28,722,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(151,450,000)
Bond premium	(6,763,603)
Bond discount	509,772
Deferred unamortized refunding costs	377,829
Accrued interest	(2,087,750)
Family housing loans	(200,000)
NSP2 loan	(186,292)
HOME loans	(1,186,746)
Metropolitan Council - RALF loans	(5,437,922)
Net OPEB liability	(1,356,376)
Net position of governmental activities	<u>\$ 413,942,419</u>

The notes to the financial statements are an integral part of this statement.

City of Maple Grove, Minnesota

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds**

For the Year Ended December 31, 2013

	General	2006 Series A Improvement Bonds	Road Reconstruction	Trunk Street Construction	Other Governmental Funds	Total
Revenues						
Property taxes	\$ 28,396,836		\$ 1,183,498		\$ 1,858,546	\$ 31,438,880
Tax increments					371,834	371,834
Special assessments		\$ 8,151,020	54,037	\$ 6,165,504	9,369,971	23,740,532
Licenses, permits and fees	3,236,476				701,807	3,938,283
Intergovernmental revenue	1,768,584			1,952,055	6,913,335	10,633,974
Charges for services	889,948				4,667,411	5,557,359
Fines and forfeits	461,661				16,125	477,786
Investment income	(68,503)	(40,320)	(427,588)	(462,019)	(1,326,330)	(2,324,760)
Other	97,488		445,000	60,052	1,597,981	2,200,521
Total revenues	34,782,490	8,110,700	1,254,947	7,715,592	24,170,680	76,034,409
Expenditures						
Current:						
General government	6,276,334				37,931	6,314,265
Community and economic development	560,024				633,006	1,193,030
Public safety	14,198,286				308,989	14,507,275
Public works	5,457,317					5,457,317
Conservation of natural resources	612,155					612,155
Parks and recreation					5,459,472	5,459,472
Transit					4,447,227	4,447,227
Miscellaneous	117,325	100			22,794	140,219
Interest					84,169	84,169
Capital outlay			230,930	3,022,533	19,905,239	23,158,702
Debt service:						
Principal retirement		1,780,000			5,410,000	7,190,000
Interest and fiscal fees		1,743,173			2,850,319	4,593,492
Bond issuance costs		98,840			172,479	271,319
Total expenditures	27,221,441	3,622,113	230,930	3,022,533	39,331,625	73,428,642
Excess (deficiency) of revenues over expenditures	7,561,049	4,488,587	1,024,017	4,693,059	(15,160,945)	2,605,767
Other Financing Sources (Uses)						
Bonds issued					3,905,000	3,905,000
Refunding bonds issued		22,950,552			24,889,448	47,840,000
Premium on bonds issued		3,499,560			1,586,787	5,086,347
Refunded principal retirement					(1,990,000)	(1,990,000)
Transfers in	563,292		52,108	1,727,362	15,757,309	18,100,071
Transfers out	(8,066,428)		(2,830,446)	(700,000)	(5,915,497)	(17,512,371)
Total other financing sources (uses)	(7,503,136)	26,450,112	(2,778,338)	1,027,362	38,233,047	55,429,047
Net change in fund balances	57,913	30,938,699	(1,754,321)	5,720,421	23,072,102	58,034,814
Fund balances, January 1	7,086,325	1,112,640	23,249,555	24,576,316	78,624,248	134,649,084
Fund balance, December 31	\$ 7,144,238	\$ 32,051,339	\$ 21,495,234	\$ 30,296,737	\$ 101,696,350	\$ 192,683,898

The notes to the financial statements are an integral part of this statement.

City of Maple Grove, Minnesota

*Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2013*

Net change in fund balances - total governmental funds	\$	58,034,814
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay		17,698,028
Depreciation expense		(13,512,992)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets. This is the amount by which repayments</p>		
Bonds issued		(51,745,000)
Premium on bonds issued		(5,086,347)
Bond principal repayments		9,180,000
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(6,818,366)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Accrued interest		(354,984)
Amortization of bond premiums		490,234
Amortization of bond discounts		(71,285)
Amortization of deferred refunding unamortized charges		(62,109)
Net OPEB liability		(299,928)
<p>Internal service funds are used by the City to charge the costs of certain activities, such as vehicle maintenance, replacement of City vehicles and equipment, and employee benefits to individual funds. The net revenue (expense) of the internal service funds is reported in governmental activities.</p>		
		<u>(116,670)</u>
Change in net assets of governmental activities	\$	<u>7,335,395</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2013**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes				
Current	\$ 28,692,100	\$ 28,692,100	\$ 28,492,557	\$ (199,543)
Delinquent	-	-	(217,972)	(217,972)
Gravel tax reimbursement	20,000	20,000	38,694	18,694
Interest and penalties	45,000	45,000	23,388	(21,612)
Payment in lieu of taxes	18,000	18,000	19,639	1,639
Other			40,530	40,530
Total property taxes	<u>28,775,100</u>	<u>28,775,100</u>	<u>28,396,836</u>	<u>(378,264)</u>
Licenses, permits and fees				
Liquor and beer licenses	295,000	295,000	343,683	48,683
Building permits	1,510,000	1,510,000	1,920,849	410,849
Plumbing and heating permits	290,000	290,000	503,780	213,780
Electrical permits	110,000	110,000	153,501	43,501
Excavating licenses and permits	8,200	8,200	24,856	16,656
Water and sewer permits	21,000	21,000	42,168	21,168
Gravel and blacktop permits	40,000	40,000	39,280	(720)
Refuse haulers licenses	3,200	3,200	3,650	450
Amusement licenses	-	-	5,100	5,100
Sign permits	9,000	9,000	12,615	3,615
Overweight permits	1,500	1,500	2,718	1,218
Animal licenses and fees	15,000	15,000	11,770	(3,230)
Rental license fees	85,000	85,000	112,996	27,996
Fire permits	25,000	25,000	40,487	15,487
Miscellaneous licenses and permits	16,100	16,100	19,023	2,923
Total licenses, permits and fees	<u>2,429,000</u>	<u>2,429,000</u>	<u>3,236,476</u>	<u>807,476</u>
Intergovernmental revenue				
Homestead market value credit			70	70
Police state aid	443,000	443,000	476,345	33,345
Fire state aid	280,000	280,000	379,143	99,143
Municipal state aid streets	400,000	400,000	400,000	-
Other aid and grants	282,000	282,000	513,026	231,026
Total intergovernmental revenue	<u>1,405,000</u>	<u>1,405,000</u>	<u>1,768,584</u>	<u>363,584</u>
Charges for services				
Planning department fees	25,000	25,000	51,234	26,234
Engineering fees and platting	9,000	9,000	10,318	1,318
Inspection and other fees	8,100	8,100	10,487	2,387
Police and fire department charges	27,400	27,400	56,397	28,997
Assessing department charges	500	500	850	350
Weed and tree charges	1,500	1,500	14,335	12,835
Street department charges	25,000	25,000	39,974	14,974
Improvement project charges	690,000	690,000	695,053	5,053
IRB/TIF Application Fee	-	-	5,000	5,000
Street sign charges	2,000	2,000	6,300	4,300
Total charges for services	<u>788,500</u>	<u>788,500</u>	<u>889,948</u>	<u>101,448</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2013**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues (continued)				
Fines and forfeits	\$ 380,000	\$ 380,000	\$ 461,661	\$ 81,661
Other				
Property sales and rental	2,000	2,000	1,611	(389)
Investment income	100,000	100,000	(68,503)	(168,503)
Other	59,000	59,000	95,877	36,877
Total other	161,000	161,000	28,985	(132,015)
Total revenues	33,938,600	33,938,600	34,782,490	843,890
Expenditures				
General government				
Mayor and council				
Personal services	74,100	74,100	70,121	3,979
Supplies and other services	135,700	135,700	110,462	25,238
Total mayor and council	209,800	209,800	180,583	29,217
Administration				
Personal services	605,100	605,100	493,078	112,022
Supplies and other services	154,600	154,600	163,691	(9,091)
Total administration	759,700	759,700	656,769	102,931
City clerk/election				
Personal services	114,700	114,700	107,561	7,139
Supplies and other services	65,200	65,200	21,129	44,071
Total city clerk/election	179,900	179,900	128,690	51,210
Human resources				
Personal services	326,700	326,700	331,733	(5,033)
Supplies and other services	78,900	78,900	46,241	32,659
Total human resources	405,600	405,600	377,974	27,626
Finance				
Personal services	880,800	880,800	811,991	68,809
Supplies and other services	73,600	73,600	54,809	18,791
Total finance	954,400	954,400	866,800	87,600
Insurance				
Personal services	21,300	21,300	12,659	8,641
Supplies and other services	247,000	247,000	210,016	36,984
Total insurance	268,300	268,300	222,675	45,625
Legal	415,000	415,000	432,403	(17,403)

The notes to the financial statements are an integral part of this statement.

**Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Assessing				
Personal services	\$ 980,000	\$ 980,000	\$ 826,860	\$ 153,140
Supplies and other services	65,400	65,400	38,145	27,255
Capital outlay	10,200	10,200	10,200	-
Total assessing	1,055,600	1,055,600	875,205	180,395
Information systems				
Personal services	583,300	583,300	569,429	13,871
Supplies and other services	663,600	663,600	666,924	(3,324)
Capital outlay	203,000	203,000	206,938	(3,938)
Total data processing	1,449,900	1,449,900	1,443,291	6,609
Government buildings				
Personal services	274,100	274,100	214,027	60,073
Supplies and other services	930,900	930,900	815,114	115,786
Capital outlay	94,300	94,300	62,803	31,497
Total government buildings	1,299,300	1,299,300	1,091,944	207,356
Total general government	6,997,500	6,997,500	6,276,334	721,166
Community and economic development				
Personal services	595,600	595,600	535,606	59,994
Supplies and other services	32,200	32,200	19,018	13,182
Capital outlay	5,400	5,400	5,400	-
Total community and economic development	633,200	633,200	560,024	73,176
Public safety				
Police protection				
Personal services	7,896,500	7,896,500	7,622,454	274,046
Supplies and other services	1,016,300	1,016,300	782,998	233,302
Capital outlay	428,300	428,300	337,712	90,588
Total police protection	9,341,100	9,341,100	8,743,164	597,936
Fire protection and inspections				
Personal services	2,152,100	2,152,100	2,162,377	(10,277)
Supplies and other services	526,300	526,300	409,785	116,515
Capital outlay	459,200	459,200	460,821	(1,621)
Total fire protection and inspections	3,137,600	3,137,600	3,032,983	104,617
Building inspection				
Personal services	1,608,900	1,608,900	1,458,214	150,686
Supplies and other services	152,600	152,600	103,774	48,826
Capital outlay	27,600	27,600	27,600	-
Total building inspection	1,789,100	1,789,100	1,589,588	199,512

The notes to the financial statements are an integral part of this statement.

**Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2013**

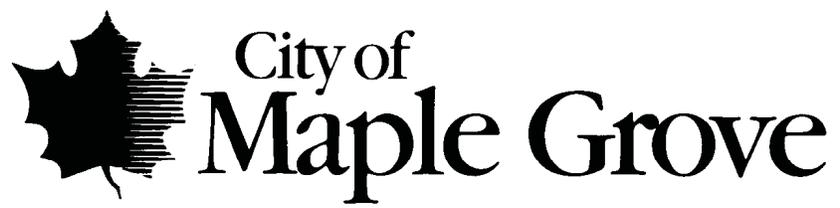
	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Detention				
Personal services	\$ 276,400	\$ 276,400	\$ 181,870	\$ 94,530
Supplies and other services	118,800	118,800	69,018	49,782
Total detention	395,200	395,200	250,888	144,312
Emergency preparedness				
Personal services	25,200	25,200	24,360	840
Supplies and other services	41,500	41,500	23,882	17,618
Capital outlay	26,300	26,300	28,150	(1,850)
Total emergency preparedness	93,000	93,000	76,392	16,608
Community service				
Personal services	457,900	457,900	387,472	70,428
Supplies and other services	147,500	147,500	87,799	59,701
Capital outlay	30,000	30,000	30,000	-
Total community service	635,400	635,400	505,271	130,129
Total public safety	15,391,400	15,391,400	14,198,286	1,193,114
Public works				
Engineering				
Personal services	1,219,900	1,219,900	976,439	243,461
Supplies and other services	82,900	82,900	68,660	14,240
Capital outlay	25,500	25,500	24,000	1,500
Total engineering	1,328,300	1,328,300	1,069,099	259,201
Street maintenance				
Personal services	1,835,400	1,835,400	1,444,046	391,354
Supplies and other services	2,048,400	2,048,400	2,148,694	(100,294)
Capital outlay	422,600	422,600	435,833	(13,233)
Total street maintenance	4,306,400	4,306,400	4,028,573	277,827
Traffic control				
Personal services	162,100	162,100	95,773	66,327
Supplies and other services	217,700	217,700	150,346	67,354
Capital outlay	60,000	60,000	104,370	(44,370)
Total traffic control	439,800	439,800	350,489	89,311
Weed control				
Personal services	14,200	14,200	5,728	8,472
Supplies and other services	4,600	4,600	3,428	1,172
Total weed control	18,800	18,800	9,156	9,644
Total public works	6,093,300	6,093,300	5,457,317	635,983

The notes to the financial statements are an integral part of this statement.

**Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Conservation of natural resources				
Forest management				
Personal services	\$ 30,800	\$ 30,800	\$ 137,177	\$ (106,377)
Supplies and other services	10,800	10,800	20,849	(10,049)
Capital outlay			3,452	(3,452)
Total forest management	41,600	41,600	161,478	(119,878)
Water resources				
Personal services	235,200	235,200	226,849	8,351
Supplies and other services	232,000	232,000	216,020	15,980
Capital outlay	-	-	7,808	(7,808)
Total water resources	467,200	467,200	450,677	16,523
Total conservation of natural resources	508,800	508,800	612,155	(103,355)
Other				
Community action	124,500	124,500	117,325	7,175
Total other	124,500	124,500	117,325	7,175
Total expenditures	29,748,700	29,748,700	27,221,441	2,527,259
Excess of revenues over expenditures	4,189,900	4,189,900	7,561,049	3,371,149
Other financing sources (uses)				
Operating transfers in	575,000	575,000	563,292	(11,708)
Operating transfers out	(4,764,900)	(4,764,900)	(8,066,428)	(3,301,528)
Total other financing sources (uses)	(4,189,900)	(4,189,900)	(7,503,136)	(3,313,236)
Net change in fund balance			57,913	57,913
Fund balance, January 1	7,086,325	7,086,325	7,086,325	-
Fund balance, December 31	\$ 7,086,325	\$ 7,086,325	\$ 7,144,238	\$ 57,913

The notes to the financial statements are an integral part of this statement.



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City of Maple Grove, Minnesota

**Statement of Net Position
Proprietary Funds
December 31, 2013**

	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Other Proprietary Funds	Totals	Governmental Activities - Internal Service Funds
Assets						
Current assets						
Equity in cash pool	\$ 29,706,739	\$ 26,666,274	\$ 1,700,000	\$ 2,234,767	\$ 60,307,780	\$ 26,152,902
Cash and investments not in pool			228,433	77,386	305,819	
Interest receivable	97,772	91,229	5,331	7,411	201,743	80,564
Accounts receivable	922,032	1,393,103	117,385	441,761	2,874,281	14,322
Special assessments receivable	904,444	814,555			1,718,999	
Due from other funds	24,650		300,000		324,650	
Inventory	35,615		43,259		78,874	301,813
Prepaid expense	12,835	344,669			357,504	
Total current assets	31,704,087	29,309,830	2,394,408	2,761,325	66,169,650	26,549,601
Noncurrent assets						
Capital assets:						
Land improvements				2,023,369	2,023,369	
Building			22,592,648	2,725,615	25,318,263	
Equipment	1,497,595	405,922	1,689,377	76,148	3,669,042	16,039,726
Distribution systems	89,073,818	82,437,491			171,511,309	
Less accumulated depreciation	(29,634,077)	(30,146,463)	(10,232,616)	(334,752)	(70,347,908)	(9,098,611)
Total noncurrent assets	60,937,336	52,696,950	14,049,409	4,490,380	132,174,075	6,941,115
Total assets	92,641,423	82,006,780	16,443,817	7,251,705	198,343,725	33,490,716
Deferred outflows of resources						
Loss of refunding bonds	1,800				1,800	
Liabilities						
Current liabilities						
Interest payable	25,042				25,042	
Accounts payable	320,505	106,492	132,522	157,109	716,628	79,203
Accrued wages payable	34,676	7,142	53,181	5,110	100,109	242,737
Deposits			250		250	
Unearned revenue			105,512		105,512	
Current portion of long-term debt	2,315,748				2,315,748	350,000
Total current liabilities	2,695,971	113,634	291,465	162,219	3,263,289	671,940
Noncurrent liabilities						
Compensated absences						4,096,327
Total liabilities	2,695,971	113,634	291,465	162,219	3,263,289	4,768,267
Net Position						
Net investment in capital assets	58,623,388	52,696,950	14,049,409	4,490,380	129,860,127	6,941,115
Unrestricted	31,323,864	29,196,196	2,102,943	2,599,106	65,222,109	21,781,334
Total net position	\$ 89,947,252	\$ 81,893,146	\$ 16,152,352	\$ 7,089,486	\$ 195,082,236	\$ 28,722,449

The notes to the financial statements are an integral part of this statement.

City of Maple Grove, Minnesota

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2013**

	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Other Proprietary Funds	Totals	Governmental Activities - Internal Service Funds
Operating revenues						
Charges for services	\$ 4,315,364	\$ 5,415,958	\$ 2,494,794	\$ 1,979,337	\$ 14,205,453	\$ 7,669,879
Intergovernmental				186,031	186,031	
Other revenue	112,373	308,867	238	34,610	456,088	957,284
Total operating revenues	4,427,737	5,724,825	2,495,032	2,199,978	14,847,572	8,627,163
Operating expenses						
Personal services	1,121,082	262,616	1,540,503	122,221	3,046,422	4,346,954
Supplies	353,225	43,404	164,904	4,791	566,324	561,695
Professional services	215,865	85,991	95,962	470	398,288	172,910
Water meters/merchandise	25,354		190,218		215,572	
Repairs and maintenance	481,397	214,746	325,984	129,286	1,151,413	463,667
Depreciation	1,783,273	1,596,780	827,105	163,604	4,370,762	983,480
Equipment reimbursement	49,600	60,000	35,000	500	145,100	4,200
Insurance	69,280	73,760	17,064	9,252	169,356	505,795
Waste treatment charges		3,876,785			3,876,785	
Utilities	598,312	30,733	502,999	1,954,134	3,086,178	
Computer service	95,673	95,673	3,754		195,100	21,800
Other expenses	3,433,317	50,907	79,235	100	3,563,559	243,532
Total operating expenses	8,226,378	6,391,395	3,782,728	2,384,358	20,784,859	7,304,033
Operating income (loss)	(3,798,641)	(666,570)	(1,287,696)	(184,380)	(5,937,287)	1,323,130
Nonoperating revenue (expense)						
Investment income	(594,259)	(554,493)	37,114	(39,037)	(1,150,675)	(489,672)
Interest expense	(64,356)				(64,356)	
Gain on sale of assets						34,743
Total nonoperating revenue (expense)	(658,615)	(554,493)	37,114	(39,037)	(1,215,031)	(454,929)
Income (loss) before contributions and transfers	(4,457,256)	(1,221,063)	(1,250,582)	(223,417)	(7,152,318)	868,201
Contributions - connection fees	1,708,188	504,695			2,212,883	
Capital contributions - development	673,588	458,432			1,132,020	
Transfers in			1,013,000		1,013,000	287,300
Transfers out	(1,126,650)	(738,650)	(12,000)	(10,700)	(1,888,000)	(1,272,171)
Change in net position	(3,202,130)	(996,586)	(249,582)	(234,117)	(4,682,415)	(116,670)
Total net position as restated, January 1	93,149,382	82,889,732	16,401,934	7,323,603	199,764,651	28,839,119
Total net position, December 31	\$ 89,947,252	\$ 81,893,146	\$ 16,152,352	\$ 7,089,486	\$ 195,082,236	\$ 28,722,449

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Other Proprietary Funds	Totals	Governmental Activities - Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 4,215,926	\$ 5,159,295	\$ 2,485,755	\$ 1,925,179	\$ 13,786,155	\$ 7,669,879
Payments to vendors	(5,782,403)	(4,568,196)	(1,420,141)	(2,135,935)	(13,906,675)	(3,286,545)
Payments to employees	(1,121,732)	(260,016)	(1,540,922)	(121,694)	(3,044,364)	(3,564,160)
Other receipts	161,869	352,708	238	220,641	735,456	945,048
Net cash provided (used) by operating activities	<u>(2,526,340)</u>	<u>683,791</u>	<u>(475,070)</u>	<u>(111,809)</u>	<u>(2,429,428)</u>	<u>1,764,222</u>
Cash flows from investing activities						
Investment income	<u>(560,580)</u>	<u>(541,629)</u>	<u>34,190</u>	<u>(37,317)</u>	<u>(1,105,336)</u>	<u>(474,717)</u>
Cash flows from capital financing and related financing activities						
Acquisition of equipment	(1,194,085)	(3,033,396)	(114,476)		(4,341,957)	(1,827,387)
Contributions from developers and residents	1,708,188	504,695			2,212,883	
Principal paid on revenue bonds	(2,250,000)				(2,250,000)	
Interest paid on revenue bonds	(87,071)				(87,071)	
Proceeds from sale of equipment						35,677
Net cash provided (used) by capital financing activities	<u>(1,822,968)</u>	<u>(2,528,701)</u>	<u>(114,476)</u>		<u>(4,466,145)</u>	<u>(1,791,710)</u>
Cash flows from noncapital financing activities						
Transfers from other funds			713,000		713,000	287,300
Transfers to other funds	(1,126,650)	(738,650)	(12,000)	(10,700)	(1,888,000)	
Receipt (payment) to/from other funds for interfund borrowing	2,836,717				2,836,717	
Net cash provided (used) by noncapital activities	<u>1,710,067</u>	<u>(738,650)</u>	<u>701,000</u>	<u>(10,700)</u>	<u>1,661,717</u>	<u>287,300</u>
Increase in equity in cash pool	(3,199,821)	(3,125,189)	145,644	(159,826)	(6,339,192)	(214,905)
Cash and cash equivalents, January 1	<u>32,906,560</u>	<u>29,791,463</u>	<u>1,782,789</u>	<u>2,471,979</u>	<u>66,952,791</u>	<u>26,367,807</u>
Cash and cash equivalents, December 31	<u>\$ 29,706,739</u>	<u>\$ 26,666,274</u>	<u>\$ 1,928,433</u>	<u>\$ 2,312,153</u>	<u>\$ 60,613,599</u>	<u>\$ 26,152,902</u>
Equity in cash pool, December 31	\$ 29,706,739	\$ 26,666,274	\$ 1,700,000	\$ 2,234,767	\$ 60,307,780	\$ 26,152,902
Cash and investments not in pool, December 31			228,433	77,386	305,819	
Cash and cash equivalents, December 31	<u>\$ 29,706,739</u>	<u>\$ 26,666,274</u>	<u>\$ 1,928,433</u>	<u>\$ 2,312,153</u>	<u>\$ 60,613,599</u>	<u>\$ 26,152,902</u>

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Other Proprietary Funds	Totals	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (3,798,641)	\$ (666,570)	\$ (1,287,696)	\$ (184,380)	\$ (5,937,287)	\$ 1,323,130
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	1,783,273	1,596,780	827,105	163,604	4,370,762	983,480
Change in assets and liabilities:						
(Increase) in accounts receivable	(105,884)	(256,663)	(19,519)	(54,158)	(436,224)	(12,639)
Decrease in special assessments receivable	55,942	43,841			99,783	
(Increase) in inventory	(33,639)		(6,079)		(39,718)	(21,846)
(Increase) in prepaid expense	(9,853)	(21,737)			(31,590)	
Increase (decrease) in accounts payable	(416,888)	(14,460)	1,058	(37,402)	(467,692)	(730,622)
Increase (decrease) in wages payable	(650)	2,600	(419)	527	2,058	26,707
Increase in unearned revenue			10,230		10,230	
Increase in compensated absences						196,012
Net cash provided (used) by operating activities	<u>\$ (2,526,340)</u>	<u>\$ 683,791</u>	<u>\$ (475,070)</u>	<u>\$ (111,809)</u>	<u>\$ (2,429,428)</u>	<u>\$ 1,764,222</u>
Noncash capital financing and related financing activities						
Contribution of capital assets from development	\$ 673,588	\$ 458,432			\$ 1,132,020	
Amortization of deferred refunding unamortized charges	(10,798)				(10,798)	
Amortization of bond discount/premium	11,038				11,038	
Accrued bond interest	22,475				22,475	
Contribution of capital assets to government						\$ (1,272,171)

The notes to the financial statements are an integral part of this statement.

City of Maple Grove, Minnesota

Statement of Fiduciary Net Position

Agency Funds

December 31, 2013

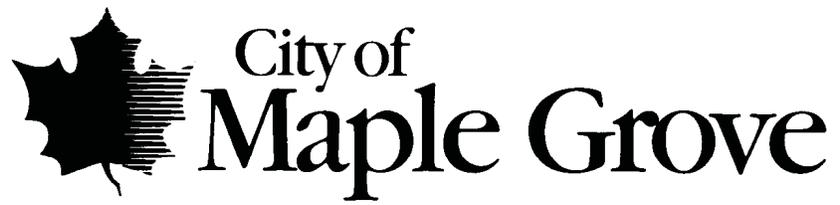
Assets

Equity in cash pool	\$ 2,743,594
Interest receivable	7,257
Intergovernmental receivable	<u>22,984</u>
Total assets	<u>\$ 2,773,835</u>

Liabilities

Accounts payable	\$ 17,313
Accrued wages payable	4,917
Due to other governments	46,143
Deposits	<u>2,705,462</u>
Total liabilities	<u>\$ 2,773,835</u>

The notes to the financial statements are an integral part of this statement.



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Notes to
Financial Statements

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Maple Grove, Minnesota, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City of Maple Grove (City) was incorporated under the laws of the State of Minnesota. The governing body consists of a mayor and four council members. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operations.

Blended Component Units

The Housing and Redevelopment Authority (HRA) in and for the City of Maple Grove is governed by a five-member board, which is made up of the five members of the City Council. The City Council reviews and approves HRA tax levies, and the City provides major community development financing for HRA activities. Debt issued for HRA activities is the general obligation of the City. Although it is legally separate from the City, the HRA is reported as if it were part of the primary government because the City Council serves as the board of the HRA. The HRA is presented as a governmental fund type. Complete financial information for the HRA can be obtained at the City's finance department.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. However, interfund activity for services such as water and sewer are not eliminated from the 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 for support.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues included: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly 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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis, 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 the 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.

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 City considers revenues 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 claims and judgments, are recorded when the payment is due.

Property taxes, licenses 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.

The City reports the following major governmental funds:

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

The 2006A Improvement Bonds Fund accounts for debt service and special assessments related to the 2006A improvement bonds. The Road Reconstruction Fund accounts for funds set aside for the reconstruction of City streets. The Trunk Street Construction Fund accounts for the construction of collector streets in the City.

The City reports the following major proprietary funds:

The Water and Sewer Utility Funds account for the activities related to the City's water and sewer services. The Community Center Fund accounts for the operations of the City's community center.

Additionally, the City reports the following fund types:

Internal service funds account for the following activities provided to other departments of the City on a cost reimbursement basis: fleet management services, replacement of major equipment and building repairs, employee benefits and insurance.

Agency funds account for assets held in a custodial capacity for the Pets Under Police Security (PUPS) and escrow deposits from developers and contractors.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the City's water and sewer utilities and various other functions of the City. Elimination of these charges would distort the direct costs of and program revenues reported from the various functions concerned.

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

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

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

D. Cash and Investments

Cash balances from all funds, except for certain special revenue funds and the Community Center Fund, are combined and invested to the extent available in authorized investments. The cash pool of the City operates essentially as a demand account for all participating funds. Earnings from such investments are allocated to the respective funds on the basis of the applicable cash balance participation by each fund.

The Minnesota 4M Plus Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The fair value of the position in the pool is the same as the value of the pools shares. Investments are stated at fair value, which is based on the quoted market price of the investment.

For purposes of the statement of cash flows, the City considers cash and investments in the cash pool as cash and cash equivalents since all amounts are deemed cash on demand. Cash and investments held in trust are not considered cash and cash equivalents because they have maturities longer than three months.

E. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

F. Inventories

Inventories of the proprietary funds are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

G. Prepaid Items

Payments made to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items, except for insurance, which is accounted for as an expenditure in the period paid in both the government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., streets, bridges, distribution systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not increase asset value or materially extend asset lives are not capitalized. The City reviews its capital assets for impairment whenever events indicate the decline in service utility of the capital asset is significant in magnitude and the event or change in circumstances is outside the normal cycle of the capital asset.

Buildings, equipment and infrastructure of the City and the HRA are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	10-30
Water and Sewer Distribution	50
Streets	25
Storm Sewers	30
Interchange	50
Vehicles and Equipment	3-20
Office Furniture and Equipment	5-10

I. Deferred Outflows/Inflows of Resources

In addition to assets, the City will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting this category. It is the deferred charge on refunding reported in the government-wide statement of net position.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the City will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. Those amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Property Taxes

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. Property tax levies are based on property values assessed on January 2 of the preceding year. The County spreads all levies over all taxable property. Such taxes become a lien on January 1 of the current year. Property taxes are due from taxpayers in two equal installments, on May 15 and October 15. The county provides tax settlements to cities and other local governments three times a year in July, December and January.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and offset by a deferred inflow of resources in the governmental fund financial statements.

K. Special Assessments

Special assessments are levied against the benefited properties for the assessable costs of special assessments improvement projects in accordance with state statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a period of five to twenty years, depending on the type of assessment. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties to the City.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31, are classified as delinquent receivables and, together with deferred assessments, are offset by a deferred inflow of resources in the fund financial statements.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

L. Compensated Absences

The liability for accrued compensated absences includes accumulated vacation leave, sick leave, long-term service or tenure pay, and post employment health benefit paid with unused sick leave at retirement. Full-time employees are allowed to accumulate a maximum of 300 hours of vacation and 150 hours for part time employees. Employees with five or more years of service are compensated for one-third of their accumulated sick leave, as a result of an employee's resignation or retirement. For eligible employees at retirement, the City will contribute 60% of their remaining sick leave after the sick leave payout into a health care savings account for a post employment health benefit. Employees with 20 or more years of service with the City are entitled to additional compensation for long-term service or tenure pay.

Vested or accumulated vacation, sick leave, tenure pay and post employment health benefit for all City employees are recorded as an expenditure or expense in all funds as the benefits accrue to employees. The liability for this is then recorded in an internal service fund – Employee Benefits Fund, from which compensated absences are paid.

M. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

N. Fund Balance Classifications and Fund Balance Policy

In the fund financial statements, fund balance for the governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that have constraints placed on them either externally by third parties (state statutes, creditors, grantors) or through constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a motion or resolution approved by the City Council at a council meeting.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Assigned fund balance consists of amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The City Council has authorized the Finance Director as the official authorized to assign fund balance to a specific purpose as approved by the City fund balance policy.

Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund. A governmental fund other than the General Fund may have a negative residual balance.

When restricted and unrestricted (committed, assigned and unassigned) fund balances are available for use, it is the City's policy to use restricted balances first, then unrestricted balances. When unrestricted balances (committed, assigned and unassigned) fund balances are available for use, it is the City's policy to use committed balances first, then assigned, and finally unassigned as needed.

O. Unassigned Fund Balance Policy

The City has formally adopted a policy to maintain an adequate level of unassigned fund balance for the General Fund. The policy establishes a minimum unassigned fund balance in the General Fund at the end of the year in the range of 15 – 25% of the subsequent year's budgeted expenditures. This range of fund balance will accommodate the cash flow needs of the City and any unforeseen circumstances. At December 31, 2013, the unassigned fund balance for the General Fund was 20.2% of the subsequent year's budgeted expenditures.

Note 2 – Budgets, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrances. Financial controls for debt service funds are achieved through bond indenture provisions. Project-length financial plans are adopted for all Capital Projects Funds.

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

1. The finance director submits to the City Council a proposed operating budget, which includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The preliminary property tax levy is legally enacted through passage of a resolution and certified to the County by September 15 of each year.
4. The final budget is legally adopted through the passage of a resolution by December 20 of each year.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

5. Formal budgets are adopted for the General Fund and Special Revenue Funds. Budget control for Debt Service Funds is achieved through bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
6. The City Council may authorize the transfer of budgeted amounts between funds.
7. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is at the department level for the General Fund and at the fund level for all other budgeted funds. For management purposes, budgetary control is maintained at the department level. Also inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. The budget process has flexibility in that, where the need has been properly demonstrated, the City Administrator can make an adjustment within individual fund budgets. Therefore, there is a constant review process and expenditures are not approved until it has been determined that: (1) adequate funds were appropriated; (2) the expenditure is still necessary; and (3) funds are available.

Budgeted amounts are as originally adopted by the City Council. Revenues exceeding budgeted amounts are sometimes used for supplemental appropriations during the year. Neither the revenue nor the expenditure budget is adjusted to reflect these items. The City did not make any supplemental appropriations during the year.

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations (budget) in the following individual funds for the year ended December 31, 2013:

Special Revenue Funds:		
Park Fund	\$	898
Senior Citizen Housing Fund		62,699

C. Deficit Fund Balances

The following individual Capital Project Fund had a deficit fund balances as of December 31, 2013:

Capital Projects Funds:		
2013 Improvement Project Financing	\$	2,696,968

The deficit in the 2013 Improvement Project Financing Funds is the result of the City's decision to finance the cost of development projects internally. This method of financing recognizes the cash flows of early payments of special assessments to be levied as residential subdivisions develop.

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Note 3 – Cash and Investments

Cash and investments in the City’s cash pool at December 31, 2013 are as follows:

	Fair Value
<u>Cash</u>	
Cash on Hand	\$ 1,540
Cash in Bank Accounts	2,523,673
 Total Cash in Pool	 2,525,213
<u>Investments</u>	
U.S. Treasuries	43,813,660
U.S. Agencies	26,300,019
Federal Instrumentalities	99,768,388
State and Municipal Bonds	18,404,192
Bankers Acceptance	49,822,136
Money Market Funds	6,498,509
 Total Investments in Cash Pool	 244,606,904
 Total Cash and Investments in Cash Pool	 \$ 247,132,117

Cash and investments not in the City’s cash pool at December 31, 2013 are as follows:

	Fair Value
<u>Cash</u>	
Cash on Hand	\$ 4,060
Cash in Bank Accounts	819,677
 Total Cash and Investments not in Cash Pool	 \$ 823,737

Cash and investments held with escrow agent at December 31, 2013 are as follows:

	Fair Value
<u>Cash</u>	
State and Local Government Securities	\$ 40,151,265
 Total Cash and Investments held with Escrow Agent	 \$ 40,151,265

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Bank Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the City. State statutes require that insurance, surety bonds or collateral protect all City deposits. 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). As of December 31, 2013, the City's bank balances were covered by insurance or collateral pledged and held in the City's name.

Investments

As of December 31, 2013, the City had the following investments and maturities in its cash and investment pool:

<u>Investment Type</u>	<u>Investment Maturities – (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 – 5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasuries	\$ 43,813,660	665,795	\$ 8,034,999	\$ 35,112,866	
U.S. Agencies	26,300,019	\$ 350,217	7,744,894	8,430,760	\$ 9,774,148
Federal Instrumentalities	99,768,388	9,215,231	31,246,374	12,065,657	47,241,126
State and Municipal Bonds	18,404,192	1,413,951	10,825,988	5,646,451	517,802
Bankers Acceptance	49,822,136	49,822,136			
Money Market Funds	<u>6,498,509</u>	<u>6,498,509</u>			
Total Investments in Cash Pool	<u>\$ 244,606,904</u>	<u>\$ 67,965,839</u>	<u>\$ 57,852,255</u>	<u>\$ 61,255,734</u>	<u>\$ 57,533,076</u>

As of December 31, 2013, the City's investments in its cash and investment pool are managed as follows:

<u>Investment Manager</u>	<u>Fair Value</u>	<u>Effective Duration</u>	<u>Average Maturity</u>
City of Maple Grove	\$ 59,968,280	0.5 years	0.5 years
Galliard Capital Management	87,976,244	4.0 years	4.7 years
Nuveen Asset Management	84,285,100	3.9 years	4.5 years
Galliard Capital Management – TIPS	6,223,097	6.5 years	7.7 years
Nuveen Asset Management - TIPS	<u>6,154,183</u>	6.5 years	6.7 years
Total Investments in Cash Pool	<u>\$ 244,606,904</u>		
Benchmark		4.3 years	5.3 years
Benchmark – TIPS		4.7 years	5.3 years

City of Maple Grove, Minnesota
Notes to the Financial Statements
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Interest Rate Risk

Through the City's investment policy, the City manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average effective duration of its investment portfolio to not exceed 125% of the duration of a blended index of 60% Barclays Capital Intermediate Government Index / 40% Barclays Capital Mortgage Index (Benchmark) and Barclays Capital TIPS 1-10 Year Index (TIPS Benchmark).

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investment policy requires all investments to be held in a custodial account. As of December 31, 2013, a custodial bank held all investments in the City's name.

Credit Risk

State statutes and the City's investment policy limit investments in money market funds, state or municipal bonds and commercial paper to the following ratings from a national bond rating service as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Service</u>
Money Market Funds	AA or better	Moody's Investor Service or Standard & Poor's
State and Municipal Bonds	A or better	Moody's Investor Service or Standard & Poor's
Commercial Paper	P-1 A-1	Moody's Investor Service Standard & Poor's

As of December 31, 2013, the City's investment in Money Market Funds were rated AAA by Standard & Poor's, Federal Instrumentalities, which includes investments in the Federal Home Loan Bank, Federal Home Loan Mortgage Corp Federal National Mortgage Association, were rated AA+ by Standard & Pooors and investments in State and Municipal Bonds had the following ratings:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Percent of Investment Type</u>
State and Municipal Bonds	A	\$ 386,385	2%
State and Municipal Bonds	AA	9,777,276	53
State and Municipal Bonds	AAA	<u>8,240,531</u>	45
Total State and Municipal Bonds		<u>\$ 18,404,192</u>	

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 4 – Capital Assets

Capital assets activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$ 38,560,182	\$ 817,892		\$ 39,378,074
Park Improvements	18,906,410			18,906,410
Construction in Progress	<u>4,448,677</u>	<u>10,641,909</u>	<u>\$ 2,521,990</u>	<u>12,568,596</u>
 Total Capital Assets, Not Being Depreciated	 <u>61,915,269</u>	 <u>11,459,801</u>	 <u>2,521,990</u>	 <u>70,853,080</u>
 Capital Assets, Being Depreciated:				
Park Improvements	1,333,164	196,855	21,016	1,509,003
Park Play Structures	2,336,052	318,537	65,889	2,588,700
Buildings and Improvements	68,801,138	1,660,702	1,648,705	68,813,135
Furniture	1,107,911			1,107,911
Equipment	19,978,890	1,344,114	685,683	20,637,321
Infrastructure:				
Streets	190,990,555	5,517,442		196,507,997
Interchange	19,580,332			19,580,332
Storm Sewers	<u>56,062,698</u>	<u>956,689</u>		<u>57,019,387</u>
 Total Capital Assets, Being Depreciated	 <u>360,190,740</u>	 <u>9,994,339</u>	 <u>2,421,293</u>	 <u>367,763,786</u>
 Less Accumulated Depreciation:				
Park Improvements	592,922	79,584	21,016	651,490
Park Play Structures	1,437,961	119,857	65,889	1,491,929
Buildings	21,064,826	2,216,701	991,903	22,289,624
Furniture	928,279	15,147		943,426
Equipment	10,962,734	1,306,158	662,645	11,606,247
Infrastructure:				
Streets	77,854,901	8,184,445		86,039,346
Interchange	3,281,326	652,204		3,933,530
Storm Sewers	<u>21,383,554</u>	<u>1,922,376</u>		<u>23,305,930</u>
 Total Accumulated Depreciation	 <u>137,506,503</u>	 <u>14,496,472</u>	 <u>1,741,453</u>	 <u>150,261,522</u>
 Total Capital Assets, Being Depreciated, Net	 <u>222,684,237</u>	 <u>(4,502,133)</u>	 <u>679,840</u>	 <u>217,502,264</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 284,599,506</u>	 <u>\$ 6,957,668</u>	 <u>\$ 3,201,830</u>	 <u>\$ 288,355,344</u>

City of Maple Grove, Minnesota
Notes to the Financial Statements
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land Improvements	\$ 2,023,369			\$ 2,023,369
Capital Assets, Being Depreciated:				
Buildings	25,208,787	\$ 109,476		25,318,263
Equipment	2,258,457	1,410,585		3,669,042
Distribution Systems	167,557,393	3,953,916		171,511,309
Total Capital Assets, Being Depreciated	195,024,637	5,473,977		200,498,614
Less Accumulated Depreciation:				
Buildings	8,472,568	912,377		9,384,945
Equipment	1,454,171	97,937		1,552,108
Distribution Systems	56,050,407	3,360,448		59,410,855
Total Accumulated Depreciation	65,977,146	4,370,762		70,347,908
Total Capital Assets, Being Depreciated, Net	129,047,491	1,103,215		130,150,706
Business-Type Activities Capital Assets, Net	\$ 131,070,860	\$ 1,103,215	\$	\$ 132,174,075

Depreciation expense was charged to City functions as follows:

Governmental activities:	
General Government	\$ 836,895
Community and Economic Development	374,836
Public Safety	723,940
Public Works	11,563,806
Parks and Recreation	528,656
Transit	468,339
Total Depreciation Expense – Governmental Activities	\$ 14,496,472
Business-type activities:	
Water	\$ 1,783,273
Sewer	1,596,780
Community Center	827,105
Sports Dome	163,604
Total Depreciation Expense – Business-type Activities	\$ 4,370,762

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Note 5 – Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the year \$3,905,000 of general obligation road reconstruction bonds were issued to finance the reconstruction of existing city streets.

The American Recovery and Reinvestment Act of 2009 authorized Build America Bonds (BAB's) for the financing of infrastructure. The City issued BAB's in 2009 and 2010 for road reconstruction and capital improvement projects. BAB's are issued as taxable bonds and entitle the City (issuer) to receive a payment from the federal government equal to thirty-five percent (35%) of the interest paid on the bonds for the life of the bond issue.

General obligation bonds currently outstanding are as follows:

<u>Activity</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental Activities	1.86-4.59%	\$ 39,595,000
Governmental Activities – Refunding	1.19-4.15%	43,125,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>BAB Credit</u>
2014	\$ 23,060,000	\$ 2,254,808	\$ 167,509
2015	5,330,000	1,943,977	98,202
2016	11,410,000	1,639,254	95,371
2017	5,885,000	1,336,562	92,012
2018	5,165,000	1,198,610	88,249
2019-2023	18,130,000	4,187,025	371,034
2024-2028	10,110,000	1,617,185	218,525
2029-2033	<u>3,630,000</u>	<u>262,529</u>	<u>41,021</u>
Total	<u>\$ 82,720,000</u>	<u>\$ 14,439,950</u>	<u>\$ 1,171,923</u>

Current Refunding

The City issued \$1,955,000 of general obligation bonds on November 5, 2013 for the current refunding of \$2,080,000 of the 2005A road reconstruction bonds. The call date for the refund bonds is February 1, 2014. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$145,753 and a reduction of \$152,295 in future debt service payments.

City of Maple Grove, Minnesota
Notes to the Financial Statements
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The City issued \$10,225,000 of general obligation bonds on December 5, 2013 for the current refunding of \$11,080,000 of the 2010C capital improvement plan bonds. The call date for the refund bonds is February 1, 2014. The refunding was undertaken to insulate the City from potential future federal reimbursement reductions related to Build America Bonds. The refunding resulted in an economic gain of \$5,880 and a reduction of \$219,153 in future debt service payments.

Cross Over Advanced Refunding

During 2011, the City issued \$1,250,000 of road reconstruction refunding bonds for a cross over advanced refunding of \$1,990,000 of the 2003B road reconstruction bonds. The net proceeds of \$1,204,137 along with \$800,000 from the refunded debt service fund were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal maturities at the call date of the refunded bonds and for the interest on the refunding bonds through the call date. The City is responsible for the principal and interest payments on the remaining refunded bond issues through the call date. The principal balances of both the refunded and refunding bonds are reported as long-term debt of the City until the call dates of the refunded bonds, at which time the refunded bonds will be considered defeased and the related liability will be removed from the governmental activities column of the statement of net position. The call date for the refunded bonds is February 1, 2013. The refunding was undertaken to reduce total future debt service payments by \$452,434 and resulted in an economic gain of \$310,963.

During 2012, the City issued \$4,935,000 of road reconstruction refunding bonds for a cross over advanced refunding of \$4,925,000 of the 2004B road reconstruction bonds. The net proceeds of \$5,065,745 were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal maturities at the call date of the refunded bonds and for the interest on the refunding bonds through the call date. The City is responsible for the principal and interest payments on the remaining refunded bond issues through the call date. The principal balances of both the refunded and refunding bonds are reported as long-term debt of the City until the call dates of the refunded bonds, at which time the refunded bonds will be considered defeased and the related liability will be removed from the governmental activities column of the statement of net position. The call date for the road reconstruction refunded bonds is February 1, 2014. The road reconstruction refunding was undertaken to reduce total future debt service payments by \$651,660 and resulted in an economic gain of \$575,449.

During 2013, the City issued \$5,955,000 of capital improvement plan refunding bonds for a cross over advanced refunding of \$5,815,000 of the 2005C capital improvement plan bonds. The net proceeds of \$6,104,630 were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal maturities at the call date of the refunded bonds and for the interest on the refunding bonds through the call date. The City is responsible for the principal and interest payments on the remaining refunded bond issues through the call date. The principal balances of both the refunded and refunding bonds are reported as long-term debt of the City until the call dates of the refunded bonds, at which time the refunded bonds will be considered defeased and the related liability will be removed from the governmental activities column of the statement of net position. The call date for the road reconstruction refunded bonds is February 1, 2016. The road reconstruction refunding was undertaken to reduce total future debt service payments by \$309,331 and resulted in an economic gain of \$289,684.

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Special Assessment Bonds

The City issues special assessment bonds for the construction of streets and utilities in new residential and commercial developments. These bonds will be repaid from special assessments levied against the properties benefiting from this construction. The City is obligated for the payment of special assessments debt not covered through the collection of special assessments from property owners. Any obligation by the City would be paid from property taxes. There are no delinquent special assessments outstanding at December 31, 2013.

Special assessment bonds with governmental commitment currently outstanding are as follows:

<u>Activity</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental Activities	4.48%	\$ 34,420,000
Governmental Activities – Refunding	1.19-3.84%	34,310,000

Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 6,455,000	\$ 2,772,190
2015	2,675,000	2,604,725
2016	2,845,000	2,474,700
2017	29,495,000	1,674,675
2018	2,655,000	891,950
2019-2023	13,400,000	2,882,850
2024-2027	<u>11,205,000</u>	<u>683,625</u>
Total	<u>\$ 68,730,000</u>	<u>\$ 13,984,715</u>

Current Refunding

The City issued \$3,520,000 of general obligation bonds on November 5, 2013 for the current refunding of \$3,755,000 of the 2005B improvement refunding bonds. The call date for the refund bonds is February 1, 2014. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$275,252 and a reduction of \$286,086 in future debt service payments.

Cross Over Advanced Refunding

During 2013, the City issued \$26,185,000 of capital improvement plan refunding bonds for a cross over advanced refunding of \$26,560,000 of the 2006B capital improvement plan bonds. The net proceeds of \$29,607,240 were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal maturities at the call date of the refunded bonds and for the interest on the refunding bonds through the call date. The City is responsible for the principal and interest payments on the remaining refunded bond issues through the call date.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

The principal balances of both the refunded and refunding bonds are reported as long-term debt of the City until the call dates of the refunded bonds, at which time the refunded bonds will be considered defeased and the related liability will be removed from the governmental activities column of the statement of net position. The call date for the road reconstruction refunded bonds is February 1, 2017. The road reconstruction refunding was undertaken to reduce total future debt service payments by \$3,296,956 and resulted in an economic gain of \$2,824,203.

Water Revenue Bonds

The City issues general obligation revenue bonds for the construction of water system assets. The City also pledges water revenue to pay debt service. Water revenue bonds currently outstanding are as follows:

<u>Activity</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Business-Type Activities - Refunding	0.79% - 3.20%	2,315,000

Annual debt service requirements to maturity for water revenue bonds are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	<u>\$ 2,315,000</u>	<u>30,050</u>
Total	<u>\$ 2,315,000</u>	<u>\$ 30,050</u>

Loans

The HRA has received interest free loans from HUD through HOME Loans and loans from Hennepin County and the State of Minnesota for the purchase of affordable scattered site homes in the City.

Annual debt service requirements to maturity for the loans are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	
2023-2027	\$	696,292
2028-2032		391,700
2033-2037		195,000
2038-2040		<u>290,046</u>
Total	<u>\$</u>	<u>1,573,038</u>

Metropolitan Council - RALF

The City has received interest free loans from the Metropolitan Council Right-of-Way Acquisition Loan Fund (RALF) for the purchase of right-of-way for Trunk Highway 610. The loans are repaid once the Minnesota Department of Transportation purchases the land from the City for highway construction.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Changes in long-term debt

Long-term debt activity for the year ended December 31, 2013 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
Special Assessment Bonds	\$ 41,650,000	\$ 29,705,000	\$ 2,625,000	\$ 68,730,000	\$ 6,455,000
General Obligation Bonds	67,235,000	22,040,000	6,555,000	82,720,000	23,060,000
Deferred Amounts:					
Bond Premium	2,167,489	5,086,346	490,232	6,763,603	615,330
Bond Discount	<u>(581,056)</u>	<u> </u>	<u>(71,285)</u>	<u>(509,771)</u>	<u>(71,285)</u>
Total Bonds Payable	110,471,433	56,831,346	9,598,947	157,703,832	30,059,045
Accrued Compensated Absences	4,250,315	531,002	334,990	4,446,327	350,000
Family Housing Loans	200,000			200,000	
NSP 2 Loan	186,292			186,292	
HOME Loans	1,186,746			1,186,746	
Metropolitan Council – RALF	5,437,922			5,437,922	
Net OPEB Liability	<u>1,056,448</u>	<u>299,928</u>	<u> </u>	<u>1,356,376</u>	<u> </u>
Governmental Activities Long-Term Liabilities	<u>\$ 122,789,156</u>	<u>\$ 57,662,276</u>	<u>\$ 9,933,937</u>	<u>\$ 170,517,495</u>	<u>\$ 30,409,045</u>
<u>Business-type Activities</u>					
Bonds Payable:					
Water Revenue Bonds	\$ 4,565,000		\$ 2,250,000	\$ 2,315,000	\$ 2,315,000
Deferred Amounts:					
Bond Premium	14,205		13,112	1,093	1,093
Bond Discount	<u>(2,420)</u>	<u> </u>	<u>(2,075)</u>	<u>(345)</u>	<u>(345)</u>
Business-type Activities Long-Term Liabilities	<u>\$ 4,576,785</u>	<u>\$ </u>	<u>\$ 2,261,037</u>	<u>\$ 2,315,748</u>	<u>\$ 2,315,748</u>

Compensated absences and the OPEB liability are liquidated by the Employee Benefits Fund. RALF loans are liquidated from funds in the Improvement Project Financing Fund.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Tax Increment Financing

Tax increment revenue consists of taxes collected on the “captured gross tax capacity”, the incremental amount of tax revenue over the taxes collected on the original gross tax capacity. The taxes on the original gross tax capacity remain as part of the ordinary tax base of the City.

The tax increment revenue collected can be used for the retirement of bonds issued to finance public improvements, acquisition of property, “pay as you go” tax increment revenue notes and internally financed improvements approved in the tax increment plan.

Tax Increment Financing - HRA

The HRA was organized under Minnesota Statutes 273.71 to 273.78 in 1981 to undertake financing for housing development projects.

The City of Maple Grove is the administering authority for a Housing and Redevelopment Authority (HRA) of Maple Grove housing tax increment finance district (HRA Housing District No. 5).

HRA Housing District No. 5 – (#1911)

This District was established as a housing and redevelopment project for the development of a 263 unit low and moderate income senior housing facility known as “Chapel Wood”. It is currently estimated that no debt obligations will be incurred by the HRA or the City, except a “pay as you go” tax increment obligation to the developer. The tax increment obligation will be paid from tax increment revenues generated from the District. The balance of the “pay-as-you-go” tax increment revenue notes at December 31, 2013 was \$7,464,049.

The District was created in 1999 under Minnesota Statutes 469.001 to 469.047 and is expected to be terminated in 2026.

Tax Capacity (Valuation 2012, Taxes Payable 2013):

Current Net Tax Capacity	\$ 298,105
Original Net Tax Capacity	<u>(4,440)</u>
Captured Net Tax Capacity	<u>\$ 293,665</u>

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Note 6 - Leases

Operating Lease

The City leases office equipment under a four year cancelable operating lease. Total rental cost for such lease was \$51,320 for the year ended December 31, 2013.

Note 7 – Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major Governmental Funds	\$ 154,353 (2)
Water Utility	Non-Major Governmental Funds	24,650 (1)
Community Center	Non-Major Governmental Funds	<u>300,000 (2)</u>
	Total	<u>\$ 479,003</u>

The purpose of interfund receivables/payables is as follows:

- (1) Represents internal borrowing to eliminate cash deficits at year-end.
- (2) Represents transfers at year-end for operating or capital purposes.

Note 8 – Interfund Transfers

The composition of interfund transfers as of December 31, 2013 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 140,592 (1)
	Water Utility Fund	200,000 (1)
	Sewer Utility Fund	200,000 (1)
	Community Center Fund	12,000 (1)
	Non-Major Proprietary Funds	10,700 (1)
Road Reconstruction Fund	Non-Major Governmental Funds	52,108 (5)
Trunk Street Construction	Non-Major Governmental Fund	1,727,362 (5)
Non-Major Governmental Funds	General Fund	4,008,428 (2)
	General Fund	2,300,000 (3)
	Road Reconstruction Fund	1,325,000 (4)
	Road Reconstruction Fund	1,505,446 (5)
	Trunk Street Construction Fund	700,000 (4)
	Non-Major Governmental Funds	3,305,000 (3)
	Non-Major Governmental Funds	1,143,957 (4)
Non-Major Governmental Funds	221,478 (5)	

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Non-Major Governmental Funds	Water Utility	\$ 618,000 (3)
	Sewer Utility	350,000 (3)
	Water Utility	200,000 (4)
	Sewer Utility	80,000 (4)
Community Center Fund	General	638,000 (2)
	General	300,000 (3)
	Non-Major Governmental Fund	75,000 (2)
Internal Service Funds	General Fund	70,000 (3)
	Water Utility Fund	108,650 (3)
	Sewer Utility Fund	<u>108,650 (3)</u>
Total Transfers In		<u>\$ 19,400,371</u>
Subtotal of Transfers Out		\$ 19,400,371
Transfer of Capital Assets From Internal Service Fund to Governmental Funds		<u>1,272,171</u>
Total Transfers Out		<u>\$ 20,672,542</u>

The purpose of interfund transfers is as follows:

- (1) Administrative transfers.
- (2) Annual appropriation transfers for park and community center operations.
- (3) Transfers for capital projects and equipment.
- (4) Transfers for annual debt service requirements.
- (5) Transfers for closing of certain funds and projects.

In the fund financial statements, total transfers in of \$19,400,371 is less than total transfers out of \$20,672,542 because of the treatment of transfers of capital assets to/from an internal service fund. During the year, capital assets purchased by the internal service in the amount of \$1,272,171 were transferred to the governmental funds. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service funds did report the transfers of these capital resources.

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Note 9 – Fund Balance Classification

As of December 31, 2013, the City had the following fund balance classifications:

	<u>General Fund</u>	<u>2006 Series A Improvement Bonds</u>	<u>Road Reconstruction</u>	<u>Trunk Street Construction</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Prepaid items	\$ 33,968				\$ 8,306	\$ 42,274
Restricted:						
Debt service reserves		\$ 32,051,339			37,421,189	69,472,528
Transit					6,802,948	6,802,948
Park projects					5,448,640	5,448,640
Park and recreation					102,737	102,737
Tax increment projects					3,521,128	3,521,128
Road improvements					4,773,150	4,773,150
Capital Improvement bonds					181,791	181,791
Public safety					150,709	150,709
General projects					332,814	332,814
Committed:						
Road improvements			\$ 21,495,234			21,495,234
Long-term development plan					8,999,411	8,999,411
Capital improvements					13,238,428	13,238,428
Affordable housing					2,330,622	2,330,622
Public safety					112,121	112,121
Assigned:						
Road improvements				\$ 30,296,737	1,111,721	31,408,458
Forest preservation					919,374	919,374
Storm sewer improvements					13,550,141	13,550,141
Capital improvements					2,314,464	2,314,464
Other improvements					2,504,825	2,504,825
General projects					565,162	565,162
Public safety					3,637	3,637
Unassigned	<u>7,110,270</u>				<u>(2,696,968)</u>	<u>4,413,302</u>
Total	<u>\$ 7,144,238</u>	<u>\$ 32,051,339</u>	<u>\$ 21,495,234</u>	<u>\$ 30,296,737</u>	<u>\$ 101,696,350</u>	<u>\$ 192,683,898</u>

Note 9 – Segment Information

The City has issued water revenue bonds to finance the construction of a water treatment plant, water storage and distribution systems. The water department is accounted for in a single fund (Water Utility Fund). Water rates are charged for daily operations. Information related to this segment is included in the proprietary fund statements on pages 27-30.

Note 10 – Joint Venture

During 1990, the City entered into a joint and cooperative agreement with six other surrounding cities to create an organization to provide for the impoundment of animals. The organization, named Pets Under Police Security (PUPS), constructed an animal impound facility with capital costs totaling approximately \$681,000. The City's share of constructing the facility was \$133,000. The governing board of PUPS is made up of one member from each of the seven cities.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Annual operational and capital costs of PUPS are to be charged annually to each of its members in direct proportion to the number of animals impounded from each member's jurisdiction. The City's share of these operating costs is included in the General Fund. The City's share of operating revenues for 2013 was \$27,301, which is 15.3% of the total operating revenues for PUPS. The City is responsible for providing staffing, accounting and reporting for the impound facility. Complete financial information for PUPS can be obtained from the City's finance department.

Summary financial information as of and for the fiscal year ended December 31, 2013 is as follows:

	<u>Operations</u>	<u>Capital</u>	<u>Total</u>
Total Assets	\$ <u>19,673</u>	\$ <u>35,467</u>	\$ <u>55,140</u>
Total Liabilities	\$ 8,997		\$ 8,997
Total PUPS Equity	<u>10,676</u>	<u>\$ 35,467</u>	<u>46,143</u>
Total Liabilities and Equity	<u>\$ 19,673</u>	<u>\$ 35,467</u>	<u>\$ 55,140</u>
Total Revenues	\$ 178,940		\$ 178,940
Total Expenditures	<u>179,339</u>	<u>\$ 658</u>	<u>179,997</u>
Total Increase (Decrease) in PUPS Equity	<u>\$ (399)</u>	<u>\$ (658)</u>	<u>\$ (1,057)</u>

Note 11 – Contingent Liabilities

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 12 – Construction Commitments

The City has active construction projects as of December 31, 2013. The projects include street and utility construction in new developments and reconstruction of existing streets. At year-end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Residential street and utility construction – special assessments	\$ 20,220,610	\$ 2,782,576
Residential street reconstruction – special assessments	<u>3,081,080</u>	<u>405,300</u>
Total	<u>\$ 23,301,690</u>	<u>\$ 3,187,876</u>

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 13 – 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. The City purchased the following insurance coverage's through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities: general liability, excess liability, workers compensation, property, automobile, marine, crime, employee dishonesty, boiler, petro fund and open meeting law.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The LMCIT allows for the pool to make additional assessments to make the pool self-sustaining. The City has also purchased commercial insurance for computer equipment.

Current state statutes (Minnesota Statutes subd. 466.04) provide limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 14 – Employee Pension Plans – Statewide

A. Plan Description

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

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by social security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and employees vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

Two methods are used to compute benefits for GERF 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 of service and 1.7% for each remaining year.

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013*

Under Method 2, the annuity accrual rate is 1.7% of average salary for Coordinated Plan members. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For PEPFF members and for GERP members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive, Suite 200, St. Paul, MN 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2013. PEPFF members are required to contribute 9.60% of their annual covered salary in 2013. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members; 7.25% for Coordinated Plan PERF members; and 14.40% for PEPFF members.

The City's contributions to the General Employees Retirement Fund (GERF) for the years ending December 31, 2013, 2012 and 2011 were \$810,299, \$800,643 and \$783,925, respectively. The City's contributions to the Public Employees Police and Fire Retirement Fund (PEPFF) for the years ending December 31, 2013, 2012 and 2011 were \$844,658, \$811,145 and \$809,377, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 15 - Pension Plan – Firefighters Relief Association

A. Plan Description

The City of Maple Grove contributes to the Maple Grove Firefighters Relief Association (MGFRA), which provides pension benefits to its members through a defined contribution plan administered by the MGFRA. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The MGFRA is a volunteer organization; therefore, there is no covered payroll. The plan is established and administered in accordance with Minnesota Statutes.

Each firefighter who is a member of the MGFRA has an individual account to which is credited an equal share of (a) fire state aid; (b) municipal contributions; and (c) any amounts equal to the share of assets of the special fund to the credit of: (1) any former member who terminated active service with the Maple Grove Fire Department prior to meeting the minimum service requirements and has not returned to service for a period of five years; or (2) any retired member who retired prior to obtaining a full nonforfeitable interest in the amounts credited to their account. In addition, any interest or investment income earned on the assets of the special fund is credited in proportion to the share of assets of the special fund to the credit of each member account. A retiring member is entitled to the nonforfeitable portion of his individual account balance, pursuant to the provisions below.

Each member who is at least 50 years of age and has attained 20 years of service with the Maple Grove Fire Department is eligible for a lump-sum payment of his or her account balance. A member who retires from the department before attaining age 50 and who has attained 20 or more years of service becomes eligible for a deferred pension and, after age 50, is entitled to receive the service pension with interest at prescribed rates.

A member who retires from the department with five or more years of service, but less than 20 years, is entitled to a reduced pension at age 50. The reduced service pension is calculated by multiplying the member's individual account balance by the applicable nonforfeitable percentage based on years of service. The nonforfeitable percentage is 40% after completing five years of service and increases 4% for each year of service after five years to a maximum of 100%.

B. Contributions Required and Contributions Made

The authority for contributions to the plan is established by Minnesota Statute 69.77. The statute is established and amended by the state legislature. Total state aid and City contributions to the Association in 2013 amounted to \$592,659, of which \$379,143 was made by the State of Minnesota for fire state aid and supplemental aid and \$213,516 by the City.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 16 - Postemployment Healthcare Plan Benefits

A. Plan Description

The City administers a single-employer defined benefit healthcare plan. The City provides medical insurance to eligible retired city employees and beneficiaries through the City's group health insurance plan, which covers both active and retired employees. Benefit provisions are established through Minnesota Statutes 471.61 and 299A.465, which require public sector employers to provide eligible retirees and beneficiaries continuation in the group health insurance plan at the group plan premium rate. The plan does not issue a publicly available financial report.

B. Funding Policy

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2013, plan members contributed \$108,875 to the plan. The additional cost of using a blended rate for active employees and retirees is currently funded on a pay-as-you go basis and included in the expenditures/expenses for the year.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

Annual Required Contribution	\$ 400,509
Interest on Net OPEB Obligation	58,105
Adjustment to Annual Required Contribution	<u>(46,857)</u>
Annual OPEB Cost	411,757
Retiree Contributions ⁽¹⁾ made with interest	<u>(111,829)</u>
Increase (decrease) in Net OPEB Obligation	299,928
Net OPEB Obligation beginning of year	<u>1,056,448</u>
Net OPEB Obligation end of year	<u>\$ 1,356,376</u>

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013:

Fiscal Year Ended	Annual OPEB Cost	Retiree Contributions ⁽¹⁾	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 411,757	\$ 111,829	27.2%	\$ 1,356,376
12/31/2012	393,483	80,182	20.4	1,056,448
12/31/2011	267,667	66,352	24.8	743,147
12/31/2010	253,362	48,648	19.2	541,832

(1) Retiree contributions (Pay-as-you-go-costs) are determined at the end of the year and equal the retiree costs less contributions paid by retirees.

D. Funding Status and Funding Progress

As of December 31, 2013, the actuarial accrued liability for benefits was \$3,288,587, all of which was unfunded and represents the implicit rate subsidies for eligible retirees and beneficiaries. The covered payroll (annual payroll of active employees covered by the plan) was \$16,198,725, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 20.3%.

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2012 actuarial valuation the entry age normal level percent of pay actuarial cost method was used. The actuarial assumptions include a 5.5% discount rate and an annual healthcare cost trend rate of 9.0% in 2012, reduced incrementally to an ultimate rate of 5.0% in 2024 and later. Both rates include a 3.0% inflation assumption.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

The unfunded actuarial accrued liability is being amortized, increasing at 3.75% per year for the payroll growth rate, over 30 years on a closed basis. The remaining amortization period at December 31, 2013 was 24 years.

Retirement age of active employees – Based on the retirement rates used in the PERA plan of which the employee is a participant.

Marital Status – Marital status of plan members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 1983 Group Annuity Mortality Tables for males and for females were used.

F. Plan Members

The following summarizes the plan members at December 31, 2013, the date of the latest actuarial valuation:

Retiree Plan Members	11
Active Plan Members	<u>234</u>
Total Plan Members	<u>245</u>

Note 17 - Conduit Debt Obligations

From time to time the City has issued Housing Revenue Bonds and Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of multifamily housing and 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. The following table summarizes the housing and industrial revenue bonds issued by year:

<u>Housing Revenue Bonds</u>	<u>Number of Issues</u>	<u>Original Amount</u>
1983-1985	3	\$ 17,407,000
<u>Industrial Revenue Bonds</u>	<u>Number of Issues</u>	<u>Original Amount</u>
1983-1989	10	\$ 25,940,000
1990-1999	5	8,576,500
2000-2005	2	66,535,000
2007	1	143,605,000

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2013

Note 18 – Restatement of Net Position

The beginning net positions of Governmental Activities, Business-Type Activities and the Water Fund have been restated in order to reflect the reclassification of debt issuance costs in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. The effect on beginning net position is presented as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position 1/1/2013 as Previously Reported	\$ 407,146,059	\$ 199,783,534
Restatement	<u>(539,035)</u>	<u>(18,883)</u>
Net Position 1/1/2013 as Restated	<u>\$ 406,607,024</u>	<u>\$ 199,764,651</u>
	<u>Water Fund</u>	
Net Position 1/1/2013 as Previously Reported	\$ 93,168,265	
Restatement	<u>(18,883)</u>	
Net Position 1/1/2013 as Restated	<u>\$ 93,149,382</u>	

**Required Supplementary
Information**

City of Maple Grove, Minnesota

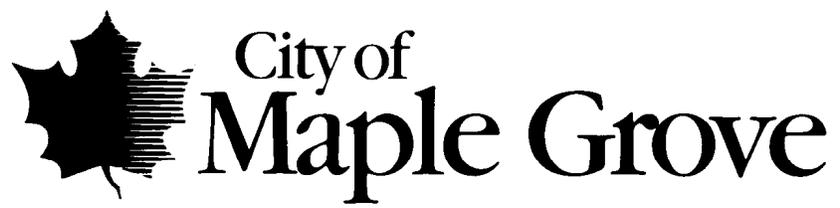
Schedule of Funding Progress for Retiree Health Insurance Plan
For the Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1/1/2008	\$0	\$ 1,703,305	\$ 1,703,305	0.0%	\$ 14,732,388	11.6%
1/1/2009 ⁽¹⁾	0	1,901,323	1,901,323	0.0%	15,400,012	12.3%
1/1/2010	0	1,910,736	1,910,736	0.0%	15,625,354	12.2%
1/1/2011 ⁽²⁾	0	2,134,306	2,134,306	0.0%	15,444,368	13.8%
1/1/2012	0	2,951,771	2,951,771	0.0%	15,751,846	18.7%
1/1/2013 ⁽³⁾	0	3,288,587	3,288,587	0.0%	16,198,725	20.3%

⁽¹⁾ The 2009 liabilities and annual costs are based on the same population as the 2008 liabilities and annual costs.

⁽²⁾ The 2011 liabilities and annual costs are based on the same population as the 2010 liabilities and annual costs.

⁽²⁾ The 2013 liabilities and annual costs are based on the same population as the 2012 liabilities and annual costs.



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**Combining and Individual Fund
Statements and Schedules**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

Special Revenue Funds are as follows:

Community Resources Fund - This fund accounts for fees, donations, or small grants, which are to be expended for specific programs or projects.

Park Fund - This fund is used to account for the operations of the Maple Grove Park Board which is responsible for providing recreation programs, acquisition, development and maintenance of City parks, trails and recreational facilities.

Transit Fund – This fund was established to account for transit operations which are funded through a state Motor Vehicle Excise Tax (MVET) and bus fares. The City is able to use these dollars to provide more localized service to residents.

Police Training Facility Fund - This fund was established to account for the operations of the North Metro Range operated by the City.

HRA Fund - This fund was established to account for the activities of the Housing and Redevelopment Authority of Maple Grove (HRA) which is responsible for providing affordable housing options in the City.

Senior Citizen Housing Fund - This fund was established to account for the operations of an 88-unit HRA senior citizen apartment building.

Nonmajor Governmental Funds

Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Debt Service Funds are as follows:

- 2003 Series B Road Reconstruction Bonds
- 2004 Series B Road Reconstruction and Refunding Bonds
- 2005 Series A Road Reconstruction and Refunding Bonds
- 2005 Series B Improvement Refunding Bonds
- 2005 Series C Capital Improvement Plan Refunding Bonds
- 2006 Series B Road Reconstruction Bonds
- 2007 Series A Road Reconstruction Bonds
- 2008 Series A Road Reconstruction and Refunding Bonds
- 2009 Series A Road Reconstruction Bonds
- 2010 Series A Road Reconstruction Bonds
- 2010 Series B Road Reconstruction Refunding Bonds
- 2010 Series C Capital Improvement Plan Bonds
- 2010 Series A HRA Refunding Bonds Bonds
- 2011 Series A Road Reconstruction Bonds
- 2011 Series C Road Reconstruction Refunding Bonds
- 2012 Series A Road Reconstruction and Refunding Bonds
- 2013 Series A Improvement Refunding Bonds
- 2013 Series B Capital Improvement Plan Refunding Bonds
- 2013 Series C Road Reconstruction Bonds

Capital Projects Funds

The following Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- Park Land Dedication Fund
- Capital Improvement Fund
- Long-Term Development
- Transit Capital Improvement Fund
- Forest Preservation Bonds
- 2010 Series C Capital Improvement Plan Bonds

Nonmajor Governmental Funds

Capital Projects Funds

The following Capital Projects Funds are used to account the financing (tax increments) of public improvements, acquisition of property and internally financed improvements approved in a tax increment plan.

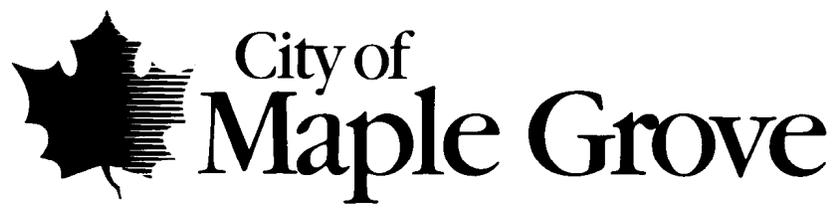
- Tax Increment Districts
- 2001 Series A Tax Increment Bonds

The following Capital Projects Funds are used to account for the financing and construction of streets and utilities (storm sewers, water and sewer mains) in new residential and commercial developments in the City.

- State Aid Streets
- Storm Sewer Construction
- Improvement Project Financing
- 2010 Improvement Project Financing
- 2011 Improvement Project Financing
- 2012 Improvement Project Financing
- 2013 Improvement Project Financing

The following Capital Projects Funds are used to account for the financing and reconstruction of existing city streets and utilities (storm sewers).

- 2011 Series A Road Reconstruction Bonds
- 2012 Series A Road Reconstruction Bonds
- 2013 Series C Road Reconstruction Bonds



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**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	Special Revenue Funds						
	Community Resources	Park	Transit	Police Training Facility	HRA	Senior Citizen Housing	Total
Assets							
Equity in cash pool	\$ 1,157,248	\$ 99,039	\$ 4,062,564	\$ 400	\$ 1,006,931	\$ 1,368,296	\$ 7,694,478
Cash and investments not in pool		467,917				50,001	517,918
Cash and investments held with escrow agent							-
Interest receivable	3,500	1,411	12,440		2,920	4,212	24,483
Accounts receivable	4,405	42,756	21,583	41,725			110,469
Taxes receivable							
Unremitted					230		230
Delinquent					320		320
Special assessments receivable							
Unremitted							-
Delinquent							-
Deferred							-
Intergovernmental receivable			191,283				191,283
Prepaid items	100	7,363	943				8,406
Total assets	\$ 1,165,253	\$ 618,486	\$ 4,288,813	\$ 42,125	\$ 1,010,401	\$ 1,422,509	\$ 8,547,587
Liabilities and Fund Balances							
Liabilities:							
Interest payable				\$ 50			\$ 50
Accounts payable	\$ 3,928	\$ 49,060	\$ 1,236,413	9,504	\$ 1,836	\$ 22,372	1,323,113
Accrued wages payable	519	115,754	3,771	4,484	1,440		125,968
Deposits		100	5,025		13,700	60,500	79,325
Due to other funds		154,353		24,450			178,803
Unearned revenue		189,119			2,120		191,239
Total liabilities	4,447	508,386	1,245,209	38,488	19,096	82,872	1,898,498
Deferred Inflows of Resources:							
Unavailable revenue - taxes					320		320
Unavailable revenue - special assessments							-
Total deferred inflows of resources					320		320
Fund balances:							
Nonspendable		7,363	943				8,306
Restricted	483,523	102,737	3,042,661				3,628,921
Committed	112,121				990,985	1,339,637	2,442,743
Assigned	565,162			3,637			568,799
Unassigned							-
Total fund balances	1,160,806	110,100	3,043,604	3,637	990,985	1,339,637	6,648,769
Total liabilities, deferred inflows of resources and fund balances	\$ 1,165,253	\$ 618,486	\$ 4,288,813	\$ 42,125	\$ 1,010,401	\$ 1,422,509	\$ 8,547,587

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	Debt Service Funds						
	2003 Series B Road Reconstruction Bonds	2004 Series B Road Reconstruction and Refunding Bonds	2005 Series A Road Reconstruction and Refunding Bonds	2005 Series B Improvement Refunding Bonds	2005 Series C Capital Improvement Plan Refunding Bonds	2006 Series B Road Reconstruction Bonds	2007 Series A Road Reconstruction Bonds
Assets							
Equity in cash pool		\$ 25,793	\$ 2,104,925	\$ 4,119,621	\$ 1,612,392	\$ 71,922	\$ 115,479
Cash and investments not in pool							
Cash and investments held with escrow agent		4,925,000			5,798,188		
Interest receivable				1,306	2,482	124	125
Accounts receivable							
Taxes receivable							
Unremitted					2,679		
Delinquent					5,085		
Special assessments receivable							
Unremitted		2,749	398			381	1,228
Delinquent		8,541	4,070			557	5,625
Deferred		1,229,225	419,622	1,828,385		493,263	1,164,036
Intergovernmental receivable							
Prepaid items							
Total assets	\$ -	\$ 6,191,308	\$ 2,529,015	\$ 5,949,312	\$ 7,420,826	\$ 566,247	\$ 1,286,493
Liabilities and Fund Balances							
Liabilities:							
Interest payable		\$ 1,554	\$ 142				
Accounts payable							
Accrued wages payable							
Deposits							
Due to other funds							
Unearned revenue							
Total liabilities		1,554	142				
Deferred Inflows of Resources:							
Unavailable revenue - taxes					\$ 5,085		
Unavailable revenue - special assessments		1,237,766	423,692	\$ 1,828,385		\$ 493,820	\$ 1,169,661
Total deferred inflows of resources		1,237,766	423,692	1,828,385	5,085	493,820	1,169,661
Fund balances:							
Nonspendable							
Restricted	\$ -	4,951,988	2,105,181	4,120,927	7,415,741	72,427	116,832
Committed							
Assigned							
Unassigned							
Total fund balances	-	4,951,988	2,105,181	4,120,927	7,415,741	72,427	116,832
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 6,191,308	\$ 2,529,015	\$ 5,949,312	\$ 7,420,826	\$ 566,247	\$ 1,286,493

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	Debt Service Funds						
	2008 Series A Road Reconstruction and Refunding Bonds	2009 Series A Road Reconstruction Bonds	2010 Series A Road Reconstruction Bonds	2010 Series B Road Reconstruction Refunding Bonds	2010 Series C Capital Improvement Plan Bonds	2010 Series A HRA Refunding Bonds	2011 Series A Road Reconstruction Bonds
Assets							
Equity in cash pool	\$ 867,144	\$ 986,105	\$ 592,861	\$ 111,742	\$ 11,127,772	\$ 125,361	\$ 646,343
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable	2,523	2,787	1,536		1,755	240	1,831
Accounts receivable							
Taxes receivable							
Unremitted							
Delinquent							
Special assessments receivable							
Unremitted	363	1,844	309	980			479
Delinquent	2,429	2,152	2,835	3,705			852
Deferred	1,393,791	1,944,932	1,564,283	864,019			1,097,923
Intergovernmental receivable							
Prepaid items							
Total assets	\$ 2,266,250	\$ 2,937,820	\$ 2,161,824	\$ 980,446	\$ 11,129,527	\$ 125,601	\$ 1,747,428
Liabilities and Fund Balances							
Liabilities:							
Interest payable				\$ 617			
Accounts payable							
Accrued wages payable							
Deposits							
Due to other funds							
Unearned revenue							
Total liabilities				617			
Deferred Inflows of Resources:							
Unavailable revenue - taxes							
Unavailable revenue - special assessments	\$ 1,396,220	\$ 1,947,084	\$ 1,567,118	867,724			\$ 1,098,775
Total deferred inflows of resources	1,396,220	1,947,084	1,567,118	867,724			1,098,775
Fund balances:							
Nonspendable							
Restricted	870,030	990,736	594,706	112,105	\$ 11,129,527	\$ 125,601	648,653
Committed							
Assigned							
Unassigned							
Total fund balances	870,030	990,736	594,706	112,105	11,129,527	125,601	648,653
Total liabilities, deferred inflows of resources and fund balances	\$ 2,266,250	\$ 2,937,820	\$ 2,161,824	\$ 980,446	\$ 11,129,527	\$ 125,601	\$ 1,747,428

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Debt Service Funds					Total
	2011 Series C Road Reconstruction Refunding Bonds	2012 Series A Road Reconstruction Refunding Bonds	2013 Series A Improvement Refunding Bonds	2013 Series B Capital Improvement Plan Refunding Bonds	2013 Series C Road Reconstruction Bonds	
Assets						
Equity in cash pool	\$ 176,269	\$ 536,131			\$ 397,173	\$ 23,617,033
Cash and investments not in pool						-
Cash and investments held with escrow agent		44,877	\$ 2,769,386	\$ 241,022		13,778,473
Interest receivable	324	320			229	15,582
Accounts receivable						-
Taxes receivable						-
Unremitted						2,679
Delinquent						5,085
Special assessments receivable						-
Unremitted	1,328					10,059
Delinquent	4,091					34,857
Deferred	845,825	1,875,819			1,658,784	16,379,907
Intergovernmental receivable						-
Prepaid items						-
Total assets	<u>\$ 1,027,837</u>	<u>\$ 2,457,147</u>	<u>\$ 2,769,386</u>	<u>\$ 241,022</u>	<u>\$ 2,056,186</u>	<u>\$ 53,843,675</u>
Liabilities and Fund Balances						
Liabilities:						
Interest payable						\$ 2,313
Accounts payable		\$ 124				124
Accrued wages payable						-
Deposits						-
Due to other funds			\$ 100	\$ 100		200
Unearned revenue						-
Total liabilities		<u>124</u>	<u>100</u>	<u>100</u>		<u>2,637</u>
Deferred Inflows of Resources:						
Unavailable revenue - taxes						5,085
Unavailable revenue - special assessments	\$ 849,916	1,875,819			\$ 1,658,784	16,414,764
Total deferred inflows of resources	<u>849,916</u>	<u>1,875,819</u>			<u>1,658,784</u>	<u>16,419,849</u>
Fund balances:						
Nonspendable						-
Restricted	177,921	581,204	2,769,286	240,922	397,402	37,421,189
Committed						-
Assigned						-
Unassigned						-
Total fund balances	<u>177,921</u>	<u>581,204</u>	<u>2,769,286</u>	<u>240,922</u>	<u>397,402</u>	<u>37,421,189</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,027,837</u>	<u>\$ 2,457,147</u>	<u>\$ 2,769,386</u>	<u>\$ 241,022</u>	<u>\$ 2,056,186</u>	<u>\$ 53,843,675</u>

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

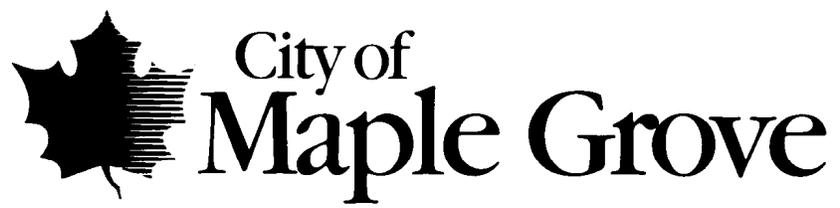
	Capital Projects Funds						
	Park Land Dedication	Capital Improvement	Long-Term Development	Transit Capital Improvement	State Aid Streets	Storm Sewer Construction	Improvement Project Financing
Assets							
Equity in cash pool	\$ 5,524,029	\$ 15,631,051	\$ 8,980,554	\$ 2,534,218	\$ 4,758,789	\$ 13,516,734	\$ 2,604,979
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable	21,205	35,138	26,267	8,622	14,361	43,821	13,381
Accounts receivable		21,040	4,556				
Taxes receivable							
Unremitted							
Delinquent							
Special assessments receivable							
Unremitted							32
Delinquent							
Deferred							870,362
Intergovernmental receivable				1,217,447			
Prepaid items							
Total assets	<u>\$ 5,545,234</u>	<u>\$ 15,687,229</u>	<u>\$ 9,011,377</u>	<u>\$ 3,760,287</u>	<u>\$ 4,773,150</u>	<u>\$ 13,560,555</u>	<u>\$ 3,488,754</u>
Liabilities and Fund Balances							
Liabilities:							
Interest payable							
Accounts payable	\$ 96,594	\$ 134,337	\$ 11,966			\$ 10,414	\$ 113,567
Accrued wages payable							
Deposits							
Due to other funds							
Unearned revenue							
Total liabilities	<u>96,594</u>	<u>134,337</u>	<u>11,966</u>			<u>10,414</u>	<u>113,567</u>
Deferred Inflows of Resources:							
Unavailable revenue - taxes							
Unavailable revenue - special assessments							870,362
Total deferred inflows of resources							<u>870,362</u>
Fund balances:							
Nonspendable							
Restricted	5,448,640			\$ 3,760,287	\$ 4,773,150		
Committed		13,238,428	8,999,411				
Assigned		2,314,464				13,550,141	2,504,825
Unassigned							
Total fund balances	<u>5,448,640</u>	<u>15,552,892</u>	<u>8,999,411</u>	<u>3,760,287</u>	<u>4,773,150</u>	<u>13,550,141</u>	<u>2,504,825</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,545,234</u>	<u>\$ 15,687,229</u>	<u>\$ 9,011,377</u>	<u>\$ 3,760,287</u>	<u>\$ 4,773,150</u>	<u>\$ 13,560,555</u>	<u>\$ 3,488,754</u>

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	Capital Projects Funds						
	Tax Increment Districts	Forest Preservation	2001 Series A Tax Increment Bonds	2010 Series C Capital Improvement Plan Bonds	2010 Improvement Project Financing	2011 Series A Road Reconstruction Bonds	2011 Improvement Project Financing
Assets							
Equity in cash pool	\$ 618,411	\$ 916,643	\$ 2,893,080	\$ 153,027			\$ 1,408,610
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable	1,584	2,731	9,175	792			3,134
Accounts receivable				28,200			
Taxes receivable							
Unremitted							
Delinquent							
Special assessments receivable							
Unremitted							
Delinquent							877
Deferred							
Intergovernmental receivable							
Prepaid items							
Total assets	<u>\$ 619,995</u>	<u>\$ 919,374</u>	<u>\$ 2,902,255</u>	<u>\$ 182,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,412,621</u>
Liabilities and Fund Balances							
Liabilities:							
Interest payable							
Accounts payable	\$ 1,122			\$ 228			\$ 148,643
Accrued wages payable							
Deposits							
Due to other funds							
Unearned revenue							1,233,282
Total liabilities	<u>1,122</u>			<u>228</u>			<u>1,381,925</u>
Deferred Inflows of Resources:							
Unavailable revenue - taxes							
Unavailable revenue - special assessments							877
Total deferred inflows of resources							<u>877</u>
Fund balances:							
Nonspendable							
Restricted	618,873		\$ 2,902,255	181,791			
Committed							
Assigned		\$ 919,374					29,819
Unassigned					\$ -	\$ -	
Total fund balances	<u>618,873</u>	<u>919,374</u>	<u>2,902,255</u>	<u>181,791</u>	<u>-</u>	<u>-</u>	<u>29,819</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 619,995</u>	<u>\$ 919,374</u>	<u>\$ 2,902,255</u>	<u>\$ 182,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,412,621</u>

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Capital Projects Funds					Total Nonmajor Governmental Funds
	2012 Series A Road Reconstruction Bonds	2012 Improvement Project Financing	2013 Series C Road Reconstruction Bonds	2013 Improvement Project Financing	Total	
Assets						
Equity in cash pool		\$ 619,184	\$ 546,098	\$ 40,285	\$ 60,745,692	\$ 92,057,203
Cash and investments not in pool					-	517,918
Cash and investments held with escrow agent					-	13,778,473
Interest receivable				869	181,080	221,145
Accounts receivable					53,796	164,265
Taxes receivable						
Unremitted					-	2,909
Delinquent					-	5,405
Special assessments receivable						
Unremitted					32	10,091
Delinquent					877	35,734
Deferred		2,637,960			3,508,322	19,888,229
Intergovernmental receivable					1,217,447	1,408,730
Prepaid items					-	8,406
Total assets	\$ -	\$ 3,257,144	\$ 546,098	\$ 41,154	\$ 65,707,246	\$ 128,098,508
Liabilities and Fund Balances						
Liabilities:						
Interest payable		\$ 1,657	\$ 1,206		\$ 2,863	\$ 5,226
Accounts payable		35,227	45,290	11,662	609,050	1,932,287
Accrued wages payable					-	125,968
Deposits					-	79,325
Due to other funds					-	179,003
Unearned revenue				2,726,460	3,959,742	4,150,981
Total liabilities		36,884	46,496	2,738,122	4,571,655	6,472,790
Deferred Inflows of Resources:						
Unavailable revenue - taxes					-	5,405
Unavailable revenue - special assessments		2,637,960			3,509,199	19,923,963
Total deferred inflows of resources		2,637,960			3,509,199	19,929,368
Fund balances:						
Nonspendable					-	8,306
Restricted					17,684,996	58,735,106
Committed					22,237,839	24,680,582
Assigned		582,300	499,602		20,400,525	20,969,324
Unassigned	\$ -			(2,696,968)	(2,696,968)	(2,696,968)
Total fund balances	-	582,300	499,602	(2,696,968)	57,626,392	101,696,350
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 3,257,144	\$ 546,098	\$ 41,154	\$ 65,707,246	\$ 128,098,508



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City of Maple Grove, Minnesota

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Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

Special Revenue Funds							
	Community Resources	Park	Transit	Police Training Facility	HRA	Senior Citizen Housing	Total
Revenues							
Property taxes					\$ 148,167		\$ 148,167
Tax increments							-
Special assessments							-
Fees							-
Intergovernmental revenue	\$ 45,000		\$ 1,196,518		508		1,242,026
Charges for services		\$ 1,413,944	2,041,425	\$ 242,373	222,513	\$ 739,846	4,660,101
Fines and forfeits	16,125						16,125
Investment income	(21,275)	10,158	(75,612)	306	(17,745)	(25,586)	(129,754)
Other	255,583	3,051	78,071	4,677	600	294	342,276
Total revenues	295,433	1,427,153	3,240,402	247,356	354,043	714,554	6,278,941
Expenditures							
Current:							
General government	37,931						37,931
Community and economic development	40,000				180,307	412,699	633,006
Public safety	71,154			237,835			308,989
Parks and recreation	18,074	5,441,398					5,459,472
Transit			4,447,227				4,447,227
Miscellaneous							-
Interest							-
Capital outlay							-
Debt service:							
Principal retirement							-
Interest and fiscal fees							-
Bond issuance costs							-
Total expenditures	167,159	5,441,398	4,447,227	237,835	180,307	412,699	10,886,625
Excess (deficiency) of revenues over expenditures	128,274	(4,014,245)	(1,206,825)	9,521	173,736	301,855	(4,607,684)
Other Financing Sources (Uses)							
Bonds issued							-
Refunding bonds issued							-
Premium on bonds issued							-
Refunded principal retirement							-
Transfers in		4,013,428					4,013,428
Transfers out	(5,000)		(30,792)	(7,200)	(52,600)	(383,957)	(479,549)
Total other financing sources (uses)	(5,000)	4,013,428	(30,792)	(7,200)	(52,600)	(383,957)	3,533,879
Net change in fund balances	123,274	(817)	(1,237,617)	2,321	121,136	(82,102)	(1,073,805)
Fund balances, January 1	1,037,532	110,917	4,281,221	1,316	869,849	1,421,739	7,722,574
Fund balances, December 31	\$ 1,160,806	\$ 110,100	\$ 3,043,604	\$ 3,637	\$ 990,985	\$ 1,339,637	\$ 6,648,769

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Debt Service Funds						
	2003 Series B Road Reconstruction Bonds	2004 Series B Road Reconstruction and Refunding Bonds	2005 Series A Road Reconstruction and Refunding Bonds	2005 Series B Improvement Refunding Bonds	2005 Series C Capital Improvement Plan Refunding Bonds	2006 Series B Road Reconstruction Bonds	2007 Series A Road Reconstruction Bonds
Revenues							
Property taxes					\$ 1,710,379		
Tax increments							
Special assessments	\$ 171,109	\$ 361,265	\$ 63,645	\$ 360,864		\$ 91,120	\$ 203,498
Fees							
Intergovernmental revenue							
Charges for services							
Fines and forfeits							
Investment income	(2,032)	9,444	864	(7,936)	(15,086)	(756)	(757)
Other							
Total revenues	169,077	370,709	64,509	352,928	1,695,293	90,364	202,741
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous	15,594	100	100	100	100	100	2,850
Interest							
Capital outlay							
Debt service:							
Principal retirement	135,000	635,000	490,000	845,000	1,155,000	95,000	130,000
Interest and fiscal fees	44,871	262,306	111,773	202,000	473,372	82,744	125,293
Bond issuance costs			13,028	23,574	49,607		
Total expenditures	195,465	897,406	614,901	1,070,674	1,678,079	177,844	258,143
Excess (deficiency) of revenues over expenditures	(26,388)	(526,697)	(550,392)	(717,746)	17,214	(87,480)	(55,402)
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued			1,955,000	3,520,000	5,648,558		
Premium on bonds issued			138,172	263,755	200,841		
Refunded principal retirement	(1,990,000)						
Transfers in		550,000	550,000	700,000			
Transfers out	(186,065)						
Total other financing sources (uses)	(2,176,065)	550,000	2,643,172	4,483,755	5,849,399		
Net change in fund balances	(2,202,453)	23,303	2,092,780	3,766,009	5,866,613	(87,480)	(55,402)
Fund balances, January 1	2,202,453	4,928,685	12,401	354,918	1,549,128	159,907	172,234
Fund balances, December 31	\$ -	\$ 4,951,988	\$ 2,105,181	\$ 4,120,927	\$ 7,415,741	\$ 72,427	\$ 116,832

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Debt Service Funds						
	2008 Series A Road Reconstruction and Refunding Bonds	2009 Series A Road Reconstruction Bonds	2010 Series A Road Reconstruction Bonds	2010 Series B Road Reconstruction Refunding Bonds	2010 Series C Capital Improvement Plan Bonds	2010 Series A HRA Refunding Bonds	2011 Series A Road Reconstruction Bonds
Revenues							
Property taxes							
Tax increments							
Special assessments	\$ 209,624	\$ 255,559	\$ 250,406	\$ 173,848			\$ 164,938
Fees							
Intergovernmental revenue							
Charges for services							
Fines and forfeits							
Investment income	(15,338)	(16,939)	(9,334)	3,752	\$ (10,666)	\$ (1,462)	(11,127)
Other							
Total revenues	<u>194,286</u>	<u>238,620</u>	<u>241,072</u>	<u>177,600</u>	<u>(10,666)</u>	<u>(1,462)</u>	<u>153,811</u>
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous	100	100	100	2,850	\$ 100	\$ 100	100
Interest							
Capital outlay							
Debt service:							
Principal retirement	200,000	155,000	135,000	295,000	820,000	320,000	
Interest and fiscal fees	146,521	109,251	86,486	77,138	257,886	24,357	67,163
Bond issuance costs					55,375		
Total expenditures	<u>346,621</u>	<u>264,351</u>	<u>221,586</u>	<u>374,988</u>	<u>1,133,361</u>	<u>344,457</u>	<u>67,263</u>
Excess (deficiency) of revenues over expenditures	<u>(152,335)</u>	<u>(25,731)</u>	<u>19,486</u>	<u>(197,388)</u>	<u>(1,144,027)</u>	<u>(345,919)</u>	<u>86,548</u>
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued					10,225,000		
Premium on bonds issued					915,621		
Refunded principal retirement							
Transfers in				225,000	1,080,000	343,957	
Transfers out							
Total other financing sources (uses)				<u>225,000</u>	<u>12,220,621</u>	<u>343,957</u>	
Net change in fund balances	(152,335)	(25,731)	19,486	27,612	11,076,594	(1,962)	86,548
Fund balances, January 1	<u>1,022,365</u>	<u>1,016,467</u>	<u>575,220</u>	<u>84,493</u>	<u>52,933</u>	<u>127,563</u>	<u>562,105</u>
Fund balances, December 31	<u>\$ 870,030</u>	<u>\$ 990,736</u>	<u>\$ 594,706</u>	<u>\$ 112,105</u>	<u>\$ 11,129,527</u>	<u>\$ 125,601</u>	<u>\$ 648,653</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Debt Service Funds					Total
	2011 Series C Road Reconstruction Refunding Bonds	2012 Series A Road Reconstruction and Refunding Bonds	2013 Series A Improvement Refunding Bonds	2013 Series B Capital Improvement Plan Refunding Bonds	2013 Series C Road Reconstruction Bonds	
Revenues						
Property taxes						\$ 1,710,379
Tax increments						-
Special assessments		\$ 607,121			\$ 398,791	3,311,788
Fees						-
Intergovernmental revenue						-
Charges for services						-
Fines and forfeits						-
Investment income	\$ 963	6,777	\$ 65,246	\$ 4,055	(\$1,389)	(1,721)
Other						-
Total revenues	963	613,898	65,246	4,055	397,402	5,020,446
Expenditures						
Current:						
General government						-
Community and economic development						-
Public safety						-
Parks and recreation						-
Transit						-
Miscellaneous	100	100	100	100		22,794
Interest						-
Capital outlay						-
Debt service:						
Principal retirement						5,410,000
Interest and fiscal fees	14,418	164,957	530,308	69,475		2,850,319
Bond issuance costs						141,584
Total expenditures	14,518	165,057	530,408	69,575	0	8,424,697
Excess (deficiency) of revenues over expenditures	(13,555)	448,841	(465,162)	(65,520)	397,402	(3,404,251)
Other Financing Sources (Uses)						
Bonds issued						-
Refunding bonds issued			\$3,234,448	306,442		24,889,448
Premium on bonds issued						1,518,389
Refunded principal retirement						(1,990,000)
Transfers in	186,065					3,635,022
Transfers out						(186,065)
Total other financing sources (uses)	186,065		3,234,448	306,442		27,866,794
Net change in fund balances	172,510	448,841	2,769,286	240,922	397,402	24,462,543
Fund balances, January 1	5,411	132,363	-	-	-	12,958,646
Fund balances, December 31	\$ 177,921	\$ 581,204	\$ 2,769,286	\$ 240,922	\$ 397,402	\$ 37,421,189

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

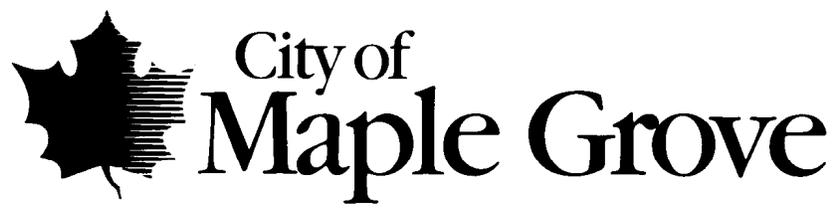
	Capital Projects Funds						
	Park Land Dedication	Capital Improvement	Long-Term Development	Transit Capital Improvement	State Aid Streets	Storm Sewer Construction	Improvement Project Financing
Revenues							
Property taxes							
Tax increments							
Special assessments					\$ 467		\$ 123,748
Fees	\$ 701,807						
Intergovernmental revenue				\$ 5,412,541	258,768		
Charges for services		\$ 7,310					
Fines and forfeits							
Investment income	(224,621)	(213,567)	\$ (159,649)	(\$52,406)	(87,287)	(\$266,346)	(81,328)
Other		221,332	957,874	30,000			6,746
Total revenues	<u>477,186</u>	<u>15,075</u>	<u>798,225</u>	<u>5,390,135</u>	<u>171,948</u>	<u>(266,346)</u>	<u>49,166</u>
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous							
Interest							
Capital outlay	792,578	826,393	1,075,909	4,357,764		85,255	3,151,084
Debt service:							
Principal retirement							
Interest and fiscal fees							
Bond issuance costs							
Total expenditures	<u>792,578</u>	<u>826,393</u>	<u>1,075,909</u>	<u>4,357,764</u>	<u>0</u>	<u>85,255</u>	<u>3,151,084</u>
Excess (deficiency) of revenues over expenditures	<u>(315,392)</u>	<u>(811,318)</u>	<u>(277,684)</u>	<u>1,032,371</u>	<u>171,948</u>	<u>(351,601)</u>	<u>(3,101,918)</u>
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Refunded principal retirement							
Transfers in		5,600,000	968,000				
Transfers out	(2,550,000)		(575,000)				(340,413)
Total other financing sources (uses)	<u>(2,550,000)</u>	<u>5,600,000</u>	<u>393,000</u>				<u>(340,413)</u>
Net change in fund balances	<u>(2,865,392)</u>	<u>4,788,682</u>	<u>115,316</u>	<u>1,032,371</u>	<u>171,948</u>	<u>(351,601)</u>	<u>(3,442,331)</u>
Fund balances, January 1	<u>8,314,032</u>	<u>10,764,210</u>	<u>8,884,095</u>	<u>2,727,916</u>	<u>4,601,202</u>	<u>13,901,742</u>	<u>5,947,156</u>
Fund balances, December 31	<u>\$ 5,448,640</u>	<u>\$ 15,552,892</u>	<u>\$ 8,999,411</u>	<u>\$ 3,760,287</u>	<u>\$ 4,773,150</u>	<u>\$ 13,550,141</u>	<u>\$ 2,504,825</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Capital Projects Funds						
	Tax Increment Districts	Forest Preservation	2001 Series A Tax Increment Bonds	2010 Series C Capital Improvement Plan Bonds	2010 Improvement Project Financing	2011 Series A Road Reconstruction Bonds	2011 Improvement Project Financing
Revenues							
Property taxes							
Tax increments	\$ 371,834						
Special assessments					\$ 708,859		\$ 1,157,136
Fees							
Intergovernmental revenue							
Charges for services							
Fines and forfeits							
Investment income	(9,629)	(\$16,597)	(55,765)	\$ (4,812)	(25,731)	\$ 15,028	(19,045)
Other				28,200			
Total revenues	<u>362,205</u>	<u>(16,597)</u>	<u>(55,765)</u>	<u>23,388</u>	<u>683,128</u>	<u>15,028</u>	<u>1,138,091</u>
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous							
Interest							
Capital outlay	305,511		11,927	448,911	6,749	148,147	1,130,150
Debt service:							
Principal retirement							
Interest and fiscal fees							
Bond issuance costs							
Total expenditures	<u>305,511</u>	<u>0</u>	<u>11,927</u>	<u>448,911</u>	<u>6,749</u>	<u>148,147</u>	<u>1,130,150</u>
Excess (deficiency) of revenues over expenditures	<u>56,694</u>	<u>(16,597)</u>	<u>(67,692)</u>	<u>(425,523)</u>	<u>676,379</u>	<u>(133,119)</u>	<u>7,941</u>
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Refunded principal retirement							
Transfers in	35,413					1,292,883	
Transfers out	(2,500)		(2,500)		(1,727,362)	(52,108)	
Total other financing sources (uses)	<u>32,913</u>		<u>(2,500)</u>		<u>(1,727,362)</u>	<u>1,240,775</u>	
Net change in fund balances	89,607	(16,597)	(70,192)	(425,523)	(1,050,983)	1,107,656	7,941
Fund balances, January 1	<u>529,266</u>	<u>935,971</u>	<u>2,972,447</u>	<u>607,314</u>	<u>1,050,983</u>	<u>(1,107,656)</u>	<u>21,878</u>
Fund balances, December 31	<u>\$ 618,873</u>	<u>\$ 919,374</u>	<u>\$ 2,902,255</u>	<u>\$ 181,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,819</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Capital Projects Funds					Total Nonmajor Governmental Funds
	2012 Series A Road Reconstruction Bonds	2012 Improvement Project Financing	2013 Series C Road Reconstruction Bonds	2013 Improvement Project Financing	Total	
Revenues						
Property taxes					\$ -	\$ 1,858,546
Tax increments					371,834	371,834
Special assessments		\$ 4,067,973			6,058,183	9,369,971
Fees					701,807	701,807
Intergovernmental revenue					5,671,309	6,913,335
Charges for services					7,310	4,667,411
Fines and forfeits					-	16,125
Investment income	\$ (5,218)	10,074	\$ 7,330	\$ (5,286)	(1,194,855)	(1,326,330)
Other			11,553		1,255,705	1,597,981
Total revenues	(5,218)	4,078,047	18,883	(5,286)	12,871,293	24,170,680
Expenditures						
Current:						
General government					-	37,931
Community and economic development					-	633,006
Public safety					-	308,989
Parks and recreation					-	5,459,472
Transit					-	4,447,227
Miscellaneous					-	22,794
Interest		84,169			84,169	84,169
Capital outlay	465,752	958,819	3,448,608	2,691,682	19,905,239	19,905,239
Debt service:						
Principal retirement					-	5,410,000
Interest and fiscal fees					-	2,850,319
Bond issuance costs			30,895		30,895	172,479
Total expenditures	465,752	1,042,988	3,479,503	2,691,682	20,020,303	39,331,625
Excess (deficiency) of revenues over expenditures	(470,970)	3,035,059	(3,460,620)	(2,696,968)	(7,149,010)	(15,160,945)
Other Financing Sources (Uses)						
Bonds issued			3,905,000		3,905,000	3,905,000
Refunding bonds issued					-	24,889,448
Premium on bonds issued			68,398		68,398	1,586,787
Refunded principal retirement					-	(1,990,000)
Transfers in	212,563				8,108,859	15,757,309
Transfers out					(5,249,883)	(5,915,497)
Total other financing sources (uses)	212,563		3,973,398		6,832,374	38,233,047
Net change in fund balances	(258,407)	3,035,059	512,778	(2,696,968)	(316,636)	23,072,102
Fund balances, January 1	258,407	(2,452,759)	(13,176)	0	57,943,028	78,624,248
Fund balances, December 31	\$ -	\$ 582,300	\$ 499,602	\$ (2,696,968)	\$ 57,626,392	\$ 101,696,350



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City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Community Resources Fund
For the Year Ended December 31, 2013***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Intergovernmental revenue	\$ 45,000	\$ 45,000	\$ -
Fines and forfeits		16,125	16,125
Investment income	25,000	(21,275)	(46,275)
Other	150,000	255,583	105,583
	<u>220,000</u>	<u>295,433</u>	<u>75,433</u>
<i>Expenditures</i>			
General government			
Personal services	20,000	19,566	434
Supplies and other services	30,000	18,365	11,635
Community and economic development			
Capital outlay	40,000	40,000	-
Public safety			
Personal services	2,000	1,838	162
Supplies and other services	70,000	69,316	684
Capital outlay	10,000		10,000
Park and recreation			
Supplies and other services	10,000	14,087	(4,087)
Capital outlay	15,000	3,987	11,013
	<u>197,000</u>	<u>167,159</u>	<u>29,841</u>
Excess of revenues over expenditures	<u>23,000</u>	<u>128,274</u>	<u>105,274</u>
<i>Other Financing Sources</i>			
Transfers out	(5,000)	(5,000)	-
	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	18,000	123,274	105,274
Fund balance, January 1	1,037,532	1,037,532	-
Fund balance, December 31	<u>\$ 1,055,532</u>	<u>\$ 1,160,806</u>	<u>\$ 105,274</u>

City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Park Fund
For the Year Ended December 31, 2013***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Charges for services	\$ 1,313,600	\$ 1,413,944	\$ 100,344
Investment income		10,158	10,158
Other		3,051	3,051
Total revenues	<u>1,313,600</u>	<u>1,427,153</u>	<u>113,553</u>
<i>Expenditures</i>			
Parks and recreation			
Park administration			
Personal services	1,453,200	1,429,019	24,181
Supplies and other services	412,000	330,318	81,682
Capital outlay	23,200	18,975	4,225
Parks			
Personal services	1,020,900	986,842	34,058
Supplies and other services	862,200	868,221	(6,021)
Capital outlay	355,400	350,054	5,346
Participation programs			
Personal services	866,900	949,461	(82,561)
Supplies and other services	446,700	508,508	(61,808)
Total expenditures	<u>5,440,500</u>	<u>5,441,398</u>	<u>(898)</u>
(Deficiency) of revenues over expenditures	<u>(4,126,900)</u>	<u>(4,014,245)</u>	<u>112,655</u>
<i>Other Financing Sources</i>			
Transfers in	<u>4,126,900</u>	<u>4,013,428</u>	<u>(113,472)</u>
Total other financing sources	<u>4,126,900</u>	<u>4,013,428</u>	<u>(113,472)</u>
Net change in fund balance		(817)	(817)
Fund balance, January 1	<u>110,917</u>	<u>110,917</u>	<u>-</u>
Fund balance, December 31	<u>\$ 110,917</u>	<u>\$ 110,100</u>	<u>\$ (817)</u>

City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Transit Fund
For the Year Ended December 31, 2013***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Intergovernmental revenue	\$ 6,736,400	\$ 1,196,518	\$ (5,539,882)
Charges for services	2,030,000	2,041,425	11,425
Investment income		(75,612)	(75,612)
Other		78,071	78,071
	<u>8,766,400</u>	<u>3,240,402</u>	<u>(5,525,998)</u>
<i>Expenditures</i>			
Transit			
Personal services	138,300	104,960	33,340
Supplies and other services	4,597,300	4,342,267	255,033
	<u>4,735,600</u>	<u>4,447,227</u>	<u>288,373</u>
Excess of revenues over expenditures	<u>4,030,800</u>	<u>(1,206,825)</u>	<u>(5,237,625)</u>
Other Financing Sources (uses)			
Transfers out	(30,800)	(30,792)	8
	<u>(30,800)</u>	<u>(30,792)</u>	<u>8</u>
Net change in fund balance	4,000,000	(1,237,617)	(5,237,617)
Fund balance, January 1	<u>4,281,221</u>	<u>4,281,221</u>	<u>-</u>
Fund balance, December 31	<u>\$ 8,281,221</u>	<u>\$ 3,043,604</u>	<u>\$ (5,237,617)</u>

City of Maple Grove, Minnesota

**Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Police Training Facility Fund
For the Year Ended December 31, 2013**

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
Revenues			
Charges for services	\$ 250,000	\$ 242,373	\$ (7,627)
Investment income	500	306	(194)
Other	15,200	4,677	(10,523)
	<hr/>	<hr/>	<hr/>
Total revenues	265,700	247,356	(18,344)
Expenditures			
Public safety			
Personal services	138,000	125,592	12,408
Supplies and other services	119,700	107,443	12,257
Capital outlay	9,800	4,800	5,000
	<hr/>	<hr/>	<hr/>
Total expenditures	267,500	237,835	29,665
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>
	(1,800)	9,521	11,321
Other Financing (Uses)			
Transfers out	<hr/>	<hr/>	<hr/>
	(7,200)	(7,200)	-
Total other financing (uses)	<hr/>	<hr/>	<hr/>
	(7,200)	(7,200)	-
Net change in fund balance	(9,000)	2,321	11,321
Fund balance, January 1	<hr/>	<hr/>	<hr/>
	1,316	1,316	-
Fund balance, December 31	<hr/>	<hr/>	<hr/>
	\$ (7,684)	\$ 3,637	\$ 11,321

City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
HRA Fund
For the Year Ended December 31, 2013***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Property taxes	\$ 150,000	\$ 148,167	\$ (1,833)
Intergovernmental revenue		508	508
Charges for services	230,000	222,513	(7,487)
Investment income		(17,745)	(17,745)
Other		600	600
	<u>380,000</u>	<u>354,043</u>	<u>(25,957)</u>
<i>Expenditures</i>			
Community and economic development			
Personal services	50,000	39,512	10,488
Supplies and other services	150,000	136,463	13,537
Capital outlay		4,332	(4,332)
	<u>200,000</u>	<u>180,307</u>	<u>19,693</u>
Excess of revenues over expenditures	<u>180,000</u>	<u>173,736</u>	<u>(6,264)</u>
<i>Other Financing Sources (Uses)</i>			
Transfers out	(52,600)	(52,600)	-
	<u>(52,600)</u>	<u>(52,600)</u>	<u>-</u>
Net change in fund balance	127,400	121,136	(6,264)
Fund balance, January 1	869,849	869,849	-
Fund balance, December 31	<u>\$ 997,249</u>	<u>\$ 990,985</u>	<u>\$ (6,264)</u>

City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Senior Citizen Housing Fund
For the Year Ended December 31, 2013***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Charges for services	\$ 735,000	\$ 739,846	\$ 4,846
Investment income	35,000	(25,586)	(60,586)
Miscellaneous	1,000	294	(706)
	771,000	714,554	(56,446)
<i>Expenditures</i>			
Community and economic development			
Supplies and other services	300,000	329,163	(29,163)
Capital outlay	50,000	83,536	(33,536)
	350,000	412,699	(62,699)
Excess of revenues over expenditures	421,000	301,855	(119,145)
<i>Other Financing (Uses)</i>			
Transfers out	(384,000)	(383,957)	(43)
Net other financing (uses)	(384,000)	(383,957)	(43)
Net change in fund balance	37,000	(82,102)	(119,188)
Fund balance, January 1	1,421,739	1,421,739	-
Fund balance, December 31	\$ 1,458,739	\$ 1,339,637	\$ (119,188)

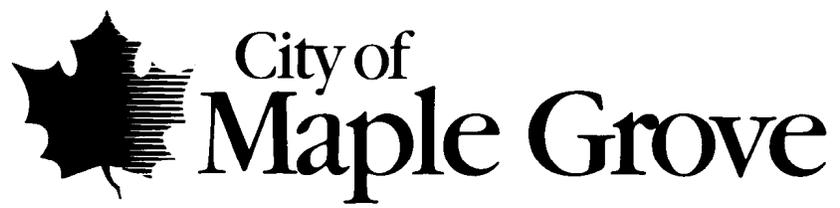
Nonmajor Proprietary Funds

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods and services to the general public on a continuing basis be funded or recovered primarily through user charges or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

Recycling Fund – This fund was established to account for recycling activities including curbside pickup, compost site operations and sale of miscellaneous commodities such as waste oil and scrap metal. Funding consists of revenue from the County and user fees.

Street Light Fund – This fund accounts for operation and maintenance of street lights throughout the City. Funding consists of a quarterly fee charged to residential and commercial users in the City.

Sports Dome Fund – This fund accounts for the operations of the sports dome. Funding consists of revenue from area athletic associations and miscellaneous user fees.



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City of Maple Grove, Minnesota

**Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2013**

	Recycling Fund	Street Light Utility Fund	Sports Dome Fund	Totals
Assets				
Current assets				
Equity in cash pool	\$ 1,649,103	\$ 435,664	\$ 150,000	\$ 2,234,767
Cash and investments not in pool			77,386	77,386
Interest receivable	5,299	1,642	470	7,411
Accounts receivable	209,453	172,186	60,122	441,761
 Total current assets	 <u>1,863,855</u>	 <u>609,492</u>	 <u>287,978</u>	 <u>2,761,325</u>
Noncurrent assets				
Capital assets:				
Land improvements			2,023,369	2,023,369
Building			2,725,615	2,725,615
Equipment			76,148	76,148
Less accumulated depreciation			<u>(334,752)</u>	<u>(334,752)</u>
 Total noncurrent assets			 <u>4,490,380</u>	 <u>4,490,380</u>
 Total assets	 <u>1,863,855</u>	 <u>609,492</u>	 <u>4,778,358</u>	 <u>7,251,705</u>
Liabilities				
Current liabilities				
Accounts payable	69,420	50,076	37,613	157,109
Accrued wages payable	818		4,292	5,110
 Total current liabilities	 <u>70,238</u>	 <u>50,076</u>	 <u>41,905</u>	 <u>162,219</u>
 Total liabilities	 <u>70,238</u>	 <u>50,076</u>	 <u>41,905</u>	 <u>162,219</u>
Net Position				
Net investment in capital assets			4,490,380	4,490,380
Unrestricted	1,793,617	559,416	246,073	2,599,106
 Total net position	 <u>\$ 1,793,617</u>	 <u>\$ 559,416</u>	 <u>\$ 4,736,453</u>	 <u>\$ 7,089,486</u>

City of Maple Grove, Minnesota

**Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2013**

	Recycling Fund	Street Light Utility Fund	Sports Dome Fund	Totals
Operating revenues				
Charges for services	\$ 910,452	\$ 712,555	\$ 356,330	\$ 1,979,337
Intergovernmental	186,031			186,031
Other revenue	29,408	5,202		34,610
Total operating revenues	<u>1,125,891</u>	<u>717,757</u>	<u>356,330</u>	<u>2,199,978</u>
Operating expenses				
Personal services	28,390	2,104	91,727	122,221
Supplies	434	604	3,753	4,791
Professional services	98		372	470
Repairs and maintenance	5,147	78,599	45,540	129,286
Depreciation			163,604	163,604
Equipment reimbursement			500	500
Insurance	5,508		3,744	9,252
Utilities	1,109,399	751,907	92,828	1,954,134
Other expenses			100	100
Total operating expenses	<u>1,148,976</u>	<u>833,214</u>	<u>402,168</u>	<u>2,384,358</u>
Operating income (loss)	<u>(23,085)</u>	<u>(115,457)</u>	<u>(45,838)</u>	<u>(184,380)</u>
Nonoperating revenue (expense)				
Investment income	<u>(32,206)</u>	<u>(9,982)</u>	<u>3,151</u>	<u>(39,037)</u>
Total nonoperating revenue (expense)	<u>(32,206)</u>	<u>(9,982)</u>	<u>3,151</u>	<u>(39,037)</u>
Income (loss) before contributions and transfers	(55,291)	(125,439)	(42,687)	(223,417)
Capital contributions - governmental funds				
Transfers out	<u>(9,500)</u>		<u>(1,200)</u>	<u>(10,700)</u>
Change in net position	(64,791)	(125,439)	(43,887)	(234,117)
Total net position, January 1	<u>1,858,408</u>	<u>684,855</u>	<u>4,780,340</u>	<u>7,323,603</u>
Total net position, December 31	<u>\$ 1,793,617</u>	<u>\$ 559,416</u>	<u>\$ 4,736,453</u>	<u>\$ 7,089,486</u>

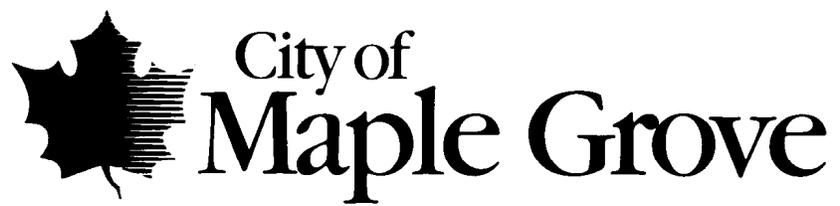
City of Maple Grove, Minnesota

Combining Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2013

	Recycling Fund	Street Light Utility Fund	Sports Dome Fund	Totals
Cash flows from operating activities				
Receipts from customers and users	\$ 898,503	\$ 673,422	\$ 353,254	\$ 1,925,179
Payments to vendors	(1,135,865)	(871,448)	(128,622)	(2,135,935)
Payments to employees	(27,938)	(2,198)	(91,558)	(121,694)
Other receipts	215,439	5,202		220,641
Net cash provided (used) by operating activities	<u>(49,861)</u>	<u>(195,022)</u>	<u>133,074</u>	<u>(111,809)</u>
Cash flows from investing activities				
Investment income	<u>(31,208)</u>	<u>(9,079)</u>	<u>2,970</u>	<u>(37,317)</u>
Cash flows from noncapital financing activities				
Transfers to other funds	<u>(9,500)</u>		<u>(1,200)</u>	<u>(10,700)</u>
Net cash provided (used) by noncapital activities	<u>(9,500)</u>		<u>(1,200)</u>	<u>(10,700)</u>
Increase (decrease) in equity in cash pool	(90,569)	(204,101)	134,844	(159,826)
Cash and cash equivalents, January 1	<u>1,739,672</u>	<u>639,765</u>	<u>92,542</u>	<u>2,471,979</u>
Cash and cash equivalents, December 31	<u>\$ 1,649,103</u>	<u>\$ 435,664</u>	<u>\$ 227,386</u>	<u>\$ 2,312,153</u>
Equity in cash pool, December 31	\$ 1,649,103	\$ 435,664	\$ 150,000	\$ 2,234,767
Cash and investments not in pool, December 31			77,386	77,386
Cash and cash equivalents, December 31	<u>\$ 1,649,103</u>	<u>\$ 435,664</u>	<u>\$ 227,386</u>	<u>\$ 2,312,153</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (23,085)	\$ (115,457)	\$ (45,838)	\$ (184,380)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			163,604	163,604
Change in assets and liabilities:				
(Increase) in accounts receivable	(11,949)	(39,133)	(3,076)	(54,158)
Increase (decrease) in accounts payable	(15,279)	(40,338)	18,215	(37,402)
Increase (decrease) in wages payable	452	(94)	169	527
Net cash provided (used) by operating activities	<u>\$ (49,861)</u>	<u>\$ (195,022)</u>	<u>\$ 133,074</u>	<u>\$ (111,809)</u>



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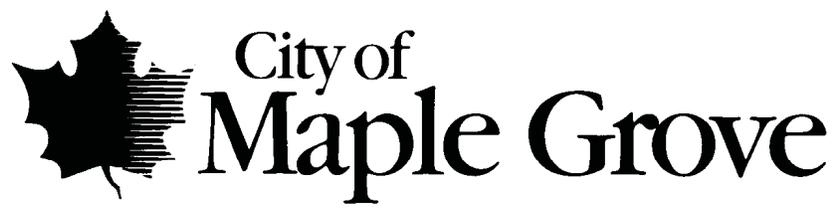
Internal Service Funds

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.

Central Equipment Fund – This fund accounts for service, maintenance and replacement of City vehicles and related equipment. In addition, the fund accounts for major repairs to City buildings and replacement of data processing equipment and park playground equipment.

Employee Benefits Fund - This fund accounts for accrued employee benefits, such as sick leave and vacation.

Insurance Fund – This fund accounts for the insurance premiums and deductibles of the City.



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City of Maple Grove, Minnesota

**Combining Statement of Net Position
Internal Service Funds
December 31, 2013**

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Assets				
Current assets				
Equity in cash pool	\$ 20,658,236	\$ 4,607,919	\$ 886,747	\$ 26,152,902
Interest receivable	65,021	14,025	1,518	80,564
Accounts receivable		2,086	12,236	14,322
Inventory - parts and fuel	301,813			301,813
Total current assets	21,025,070	4,624,030	900,501	26,549,601
Noncurrent assets				
Capital assets				
Equipment	16,039,726			16,039,726
Less accumulated depreciation	(9,098,611)			(9,098,611)
Total capital assets, net	6,941,115			6,941,115
Total assets	27,966,185	4,624,030	900,501	33,490,716
Liabilities				
Current liabilities:				
Accounts payable	78,026	1,177		79,203
Accrued wages payable	17,986	224,751		242,737
Current portion of compensated absences		350,000		350,000
Total current liabilities	96,012	575,928		671,940
Noncurrent liabilities:				
Compensated absences		4,096,327		4,096,327
Total liabilities	96,012	4,672,255		4,768,267
Net position				
Net investment in capital assets	6,941,115			6,941,115
Unrestricted	20,929,058	(48,225)	900,501	21,781,334
Total net position	\$ 27,870,173	\$ (48,225)	\$ 900,501	\$ 28,722,449

City of Maple Grove, Minnesota

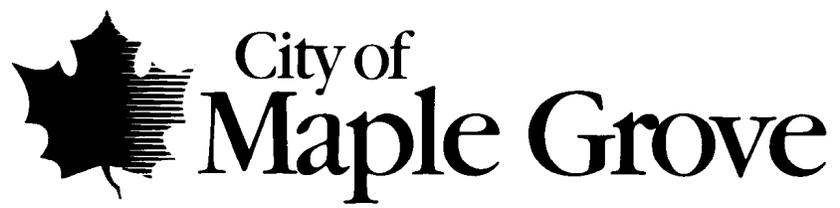
***Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2013***

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Operating revenues				
Charges for services	\$ 1,559,418			\$ 1,559,418
Benefits charges		\$ 3,577,193		3,577,193
Equipment replacement charges	2,034,700			2,034,700
Insurance charges			\$ 498,568	498,568
Miscellaneous income		45,516	911,768	957,284
	<u>3,594,118</u>	<u>3,622,709</u>	<u>1,410,336</u>	<u>8,627,163</u>
Operating expenses				
Personal services	497,017	3,849,937		4,346,954
Petroleum products	540,995			540,995
Parts and supplies	20,700			20,700
Professional services			172,910	172,910
Repairs and maintenance	463,667			463,667
Depreciation	983,480			983,480
Equipment reimbursement	4,200			4,200
Insurance	2,352		503,443	505,795
Computer service	21,800			21,800
Other expense	196,108		47,424	243,532
	<u>2,730,319</u>	<u>3,849,937</u>	<u>723,777</u>	<u>7,304,033</u>
Total operating expenses	<u>2,730,319</u>	<u>3,849,937</u>	<u>723,777</u>	<u>7,304,033</u>
Operating income	<u>863,799</u>	<u>(227,228)</u>	<u>686,559</u>	<u>1,323,130</u>
Nonoperating income (expense)				
Investment income	(395,197)	(85,246)	(9,229)	(489,672)
Gain on sale of assets	34,743			34,743
	<u>(360,454)</u>	<u>(85,246)</u>	<u>(9,229)</u>	<u>(454,929)</u>
Total nonoperating income	<u>(360,454)</u>	<u>(85,246)</u>	<u>(9,229)</u>	<u>(454,929)</u>
Net income before transfers	503,345	(312,474)	677,330	868,201
Transfers in	287,300			287,300
Transfers out	(1,272,171)			(1,272,171)
Change in net position	(481,526)	(312,474)	677,330	(116,670)
Net position, January 1	<u>28,351,699</u>	<u>264,249</u>	<u>223,171</u>	<u>28,839,119</u>
Net position, December 31	<u>\$ 27,870,173</u>	<u>\$ (48,225)</u>	<u>\$ 900,501</u>	<u>\$ 28,722,449</u>

City of Maple Grove, Minnesota

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013**

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Cash flows from operating activities				
Receipts from users	\$ 3,594,118	\$ 3,577,193	\$ 498,568	\$ 7,669,879
Payments to vendors	(1,533,680)	(560,424)	(1,192,441)	(3,286,545)
Payments to employees	(492,419)	(3,071,741)		(3,564,160)
Other receipts		45,516	899,532	945,048
	<u>1,568,019</u>	<u>(9,456)</u>	<u>205,659</u>	<u>1,764,222</u>
Net cash provided by operating activities				
Cash flows from investing activities				
Investment income	(383,526)	(82,946)	(8,245)	(474,717)
	<u>(383,526)</u>	<u>(82,946)</u>	<u>(8,245)</u>	<u>(474,717)</u>
Cash flows from capital financing activities				
Acquisition of capital assets	(1,827,387)			(1,827,387)
Proceeds from sale of equipment	35,677			35,677
	<u>(1,791,710)</u>			<u>(1,791,710)</u>
Net cash used by capital financing activities				
Cash flows from noncapital financing activities				
Transfers in	287,300			287,300
	<u>287,300</u>			<u>287,300</u>
Net cash provided by noncapital financing activities				
Increase in equity in cash pool	(319,917)	(92,402)	197,414	(214,905)
Cash and cash equivalents, January 1	20,978,153	4,700,321	689,333	26,367,807
Cash and cash equivalents, December 31	<u>\$ 20,658,236</u>	<u>\$ 4,607,919</u>	<u>\$ 886,747</u>	<u>\$ 26,152,902</u>
Reconciliation of operating income (loss) to cash provided (used) by operating activities				
Operating income (loss)	\$ 863,799	\$ (227,228)	\$ 686,559	\$ 1,323,130
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	983,480			983,480
Change in assets and liabilities:				
(Increase) in accounts receivable		(403)	(12,236)	(12,639)
(Increase) in inventory	(21,846)			(21,846)
Increase (decrease) in accounts payable	(262,012)	54	(468,664)	(730,622)
Increase in wages payable	4,598	22,109		26,707
Increase in compensated absences		196,012		196,012
	<u>\$ 1,568,019</u>	<u>\$ (9,456)</u>	<u>\$ 205,659</u>	<u>\$ 1,764,222</u>
Net cash provided by operating activities				
Noncash capital financing activities				
Transfer of equipment to other funds	\$ (1,272,171)			\$ (1,272,171)



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Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

Agency Funds are as follows:

PUPS Impound Facility Fund – This fund accounts for the operation of a animal impoundment facility used by seven cities. The City provides the accounting and reporting for the facility.

Deposit and Escrow Fund – This fund accounts for escrow deposits from developers and contractors.

City of Maple Grove, Minnesota

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013**

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
PUPS Impound Facility Fund				
Assets				
Equity in cash pool	\$ 35,081	\$ 186,916	\$ 189,978	\$ 32,019
Interest receivable	198	137	198	137
Intergovernmental receivable	19,431	150,420	146,867	22,984
Total assets	\$ 54,710	\$ 337,473	\$ 337,043	\$ 55,140
Liabilities				
Accounts payable	\$ 3,842	\$ 50,338	\$ 50,100	\$ 4,080
Accrued wages payable	3,668	4,917	3,668	4,917
Due to other governments	47,200	178,940	179,997	46,143
Total liabilities	\$ 54,710	\$ 234,195	\$ 233,765	\$ 55,140
Deposit and Escrow Fund				
Assets				
Equity in cash pool	\$ 2,236,888	\$ 1,105,557	\$ 630,870	\$ 2,711,575
Interest receivable	7,624	7,120	7,624	7,120
Total assets	\$ 2,244,512	\$ 1,112,677	\$ 638,494	\$ 2,718,695
Liabilities				
Accounts payable	\$ 11,518	\$ 534,145	\$ 532,430	\$ 13,233
Deposits	2,232,994	1,219,732	747,264	2,705,462
Total liabilities	\$ 2,244,512	\$ 1,753,877	\$ 1,279,694	\$ 2,718,695
Total Agency Funds				
Assets				
Equity in cash pool	\$ 2,271,969	\$ 1,292,473	\$ 820,848	\$ 2,743,594
Interest receivable	7,822	7,257	7,822	7,257
Intergovernmental receivable	19,431	150,420	146,867	22,984
Total assets	\$ 2,299,222	\$ 1,450,150	\$ 975,537	\$ 2,773,835
Liabilities				
Accounts payable	\$ 15,360	\$ 584,483	\$ 582,530	\$ 17,313
Accrued wages payable	3,668	4,917	3,668	4,917
Due to other governments	47,200	178,940	179,997	46,143
Deposits	2,232,994	1,219,732	747,264	2,705,462
Total liabilities	\$ 2,299,222	\$ 1,988,072	\$ 1,513,459	\$ 2,773,835

**STATISTICAL
SECTION**

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and notes to the financial statements says about the City's overall financial health.

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

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity – These schedules contain information to assess the City's most significant local revenue sources, property taxes and special assessments.

- Assessed Value/Tax Capacity and Estimated Market Value of All Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Special Assessment Levies and Collections

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

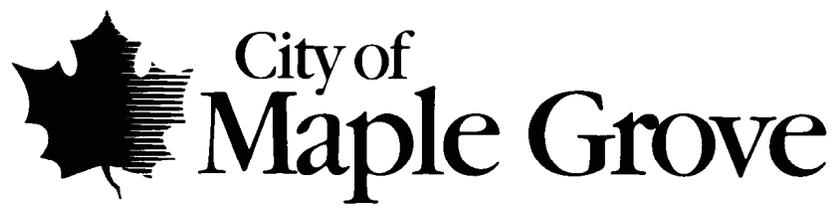
- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged Revenue Bond Coverage

Demographic and Economic Information – The schedule offers demographic and economic indicators to understand the environment within which the City's financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information – These schedules contain service and infrastructure data to understand how the information in the City's financial report relate to the services the City provides and the activities it performs.

- Full-time Equivalent City Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function



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City of Maple Grove, Minnesota
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets	\$ 130,153,377	\$ 103,336,820	\$ 130,735,237	\$ 149,779,041	\$ 167,381,538	\$ 182,337,377	\$ 174,868,239	\$ 171,986,652	\$ 174,543,738	\$ 181,754,891
Restricted	16,230,200	24,869,382	27,793,716	20,780,485	18,201,546	17,887,602	21,367,271	21,199,322	22,268,172	74,921,168
Unrestricted	96,731,857	125,212,110	186,116,680	203,517,344	202,842,779	206,162,772	204,994,401	214,741,244	209,795,114	157,266,360
Total governmental activities net position	\$ 243,115,434	\$ 253,418,312	\$ 344,645,633	\$ 374,076,870	\$ 388,425,863	\$ 406,387,751	\$ 401,229,911	\$ 407,927,218	\$ 406,607,024	\$ 413,942,419
Business-type activities										
Invested in capital assets	\$ 98,795,469	\$ 102,278,455	\$ 113,483,516	\$ 118,791,954	\$ 119,256,180	\$ 125,677,718	\$ 123,903,828	\$ 128,069,020	\$ 126,506,673	\$ 129,860,127
Unrestricted	62,863,198	59,630,984	56,464,793	59,499,269	61,400,802	61,646,274	62,192,212	70,768,745	73,257,978	65,222,109
Total business-type activities net position	\$ 161,658,667	\$ 161,909,439	\$ 169,948,309	\$ 178,291,223	\$ 180,656,982	\$ 187,323,992	\$ 186,096,040	\$ 198,837,765	\$ 199,764,651	\$ 195,082,236
Primary government										
Invested in capital assets	\$ 228,948,846	\$ 205,615,275	\$ 244,218,753	\$ 268,570,995	\$ 286,637,718	\$ 308,015,095	\$ 298,772,067	\$ 300,055,672	\$ 301,050,411	\$ 311,615,018
Restricted	16,230,200	24,869,382	27,793,716	20,780,485	18,201,546	17,887,602	21,367,271	21,199,322	22,268,172	74,921,168
Unrestricted	159,595,055	184,843,094	242,581,473	263,016,613	264,243,581	267,809,046	267,186,613	285,509,989	283,053,092	222,488,469
Total primary government net position	\$ 404,774,101	\$ 415,327,751	\$ 514,593,942	\$ 552,368,093	\$ 569,082,845	\$ 593,711,743	\$ 587,325,951	\$ 606,764,983	\$ 606,371,675	\$ 609,024,655

Note: The City implemented GASB Statement No. 65 in 2013. The net position for 2012 has been restated for this accounting change. Fiscal years prior to 2012 have not been restated.

City of Maple Grove, Minnesota
Changes in Net Position
Last Ten Fiscal Years

1 of 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 5,790,285	\$ 5,958,644	\$ 6,171,164	\$ 6,237,968	\$ 7,444,453	\$ 6,860,725	\$ 7,369,884	\$ 7,004,986	\$ 8,250,116	\$ 7,519,568
Community and economic development	2,091,462	1,754,111	1,936,785	2,275,419	3,359,651	2,054,999	8,009,935	2,216,472	2,518,378	1,803,785
Public safety	10,187,272	10,778,857	11,182,196	12,068,870	13,609,638	12,576,798	13,779,449	14,070,200	14,513,896	14,793,605
Public works	12,568,990	20,124,632	18,889,312	25,715,614	19,479,198	19,220,390	43,076,462	28,841,393	26,003,221	21,368,170
Parks and recreation	4,103,179	4,444,326	4,597,008	4,795,130	5,194,021	5,303,239	5,183,201	5,614,901	5,774,745	6,242,350
Transit	2,225,830	2,901,835	3,295,316	3,431,694	4,116,581	4,216,219	4,150,416	4,588,928	4,807,302	5,369,450
Conservation of natural resources	346,687	475,116	340,781	379,968	550,414	521,767	559,027	582,258	542,473	612,155
Interest on long-term debt	3,222,312	2,909,746	3,031,791	5,616,080	4,484,315	4,208,305	4,239,490	4,370,322	4,101,895	4,591,636
Total governmental activities expenses	40,536,017	49,347,267	49,444,353	60,520,743	58,238,271	54,962,442	86,367,864	67,289,460	66,512,026	62,300,719
Business-type activities:										
Water	3,985,367	4,090,260	4,326,375	4,850,728	5,233,044	4,832,677	4,848,011	5,044,074	6,071,510	8,290,734
Sewer	4,666,169	5,018,582	5,162,048	5,121,982	5,434,063	5,896,882	6,077,160	6,445,861	6,168,111	6,391,395
Community center	2,750,242	2,860,023	2,906,179	2,942,142	3,099,746	3,377,494	3,429,699	3,528,459	3,614,497	3,782,728
Recycling	520,322	565,587	464,279	472,657	439,199	1,113,323	1,187,379	1,217,532	1,262,594	1,148,976
Street lighting	467,624	519,418	605,991	626,142	669,470	718,556	648,232	698,981	791,970	833,214
Sports dome								60,142	359,760	402,168
Total business-type activities expenses	12,389,724	13,053,870	13,464,872	14,013,651	14,875,522	15,938,932	16,190,481	16,995,049	18,268,442	20,849,215
Total primary government expenses	\$ 52,925,741	\$ 62,401,137	\$ 62,909,225	\$ 74,534,394	\$ 73,113,793	\$ 70,901,374	\$ 102,558,345	\$ 84,284,509	\$ 84,780,468	\$ 83,149,934
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 624,207	\$ 856,621	\$ 421,407	\$ 1,953,074	\$ 472,612	\$ 528,107	\$ 1,432,217	\$ 1,428,697	\$ 879,415	\$ 929,184
Community and economic development	978,213	1,052,887	1,010,922	1,023,632	1,004,620	1,228,484	1,065,895	1,063,797	1,159,129	1,203,894
Public safety	3,899,401	3,253,616	4,230,523	3,444,263	3,172,619	2,336,819	3,082,510	2,521,834	2,653,947	3,391,723
Public works	2,868,927	2,113,463	2,092,357	2,065,901	1,475,185	1,913,768	1,894,502	2,064,161	1,291,771	1,373,811
Parks and recreation	1,658,983	1,284,811	1,341,946	1,326,074	1,350,197	1,406,203	1,489,767	1,425,037	1,428,079	1,465,336
Transit	902,132	1,067,313	1,263,488	1,387,805	2,251,062	2,002,289	1,910,577	2,025,154	2,079,855	2,113,201
Conservation of natural resources	85,838									
Operating grants and contributions	3,861,934	3,483,182	3,743,402	3,901,405	4,292,874	4,373,629	4,277,431	3,051,960	1,914,424	3,146,532
Capital grants and contributions	30,630,232	19,751,865	97,400,854	39,529,861	21,298,830	30,838,521	26,438,300	33,015,959	16,537,056	26,105,830
Total governmental activities program revenues	45,509,867	32,863,758	111,504,899	54,632,015	35,317,999	44,627,820	41,591,199	46,596,599	27,943,676	39,729,511
Business-type activities:										
Charges for services										
Water	3,221,352	3,260,608	3,684,391	3,926,313	3,568,068	3,608,799	3,416,715	3,407,042	4,655,580	4,427,737
Sewer	3,773,865	4,081,613	4,897,055	4,056,499	4,072,410	3,946,097	4,009,389	5,228,626	6,864,220	5,724,825
Community center	1,698,479	1,709,711	1,817,857	1,714,637	1,833,970	2,168,137	2,256,660	2,226,434	2,401,106	2,495,032
Recycling	599,459	628,733	641,833	645,689	683,444	1,267,948	1,355,811	1,373,918	1,287,214	1,125,891
Street lighting	544,433	602,025	621,917	617,178	622,714	637,473	655,409	667,461	657,110	717,757
Sports dome								69,184	304,336	356,330
Capital grants and contributions	6,081,254	4,460,372	7,938,260	8,641,406	3,431,470	1,668,806	1,611,080	1,466,849	1,612,725	3,344,903
Total business-type activities revenues	15,918,842	14,743,062	19,601,313	19,601,722	14,212,076	13,297,260	13,305,064	14,439,514	17,782,291	18,192,475
Total primary government revenues	\$ 61,428,709	\$ 47,606,820	\$ 131,106,212	\$ 74,233,737	\$ 49,530,075	\$ 57,925,080	\$ 54,896,263	\$ 61,036,113	\$ 45,725,967	\$ 57,921,986
Net (expense)/revenue										
Governmental activities	\$ 4,973,850	\$ (16,483,509)	\$ 62,060,546	\$ (5,888,728)	\$ (22,920,272)	\$ (10,334,622)	\$ (44,776,665)	\$ (20,692,861)	\$ (38,568,350)	\$ (22,571,208)
Business-type activities	3,529,118	1,689,192	6,136,441	5,588,071	(663,446)	(2,641,672)	(2,885,417)	(2,555,535)	(486,151)	(2,656,740)
Total primary government net (expense)/revenue	\$ 8,502,968	\$ (14,794,317)	\$ 68,196,987	\$ (300,657)	\$ (23,583,718)	\$ (12,976,294)	\$ (47,662,082)	\$ (23,248,396)	\$ (39,054,501)	\$ (25,227,948)

City of Maple Grove, Minnesota
Changes in Net Position
Last Ten Fiscal Years

2 of 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Sources in Net Position										
Governmental activities:										
Property taxes levied for general purpose	\$ 16,201,251	\$ 18,342,197	\$ 20,020,563	\$ 21,962,101	\$ 23,977,292	\$ 24,972,780	\$ 29,446,638	\$ 28,437,956	\$29,166,955	\$29,458,083
Property taxes levied for debt service	1,943,876	1,443,866	1,435,618	1,491,775	1,648,396	2,325,278	1,565,189	1,737,085	1,720,822	1,710,379
Property taxes levied for housing and redevelopment	141,982	143,314	143,548	143,399	145,240	143,297	146,410	145,439	148,828	148,167
Property taxes from tax increments	2,169,474	2,008,251	2,123,098	2,849,085	2,963,942	2,887,342	1,896,593	1,138,298	1,155,390	371,834
Other taxes	181,345	138,176	124,396	140,198	220,199	628,413	823,729	380,907	359,676	122,251
Grants and contributions not restricted to specific programs	6,304	6,855	19,960	794,463	387,805	7,670	7,711	6,350	4,020	578
Investment income	4,145,063	1,946,728	4,688,700	7,166,544	7,389,459	4,516,545	5,113,134	7,695,400	4,554,287	(2,814,432)
Gain on sale of capital assets	745		392	43,000	53,473	85,160	16,854	113,110		34,743
Transfers	955,444	2,757,000	610,500	729,400	483,459	(7,269,975)	602,566	(12,264,377)	677,213	875,000
Total governmental activities	25,745,484	26,786,387	29,166,775	35,319,965	37,269,265	28,296,510	39,618,824	27,390,168	37,787,191	29,906,603
Business-type activities										
Investment income	1,711,365	1,318,580	2,512,929	3,484,243	3,512,664	2,038,707	2,260,031	3,032,883	2,109,133	(1,150,675)
Transfers	(955,444)	(2,757,000)	(610,500)	(729,400)	(483,459)	7,269,975	(602,566)	12,264,377	(677,213)	(875,000)
Total business-type activities	755,921	(1,438,420)	1,902,429	2,754,843	3,029,205	9,308,682	1,657,465	15,297,260	1,431,920	(2,025,675)
Total primary government	\$26,501,405	\$25,347,967	\$31,069,204	\$38,074,808	\$40,298,470	\$37,605,192	\$41,276,289	\$42,687,428	\$39,219,111	\$27,880,928
Change in Net Position										
Governmental activities	\$ 30,719,334	\$ 10,302,878	\$ 91,227,321	\$ 29,431,237	\$ 14,348,993	\$ 17,961,888	\$ (5,157,841)	\$ 6,697,307	\$ (781,159)	\$ 7,335,395
Business-type activities	4,285,039	250,772	8,038,870	8,342,914	2,365,759	6,667,010	(1,227,952)	12,741,725	945,769	(4,682,415)
Total primary government	\$ 35,004,373	\$ 10,553,650	\$ 99,266,191	\$ 37,774,151	\$ 16,714,752	\$ 24,628,898	\$ (6,385,793)	\$ 19,439,032	\$ 164,610	\$ 2,652,980

City of Maple Grove, Minnesota
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Pre-GASB 54					Post-GASB 54				
General Fund										
Reserved	\$ 41,395	\$ 45,222	\$ 3,043	\$ 55,359	\$ 45,422	\$ 35,374				
Unreserved	3,710,699	3,988,104	4,831,637	5,769,425	6,358,102	6,723,213				
Nonspendable							\$ 40,430	\$ 38,329	\$ 61,045	\$ 33,968
Unassigned							6,838,489	7,022,404	7,025,280	7,110,270
Total general fund	<u>\$ 3,752,094</u>	<u>\$ 4,033,326</u>	<u>\$ 4,834,680</u>	<u>\$ 5,824,784</u>	<u>\$ 6,403,524</u>	<u>\$ 6,758,587</u>	<u>\$ 6,878,919</u>	<u>\$ 7,060,733</u>	<u>\$ 7,086,325</u>	<u>\$ 7,144,238</u>
All other governmental funds										
Reserved	\$ 12,575,062	\$ 18,694,609	\$ 18,949,053	\$ 10,097,580	\$ 6,853,289	\$ 7,817,145				
Unreserved										
Special revenue funds	8,738,002	12,676,818	16,296,393	19,703,665	22,478,003	22,517,793				
Debt service funds	1,458,365	(279,238)	(852,743)	(2,238,132)	(2,649,215)	(540,922)				
Capital projects funds	26,107,962	14,753,520	50,439,429	59,411,248	57,737,807	63,715,177				
Nonspendable							\$ 11,888	\$ 13,093	\$ 123,512	\$ 8,306
Restricted							51,595,484	42,564,087	38,597,880	90,786,445
Comitted							34,601,296	37,913,386	42,983,556	46,175,816
Assigned							39,430,199	46,656,504	49,516,561	51,266,061
Unassigned							(4,796,251)	(4,694,682)	(3,658,750)	(2,696,968)
Total all other governmental funds	<u>\$ 48,879,391</u>	<u>\$ 45,845,709</u>	<u>\$ 84,832,132</u>	<u>\$ 86,974,361</u>	<u>\$ 84,419,884</u>	<u>\$ 93,509,193</u>	<u>\$ 120,842,616</u>	<u>\$ 122,452,388</u>	<u>\$ 127,562,759</u>	<u>\$ 185,539,660</u>

Note: City implemented GASB 54 in 2011 and 2010 data restated for GASB 54 presentation.

City of Maple Grove, Minnesota
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property taxes	\$ 18,468,454	\$ 20,067,553	\$ 21,724,125	\$ 23,737,473	\$ 25,991,127	\$ 28,069,768	\$ 31,981,966	\$ 30,701,387	\$ 31,396,281	\$ 31,438,880
Tax increments	2,169,474	2,008,251	2,123,098	2,849,085	2,963,942	2,887,342	1,896,593	1,138,298	1,155,390	371,834
Special assessments	26,472,300	16,713,944	27,297,144	27,750,719	18,736,278	22,575,738	21,936,944	15,552,275	15,785,506	23,740,532
Licenses, permits and fees	4,575,663	6,277,386	7,002,868	5,079,224	3,702,296	2,797,015	2,685,267	2,985,495	2,861,767	3,938,283
Intergovernmental revenue	10,519,326	4,422,400	4,996,166	6,353,825	5,710,980	17,297,099	11,820,423	15,635,921	2,916,063	10,633,974
Charges for services	4,659,006	5,062,833	5,284,247	6,802,580	5,858,396	6,316,158	5,253,466	5,185,658	5,276,310	5,557,359
Fines and forfeits	480,192	453,380	430,669	398,739	355,726	393,176	420,732	446,248	475,793	477,786
Investment income	2,011,892	1,606,555	3,420,663	5,695,032	6,130,153	3,819,071	4,177,720	6,407,761	3,739,920	(2,324,760)
Other	4,204,170	2,398,762	3,438,532	3,032,050	1,614,407	5,689,839	9,156,030	13,870,407	6,121,511	2,200,521
Total revenues	73,560,477	59,011,064	75,717,512	81,698,727	71,063,305	89,845,206	89,329,141	91,923,450	69,728,541	76,034,409
Expenditures										
General government	5,353,524	5,584,296	5,801,351	5,758,693	6,451,615	7,070,576	6,045,736	5,803,725	6,612,695	6,314,265
Community and economic development	1,645,764	1,614,009	1,686,934	1,325,923	1,575,624	1,303,763	1,171,139	1,155,335	1,137,893	1,193,030
Public safety	10,064,386	10,560,762	11,260,266	12,100,085	12,862,431	13,220,667	13,699,087	13,919,863	14,002,854	14,507,275
Public works	3,712,138	4,513,605	4,373,810	5,167,803	4,823,114	5,199,195	5,218,328	5,730,106	5,287,909	5,457,317
Conservation of natural resources	235,738	266,311	340,781	379,968	550,414	521,767	559,027	582,258	542,473	612,155
Parks and recreation	4,626,770	5,036,142	4,995,518	5,235,874	5,480,466	5,307,632	7,773,913	5,157,954	5,272,061	5,459,472
Transit	4,587,150	2,557,742	3,080,605	3,240,809	3,779,685	10,034,251	6,682,553	4,898,045	4,384,486	4,447,227
Miscellaneous	108,726	184,083	108,317	117,720	164,423	390,822	206,855	146,683	108,667	140,219
Interest	1,262,955	1,134,797	1,349,910	1,772,944	1,144,759	927,889	358,278	316,113	149,152	84,169
Capital outlay	22,721,310	32,687,585	45,286,421	29,043,962	28,127,136	30,526,906	31,915,362	35,942,410	22,117,176	23,158,702
Debt service:										
Principal retirement	7,650,000	7,197,130	3,440,893	3,670,000	4,265,000	7,437,545	5,540,000	5,858,578	7,010,000	7,190,000
Interest and fiscal fees	3,181,351	3,129,140	2,414,958	4,492,445	4,459,531	4,374,190	4,251,087	4,349,769	4,201,787	4,593,492
Bond issuance costs	47,254	184,439	101,891	28,678	49,351	41,094	154,768	61,368	70,949	271,319
Payment to refunded bond escrow agent		2,029,998								
Total expenditures	65,197,066	76,680,039	84,241,655	72,334,904	73,733,549	86,356,297	83,576,133	83,922,207	70,898,102	73,428,642
Excess (deficiency) of revenues over expenditures	8,363,411	(17,668,975)	(8,524,143)	9,363,823	(2,670,244)	3,488,909	5,753,008	8,001,243	(1,169,561)	2,605,767
Other Financing Sources (Uses)										
Proceeds from certificates of indebtedness issued	590,000				590,000					
Bonds issued	4,280,000	1,350,000	45,535,000	3,310,000	3,585,000	3,720,000	16,925,000	2,195,000	3,365,000	3,905,000
Refunding bonds issued	5,650,000	30,890,000			655,000		5,425,000	1,250,000	4,935,000	47,840,000
Premium on bonds issued	150,287	1,108,625	1,863,055		3,929		71,547		195,532	5,086,347
Discount on bonds issued			(29,445)	(37,764)	(11,716)	(36,414)	(205,250)	(28,575)		
Loans issued	56,000			95,000	100,000	100,000	90,046		186,292	
Refunded principal retirement								(1,975,000)	(3,345,000)	(1,990,000)
Payment to refunded bond escrow agent		(23,255,230)	(37,083)	(10,257,126)	(4,640,165)					
Sale of capital assets		2,137,130	440,893			1,476,877				
Transfers in	11,149,398	26,244,855	11,405,573	8,193,370	17,547,947	46,113,863	14,424,310	36,308,981	12,532,994	18,100,071
Transfers out	(10,573,123)	(23,558,855)	(10,866,073)	(7,534,970)	(17,135,488)	(45,418,863)	(14,714,810)	(43,960,063)	(11,564,294)	(17,512,371)
Total other financing sources (uses)	11,302,562	14,916,525	48,311,920	(6,231,490)	694,507	5,955,463	22,015,843	(6,209,657)	6,305,524	55,429,047
Net change in fund balances	\$ 19,665,973	\$ (2,752,450)	\$ 39,787,777	\$ 3,132,333	\$ (1,975,737)	\$ 9,444,372	\$ 27,768,851	\$ 1,791,586	\$ 5,135,963	\$ 58,034,814
Debt service as a percentage of noncapital expenditures	23.6%	23.8%	13.1%	15.0%	17.5%	19.1%	12.2%	15.7%	18.4%	21.1%

City of Maple Grove, Minnesota
Assessed Value/Tax Capacity and
Estimated Market Value of Taxable Property¹
Last Ten Fiscal Years
(amounts in thousands)

	Taxes Payable 2004	Taxes Payable 2005	Taxes Payable 2006	Taxes Payable 2007	Taxes Payable 2008	Taxes Payable 2009	Taxes Payable 2010	Taxes Payable 2011	Taxes Payable 2012	Taxes Payable 2013
<u>Real property</u>										
Estimated market value	\$ 5,337,032	\$ 6,053,256	\$ 6,731,368	\$ 7,461,267	\$ 8,157,060	\$ 8,269,689	\$ 7,930,265	\$ 7,526,018	\$ 7,358,166	\$ 6,923,696
Tax capacity	60,000	69,370	77,066	86,843	97,171	100,183	95,697	90,784	85,238	79,532
<u>Personal property</u>										
Estimated market value	45,565	48,077	49,415	54,138	54,928	57,332	58,579	61,787	63,717	71,033
Tax capacity	903	952	978	1,071	1,090	1,137	1,161	1,225	1,260	1,407
<u>Total before adjustments</u>										
Estimated market value	5,382,597	6,101,333	6,780,783	7,515,405	8,211,988	8,327,021	7,988,844	7,587,805	7,421,883	6,994,729
Tax capacity	60,903	70,322	78,044	87,914	98,261	101,320	96,858	92,009	86,498	80,939
<u>Adjustments to tax capacity</u>										
Area wide allocation - Fiscal disparities	(2,161)	(2,463)	(3,377)	(3,188)	(4,281)	(5,891)	(6,641)	(5,431)	(6,027)	(5,163)
Tax increment districts	(2,107)	(1,950)	(2,114)	(3,113)	(3,345)	(3,306)	(2,332)	(1,034)	(974)	(315)
Other adjustments	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Net tax capacity	<u>\$ 56,632</u>	<u>\$ 65,906</u>	<u>\$ 72,550</u>	<u>\$ 81,610</u>	<u>\$ 90,632</u>	<u>\$ 92,120</u>	<u>\$ 87,882</u>	<u>\$ 85,541</u>	<u>\$ 79,494</u>	<u>\$ 75,458</u>
Total City direct tax capacity based rates	32.979	30.677	28.977	30.169	29.318	31.259	33.845	36.714	39.450	42.142
Total City direct market value based rates ²	0.00986	0.00855	0.00763	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Percent of total tax capacity to estimated market value	1.13%	1.15%	1.15%	1.17%	1.20%	1.22%	1.21%	1.21%	1.17%	1.16%

Source: City Assessing Department

¹ Property values are determined on January 2 of the preceding year.

² Property taxes for citizen approved bond and levy referendums are based on market values rather than tax capacity values.

City of Maple Grove, Minnesota
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Year Collectible	City of Maple Grove				Hennepin County		Overlapping Rates			Total Other Agencies ¹ Tax Capacity	Total Direct and Overlapping Rates	
	General Levy	Debt Levy	Total City Tax Capacity	Referendum ² Levy Market Value	Total County Tax Capacity	Referendum ² Levy Market Value	School District	Total School District	Referendum ² Levy Market Value		Tax Capacity Based	Market Value Based
	Tax Capacity Based	Tax Capacity Based	Tax Capacity Based	Market Value Based	Tax Capacity Based	Market Value Based		School District	Tax Capacity Based			
2004	30.429	2.550	32.979	0.00986	47.324	0.01786	279 284	23.710 22.115	0.16958 0.13197	7.750	111.763 110.168	0.19730 0.15969
2005	29.244	1.433	30.677	0.00855	44.172	0.01595	279 284	24.336 20.706	0.15982 0.12073	7.608	106.793 103.163	0.18432 0.14523
2006	28.977	1.295	30.272	0.00763	41.016	0.01585	279 284	21.815 21.893	0.17045 0.16646	7.204	100.307 100.385	0.19393 0.18994
2007	28.312	1.857	30.169	0.00000	39.110	0.01571	279 284	23.758 20.245	0.17155 0.15343	7.493	100.530 97.017	0.18726 0.16914
2008	27.488	1.830	29.318	0.00000	38.571	0.01584	279 284	19.710 19.668	0.20475 0.14739	7.827	95.426 95.384	0.22059 0.16323
2009	28.667	2.592	31.259	0.00000	40.413	0.01096	279 284	21.033 20.406	0.20487 0.16882	7.317	100.022 99.395	0.21583 0.17978
2010	32.056	1.789	33.845	0.00000	42.640	0.00000	279 284	22.381 23.311	0.21123 0.16396	8.310	107.176 108.106	0.21123 0.16396
2011	34.664	2.050	36.714	0.00000	45.840	0.00000	279 284	24.217 24.034	0.23032 0.17801	9.348	116.119 115.936	0.23032 0.17801
2012	37.253	2.197	39.450	0.00000	48.231	0.00000	279 284	24.930 25.325	0.25181 0.19106	9.713	122.324 122.719	0.25181 0.19106
2013	42.142	0.000	42.142	0.00000	49.461	0.00000	279 284	27.973 25.236	0.26813 0.20569	10.289	129.865 127.128	0.26813 0.20569

¹ Includes Mosquito Control, Metropolitan Council, Metropolitan Transit, Park Museum, Three Rivers Park District, Hennepin County Regional Railroad Authority and Maple Grove HRA.

² Property taxes for citizen approved bond and levy referendums are based on market values rather than tax capacity values.

³ The majority of the city is served by Osseo District No. 279 except for the southwestern portion of the city which is served by Wayzata School District No. 284.

City of Maple Grove, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2013			2004		
		(1) Tax Capacity	Rank	% of Total Tax Capacity	(1) Tax Capacity	Rank	% of Total Tax Capacity
Kimco LLC	Commercial	\$ 1,463,773	1	1.9 %			
KIR Maple Grove LP	Commercial	1,322,536	2	1.8	\$ 1,062,456	1	1.9 %
Boston Scientific/SciMed	Industrial	1,295,203	3	1.7	719,468	2	1.3
Prisa Arbor Lakes LLC	Commercial	1,217,988	4	1.6			
Tiller Corporation	Industrial	603,751	5	0.8	452,120	5	0.8
DDRA Maple Grove Crossing	Commercial	601,044	6	0.8	533,074	3	0.9
Fairview Health Services	Commercial	546,450	7	0.7			
North Memorial Health Care	Commercial	530,344	8	0.7			
Grove Square Ltd Partnership	Commercial	399,362	9	0.5			
Great River Energy	Commercial	385,250	10	0.5			
Xcel Energy	Utilities				480,648	4	0.8
Prudential Insurance Company	Commercial				431,356	6	0.8
Sidcor	Commercial				302,426	7	0.5
Wedgewood PT Assoc	Industrial				288,876	8	0.5
Town Center Partnership LLP	Commercial				281,922	9	0.5
Peak Limited Partnership	Industrial				280,402	10	0.5
Total tax capacity principal property taxpayers		<u>\$ 8,365,701</u>		<u>11.1 %</u>	<u>\$ 4,832,748</u>		<u>8.5 %</u>
Net tax capacity for the city, after fiscal disparities and tax increment adjustments		<u>\$ 75,457,416</u>			<u>\$ 56,632,047</u>		

(1) Property values as of January 2 of the preceding year for taxes payable in 2013 and 2004.

City of Maple Grove, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Tax Levy for Fiscal Year					Collections within the Fiscal Year of the Levy		Delinquent Tax Collections in Subsequent Fiscal Years of the Levy	Total Collections to Date	
	Tax Levy ¹	Fiscal Year Adjustments	Adjusted Tax Levy	Subsequent Years Adjustments	Total Adjusted Tax Levy	Tax Collections	% of Adjusted Tax Levy		Total Tax Collections	% of Total Adjusted Tax Levy
2004	\$ 18,442	\$ (23)	\$ 18,419	\$ (77)	\$ 18,342	\$ 18,298	99.3 %	\$ 44	\$ 18,342	100.0 %
2005	20,119	(56)	20,063	(86)	19,977	19,896	99.2	81	19,977	100.0
2006	21,806	(13)	21,793	(70)	21,723	21,502	98.7	221	21,723	100.0
2007	24,001	(70)	23,931	(87)	23,844	23,511	98.2	327	23,838	100.0
2008	26,014	(109)	25,905	(132)	25,773	25,459	98.3	314	25,773	100.0
2009	28,009	(253)	27,756	(229)	27,527	27,231	98.1	296	27,527	100.0
2010	28,843	(102)	28,741	(227)	28,514	28,439	98.9	75	28,514	100.0
2011	30,401	(72)	30,329	(379)	29,950	30,085	99.2	(135)	29,950	100.0
2012	31,337	(32)	31,305	(277)	31,028	30,975	98.9	(41)	30,934	99.7
2013	31,778	(12)	31,766	0	31,766	31,557	99.3	0	31,557	99.3

¹ Includes HRA tax levy

City of Maple Grove, Minnesota
Special Assessment Levies and Collections
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Current Fiscal Year Special Assessment Levy	Collections within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Fiscal Years of the Levy	Total Collections to Date		Prepayments	Special Assessment Levied
		Current Fiscal Year Collections	% of Total Special Assessment Levy		Total Tax Collections	% of Total Special Assessment Levy		
2004	\$ 7,074	\$ 6,952	98.3 %	\$ 122	\$ 7,074	100.0 %	\$ 18,967	\$ 18,436
2005	6,317	6,041	95.6	276	6,317	100.0	10,504	14,120
2006	6,548	6,211	94.9	337	6,548	100.0	21,030	88,508
2007	11,126	10,652	95.7	470	11,122	100.0	15,916	39,847
2008	12,602	11,066	87.8	1,530	12,596	100.0	7,186	20,003
2009	14,323	12,481	87.1	1,834	14,315	99.9	9,528	10,001
2010	12,527	11,933	95.3	585	12,518	99.9	7,815	6,436
2011	10,670	10,471	98.1	149	10,620	99.5	4,338	6,357
2012	9,874	9,742	98.7	33	9,775	99.0	5,566	7,380
2013	9,815	9,695	98.8	0	9,695	98.8	12,358	12,228

City of Maple Grove, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Business-type	Total Primary Government	Percentage of Personal Income ²	Per Capita
	Tax Increment Bonds ¹	Special Assessment Bonds ¹	Road Reconstruction Bonds ¹	HRA Housing Bonds ¹	General Obligation Bonds ¹	Loans	Revenue Bonds ¹			
2004	\$ 472	\$ 15,426	\$ 29,843	\$ 3,650	\$ 20,088	\$ 1,002	\$ 17,332	\$ 87,813	4.24 %	\$ 1,547
2005	383	22,601	28,678	3,432	18,305	1,002	15,759	90,160	4.18	1,543
2006	289	66,693	29,881	3,207	16,815	1,002	14,024	131,911	6.07	2,255
2007	194	59,373	27,892	2,978	15,751	1,097	12,242	119,527	5.32	2,010
2008	100	53,705	30,119	2,734	14,804	1,197	10,798	113,457	5.04	1,893
2009	-	51,121	32,319	2,484	13,817	1,297	9,310	110,348	4.62	1,761
2010	-	48,498	37,508	4,220	26,133	1,387	7,771	125,517	5.18	2,039
2011	-	45,748	39,118	1,972	25,107	1,387	6,209	119,541	5.01	1,915
2012	-	42,914	42,222	1,660	23,235	1,573	4,564	116,168	4.47	1,817
2013	-	73,554	43,885	1,347	38,540	1,573	2,314	161,213	5.81	2,490

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

¹ Bonds net of discounts, premiums and deferred refunding costs.

² See the Schedule of Demographic and Economic Statistics on page 122 for personal income and population data.

City of Maple Grove, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds ¹	Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage of Estimated Taxable Value ² of Property	Per Capita ³
2004	\$ 20,088	\$ 3,182	\$ 16,906	0.31 %	\$ 298
2005	18,305	3,233	15,072	0.25	258
2006	16,815	1,306	15,509	0.23	265
2007	15,751	1,502	14,249	0.19	240
2008	14,804	1,222	13,582	0.17	227
2009	13,817	1,252	12,565	0.15	201
2010	26,133	1,334	24,799	0.31	403
2011	25,107	1,285	23,822	0.31	382
2012	23,235	1,443	21,792	0.29	341
2013	38,540	18,786	19,754	0.28	305

¹ Excludes general obligation road reconstruction bonds which are supported by special assessments.

² See the Schedule of Assessed Value/Tax Capacity and Estimated Market Value of Taxable Property on page 112 for property value data.

³ Population data can be found in the Schedule of Demographic and Economic Statistics on page 122.

City of Maple Grove, Minnesota
Direct and Overlapping Governmental Activities Debt
December 31, 2013
(amounts in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to Maple Grove ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Governmental Units:			
Hennepin County	\$ 723,265	5.73 %	\$ 41,443
School District #279	79,518	55.13	43,838
School District #284	54,121	5.45	2,950
Metropolitan Council	158,665	2.62	4,157
Hennepin Parks	54,166	7.78	4,214
Hennepin Regional Rail Road	37,350	7.78	<u>2,906</u>
Total Overlapping Debt			<u>99,508</u>
City of Maple Grove Direct Debt			<u>158,899</u>
Total Direct and Overlapping Debt			<u><u>\$ 258,407</u></u>

Sources: Assessed value data used for percent applicable to the City and debt outstanding for overlapping governmental units provided by the County.

¹ The percent of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

City of Maple Grove, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit ²	\$ 107,652	\$ 121,065	\$ 134,627	\$ 149,225	\$ 244,712	\$ 248,091	\$ 237,908	\$ 225,781	\$ 207,711	\$ 207,711
Total net direct applicable to limit	17,082	16,234	15,413	25,218	13,633	12,638	25,075	23,872	27,376	21,327
Legal debt margin	90,570	104,831	119,214	124,007	231,079	235,453	212,833	201,909	180,335	186,384
Total net debt applicable to the limit as a percentage of debt limit	15.87%	13.41%	11.45%	16.90%	5.57%	5.09%	10.54%	10.57%	13.18%	10.27%

Legal Debt margin Calculation for Fiscal Year 2013

Estimated market value	\$ 6,923,696
Debt limit (3% of estimated market value)	207,711
Amount of debt applicable to debt limit	
Total bonded debt ¹	158,899
Less debt not subject to debt limit:	
Amount available for retirement	
of general obligation bonds	(18,786)
Special assessment bonds	(73,554)
Road reconstruction bonds	(43,885)
Housing bonds	(1,347)
Total net direct applicable to limit	<u>21,327</u>
Legal debt margin	<u>\$ 186,384</u>

¹ Does not include water revenue bonds.

² State statutes increased debt limit from 2% to 3% in 2008.

City of Maple Grove, Minnesota
Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Water Revenue Bonds					
	Revenues ¹	Operating Expenses ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 5,733	\$ 2,117	\$ 3,616	\$ 240	\$ 509	4.83
2005	5,385	2,334	3,050	1,575	553	1.43
2006	6,415	2,539	3,876	1,735	517	1.72
2007	7,537	2,757	4,780	1,775	475	2.12
2008	6,138	3,105	3,033	1,435	430	1.63
2009	5,286	2,729	2,557	1,480	385	1.37
2010	5,562	2,785	2,777	1,530	335	1.49
2011	5,980	3,020	2,960	1,585	280	1.59
2012	6,483	3,535	2,948	1,645	188	1.61
2013	6,136	3,371	2,765	2,250	87	1.18

Fiscal Year	HRA Housing Bonds					
	Revenues ³	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 745	\$ 298	\$ 447	\$ 205	\$ 131	1.33
2005	756	334	422	225	127	1.20
2006	779	325	454	230	122	1.29
2007	783	304	479	235	117	1.36
2008	779	293	486	250	111	1.35
2009	762	275	487	255	103	1.36
2010	763	318	445	270	94	1.22
2011	774	268	506	280	63	1.48
2012	771	268	503	320	28	1.45
2013	740	413	327	320	24	0.95

Fiscal Year	Road Reconstruction Bonds				
	Revenues ⁴	City Share ⁵	Debt Service		Coverage
			Principal	Interest	
2004	\$ 1,685	\$ 665	\$ 985	\$ 930	1.23
2005	1,184	431	885	1,069	0.83
2006	1,458	835	1,040	1,040	1.10
2007	1,753	965	1,245	1,068	1.18
2008	1,996	1,028	1,365	1,141	1.21
2009	2,233	1,305	1,495	1,166	1.33
2010	1,853	1,350	1,700	1,244	1.09
2011	2,163	1,375	1,815	1,361	1.11
2012	2,361	1,405	2,050	1,310	1.12
2013	2,974	1,325	2,270	1,113	1.27

Fiscal Year	Special Assessment Bonds			
	Revenues ⁴	Debt Service		Coverage
		Principal	Interest	
2004	\$ 1,764	\$ 1,375	\$ 917	0.77
2005	1,756	3,140	703	0.46
2006	579	1,010	598	0.36
2007	4,876	1,020	2,559	1.36
2008	3,940	1,600	2,512	0.96
2009	4,644	2,500	2,411	0.95
2010	3,615	2,540	2,306	0.75
2011	3,689	1,755	2,198	0.93
2012	2,939	2,750	2,086	0.61
2013	8,512	2,625	1,947	1.86

¹ Revenues includes water revenues, interest earnings and connection fees.

² Operating expenses excludes depreciation.

³ Revenues includes rents and interest earnings.

⁴ Revenues includes special assessments and interest earnings.

⁵ Transfers from road reconstruction fund for City's share of debt service.

***City of Maple Grove, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years***

<u>Year</u>	<u>Population¹</u>	<u>Personal Income (amounts in thousands)</u>	<u>Per Capita Income²</u>	<u>Median Age²</u>	<u>School Enrollment³</u>	<u>Unemployment Rate⁴</u>
2004	56,754	\$ 2,071,748	\$ 36,504	35.6	9,723	3.4 %
2005	58,420	2,158,970	36,956	36.2	9,655	2.9
2006	58,491	2,173,292	37,156	36.5	9,627	2.9
2007	59,458	2,245,550	37,767	36.5	9,638	3.4
2008	59,932	2,252,065	37,577	36.8	9,360	4.2
2009	62,660	2,385,967	38,078	37.0	9,229	6.5
2010	61,567	2,422,415	39,346	37.2	9,350	6.0
2011	62,436	2,384,620	38,301	35.3	9,374	5.2
2012	63,928	2,596,691	40,619	38.1	8,529	4.6
2013	64,744	2,772,791	42,827	38.2	8,360	4.2

Sources:

¹ Population figures are estimated as of April 1st of that year by the Metropolitan Council. The 2010 population is the Federal Census.

² Claritas

³ Osseo School District No. 279

⁴ Minnesota Department of Employment and Economic Development

City of Maple Grove, Minnesota
Principal Employers
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Employees ²	Rank	% of Total City Employment	Employees ²	Rank	% of Total City Employment
Independent School District #279	3,694	1	10.0 %	3,018	1	8.5 %
Boston Scientific/SciMed	2,300	2	6.2	2,600	2	7.3
United Parcel Service	671	3	1.8	400	4	1.1
Sterilmed	497	4	1.3			
RR Donnelley & Sons	475	5	1.3			
Upsher-Smith Laboratories	375	6	1.0			
Wal Mart/Sams Club	350	7	0.9	250	10	0.7
City of Maple Grove	315	8	0.9	286	7	0.8
Vascular Solutions	300	9	0.8			
C.S. McCrossan, Inc	300	9	0.8			
Minneapolis Auto Auction				500	3	1.4
Banta Catalog Minneapolis				350	5	1.0
Hanson Spancrete Midwest				350	6	1.0
Cub Foods				273	8	0.8
Gannett Offset				270	9	0.8
Total	<u>9,277</u>		<u>25.2 %</u>	<u>8,297</u>		<u>23.3 %</u>
Total Employment ¹	<u>36,863</u>			<u>35,539</u>		
Total Labor Force ¹	<u>38,488</u>			<u>36,773</u>		
Unemployment Rate ¹	<u>4.2%</u>			<u>3.4%</u>		

¹ Minnesota Department of Employment and Economic Development

² City's Financial Advisor Springsted Inc

City of Maple Grove, Minnesota
Full-time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Administration	5	5	5	5	6	6	6	6	6	6
Human resources	3	3	3	3	3	3	3	3	3	3
Finance	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5	9 4/5
Assessing	9	9	9	9	9	9	9	9	9	9
Information systems	5	6	6	6	6	6	6	6	6	6
Government buildings	2	2	2	2	2	2	2	2	2	3
Community and economic development	8	8	8	8	7	6	6	6	6	6
Public safety										
Building inspections	15 1/5	16	16	16	16	16	16	16	16	16
Police										
Officers	57	57	60	62	64	64	64	64	64	64
Civilians	14	16	16	16	16	16	16	16	16	16
Fire										
Officers	5	5	5	6	6	6	6	6	6	6
Inspectors	3	3	3	3	3	3	3	3	3	3
Civilians	2	2	2	2	2	2	2	2	2	1 3/4
Public works										
Engineering	15	15	15	15	15	15	15	15	15	14
Streets	18	18	18	18	19	19	19	19	19	20
Parks and recreation	29	30	30 1/4	30 1/4	30 1/4	30 1/4	30 2/3	30 2/3	30 2/3	30 2/3
Transit	1	1	1	1	1	1	1	1	1	1
Water and sewer	12	13	13	13	14	14	14	14	14	14
Community center	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 1/2	10 1/2	10 1/2	10 1/2
Central equipment	6	6	5	5	5	5	5	5	6	6
Total full-time equivalent employees ¹	<u>229 3/4</u>	<u>235 5/9</u>	<u>237 4/5</u>	<u>240 4/5</u>	<u>244 4/5</u>	<u>243 4/5</u>	<u>244</u>	<u>244</u>	<u>245</u>	<u>245 5/7</u>

¹ Employees includes full and part-time benefit earning employees, excludes seasonal and temporary employees.

Source: Human Resources Department

City of Maple Grove, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government activities										
Bond rating	Aa1	Aa1	Aa1	Aa1	Aa1	AAA	AAA	AAA	AAA	AAA
Number of appraisals completed	4,956	7,384	5,491	5,848	6,139	5,705	6,925	6,008	6,141	5,931
Votes cast	34,483		26,562		36,782		26,859		38,967	
Public safety										
Police										
Calls for service	64,960	60,671	60,594	58,072	49,294	51,129	54,104	50,569	47,983	49,210
Cases	18,769	19,136	19,077	19,077	18,259	19,763	19,629	19,845	19,852	19,638
Citations/Written Warnings	6,786	6,661	5,880	7,367	7,028	8,195	7,511	6,305	6,175	4,554
Fire										
Number of emergency calls	632	697	603	545	491	229	301	252	264	230
Number of non-emergency calls	206	233	300	234	510	651	662	708	631	587
Building Inspections										
Number of residential permits	3,152	3,067	6,186	3,162	6,125	3,476	2,486	2,345	2,116	1,947
Number of commercial permits	212	221	231	192	185	177	169	181	158	163
Number of mechanical permits	8,558	6,265	6,739	6,816	5,842	5,019	6,385	5,889	5,841	6,349
Public works										
Sealcoating (miles)	21	27	24	36	19	31	35	35	31	31
Street reconstruction (miles)	10	5	4	8	8	10	5	7	7	6
Recyclables collected (tons)	6,022	5,922	6,017	6,010	5,976	6,571	6,730	6,697	6,514	6,509
Parks and recreation										
Recreation program participants	35,298	39,105	38,326	37,893	35,375	35,634	46,211	47,300	49,233	56,777
Miles of trails	185	193	198	213	221	232	239	248	255	272
Transit										
Passengers	410,268	507,904	598,397	680,198	807,437	756,592	752,608	801,230	827,673	836,443
Service hours	18,166	19,414	21,529	24,403	26,975	27,852	28,025	29,230	29,249	29,508
Service miles	397,481	435,577	465,245	498,800	574,485	594,280	604,472	623,379	632,050	653,100
Water & Sewer										
Utility accounts	19,190	19,482	19,990	20,045	20,587	20,942	21,224	21,470	21,548	21,935
Water distribution repairs	54	54	43	34	49	61	46	66	60	99
Sewer distribution repairs	3	4	4	3	3	4	2	1	4	6
Average daily flow (MG - millions of gallons)	6.5	6.5	4.7	5.1	5.1	4.7	5.2	4.4	4.6	4.7
Average number of gallons pumped per day (MG)	7.6	8.4	9.6	10.3	9.7	10.2	9.3	9.3	10.4	9.0
Community Center										
Community Center usage (people)	721,528	745,906	791,550	832,222	788,962	811,911	835,060	817,393	864,199	860,315

Sources: Various City of Maple Grove departments

*City of Maple Grove, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years*

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Community and economic development										
Senior housing rental units	88	88	88	88	88	88	88	88	88	88
Scattered-site rental units	15	17	19	21	23	25	26	27	28	28
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	21	20	20	20	20	20	20	20	20	20
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles) - City	255	260	271	275	277	279	279	280	281	283
Streets (miles) - County	33	33	33	33	33	33	33	33	33	33
Streets (miles) - State	13	13	13	13	13	13	13	15	15	15
Lift stations - Storm sewer	5	5	5	5	5	5	5	5	5	5
Street lights	2,625	2,726	2,821	2,912	3,115	2,899	2,927	3,883	3,904	3,934
Parks and recreation										
City parks acreage	1,343	1,326	1,343	1,424	1,424	1,424	1,424	1,437	1,453	1,531
Regional parks acreage	1,833	1,836	1,747	1,827	1,827	1,827	1,847	1,847	1,847	1,847
Forest preservation acreage	258	258	258	258	255	255	255	255	255	255
Parks										
Park facilities										
Hockey rinks	12	12	12	12	12	12	12	12	12	12
Pleasure skating rinks	25	17	17	17	17	17	17	17	17	17
Tennis courts	45	45	45	45	45	45	45	45	45	45
Multi-use ballfields	53	53	53	58	58	58	58	58	58	52
Baseball fields	10	10	10	12	12	12	12	12	12	13
Football/soccer fields	18	18	18	20	20	20	22	22	22	23
Basketball/surfaced courts	31	31	31	31	31	31	31	31	31	32
Horseshoe courts	10	10	10	10	10	10	10	10	10	10
Swimming beach	1	1	1	1	1	1	1	1	1	1
Bandshell	-	-	-	-	-	-	-	-	-	-
Inflatable Sports Dome	-	-	-	-	-	-	-	-	-	-
Permanent park buildings	12	13	13	13	13	14	14	14	14	16
Playgrounds	47	48	48	48	48	48	48	48	48	50
Picnic grounds	4	4	4	4	4	4	4	4	4	4
Trails (miles) - City	185	193	198	205	206	206	238	243	265	276
Trails (miles) - County	22	23	23	24	24	24	26	26	26	26
Transit										
Transit stations	1	1	1	1	1	1	2	2	2	2
Water										
Water mains (miles)	290	300	308	318	320	322	323	325	328	330
Fire hydrants	2,855	2,880	3,000	3,035	3,142	3,160	3,174	3,270	3,528	3,612
Wells	11	11	11	13	13	13	13	13	13	13
Water towers	2	2	2	2	2	2	2	2	2	2
Reservoirs	2	2	3	3	3	3	3	3	3	3
Storage capacity	10.0	10.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Sewer										
Sewer mains (miles)	249	256	263	268	270	271	272	274	275	277
Lift stations - sanitary sewers	15	16	16	16	16	16	16	16	16	16

Source: Various City Departments