

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010
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*City of Maple Grove, Minnesota
Listing of City Officials
December 31, 2010*

ELECTED OFFICIALS

		<u>Term Expires</u>
Mayor	Mark Steffenson	12/31/2014
Councilmember	Erik Johnson	12/31/2012
Councilmember	Phil Leith	12/31/2014
Councilmember	LeAnn Sargent	12/31/2012
Councilmember	Karen Jaeger	12/31/2014

APPOINTED OFFICIALS

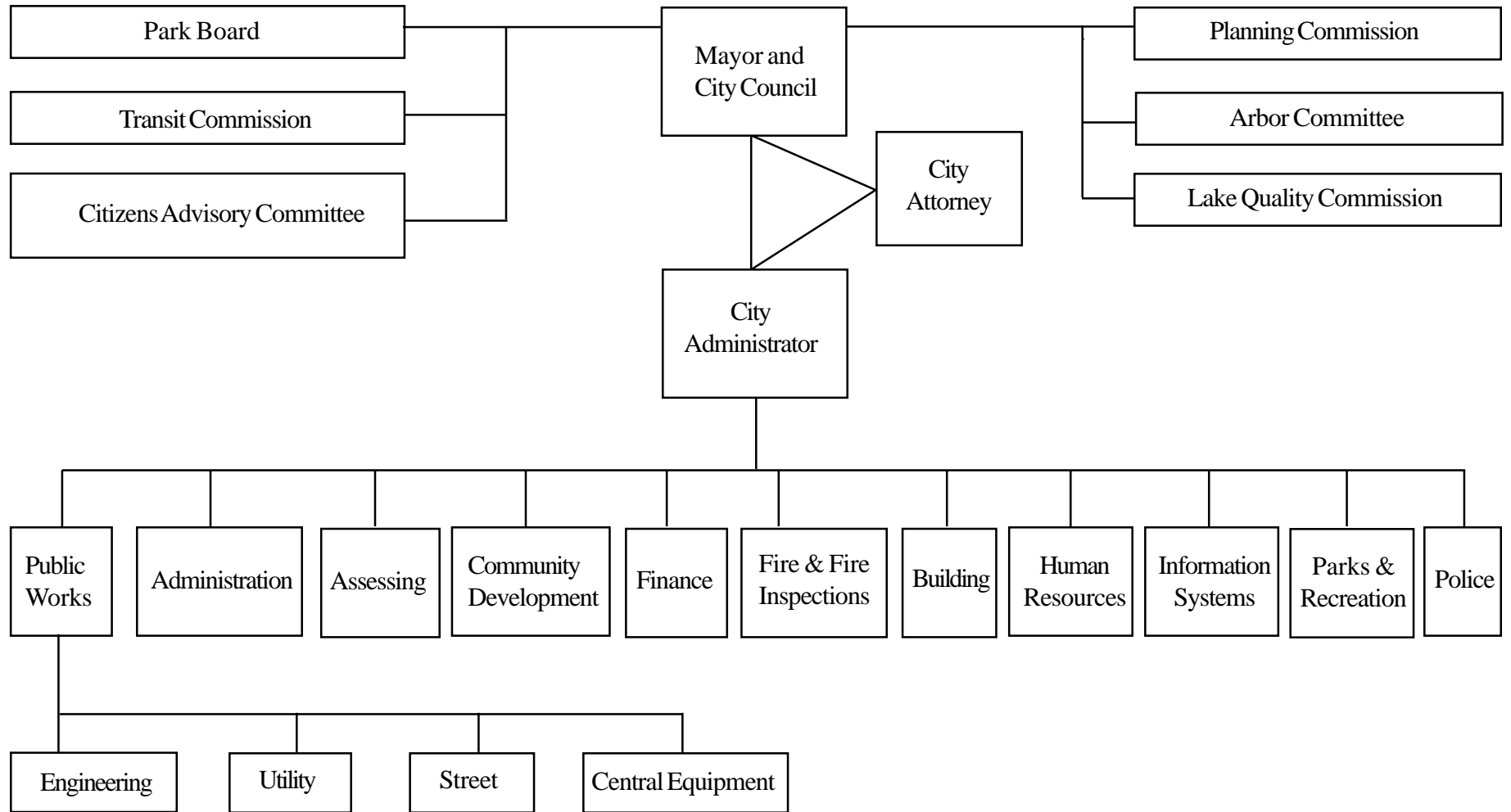
City Administrator	Alan A. Madsen
City Clerk	Alan A. Madsen
City Treasurer	James L. Knutson
City Attorney	George C. Hoff

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	Ramona L. Dohman

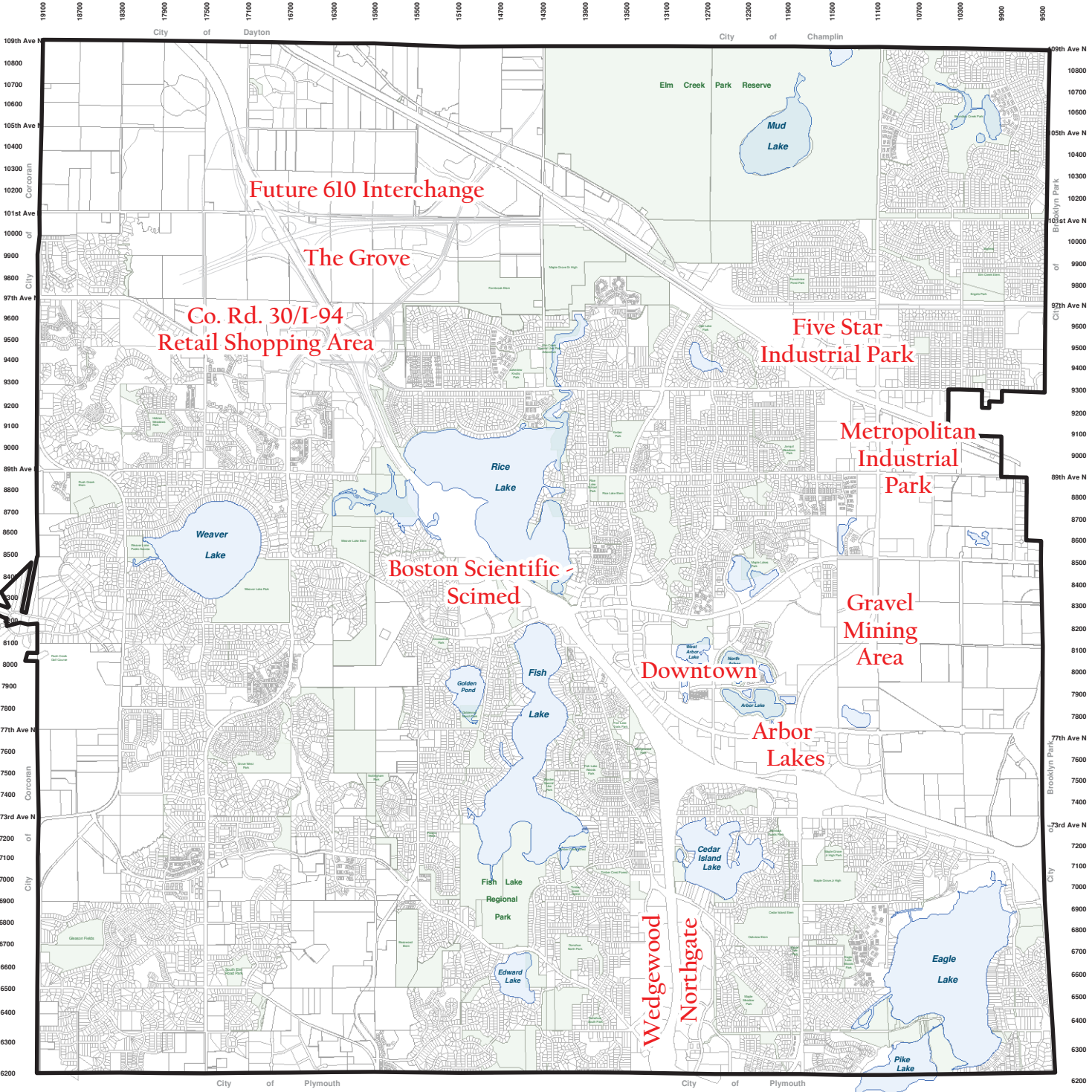
City of Maple Grove

Organizational Chart



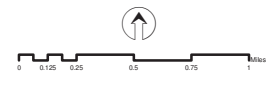
The City of Maple Grove

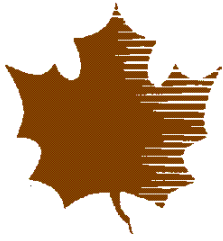
General Information Map



- Brookton
- Alexandro
- Zircon
- Yellowstone
- Xanthus
- Wainwright
- Vegard
- Umanale
- Troy
- Traylor
- Queenland
- Phony
- Palmer
- Marinus
- Marimac
- Linndale
- Kimberly
- Jewel
- Inland
- Holly
- Garland
- Foundation
- Everest
- Comstock
- Blackhawk
- Archer
- Zachbar
- Yuma
- Xene
- Weston
- Vicksburg
- Upland
- Spencer
- Spencer
- Ranchview
- Quantico
- Polaris
- Orchid
- Nagans
- Minnesota
- Lanewood
- Juniper
- Jubilee
- Ibaca
- Harbor
- Glicker
- Fembrook
- Empire
- Dallas
- Cheshire
- Brandie
- Brands
- Zenda
- Yucca
- Xenium
- Wedgewood
- Vineyard
- Underwood
- Teakwood
- Syamore
- Rosewood
- Quinwood
- Pineview
- Oakview
- Maplewood
- Maplewood
- Larch
- Jogwood
- Jogwood
- Ives
- Hemlock
- Goldenrod
- Goldenrod
- Evergreen
- Denwood
- Coltonwood
- Balsam
- Arrowwood
- Yorktown
- Zachary
- Xinnes
- Washington
- Washington
- Union
- Trenton
- Saratoga
- Revere
- Quaker
- Pilgrim
- Oreans
- Nathan
- Monticello
- Lancaster
- Kilmer

Data Source: Hennepin County Surveyors Office





City of Maple Grove

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

May 4, 2011

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, 2010 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, 2010, 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, 2010, 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 4, 2011

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 61,567 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 4, 2011

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 20th of each year.

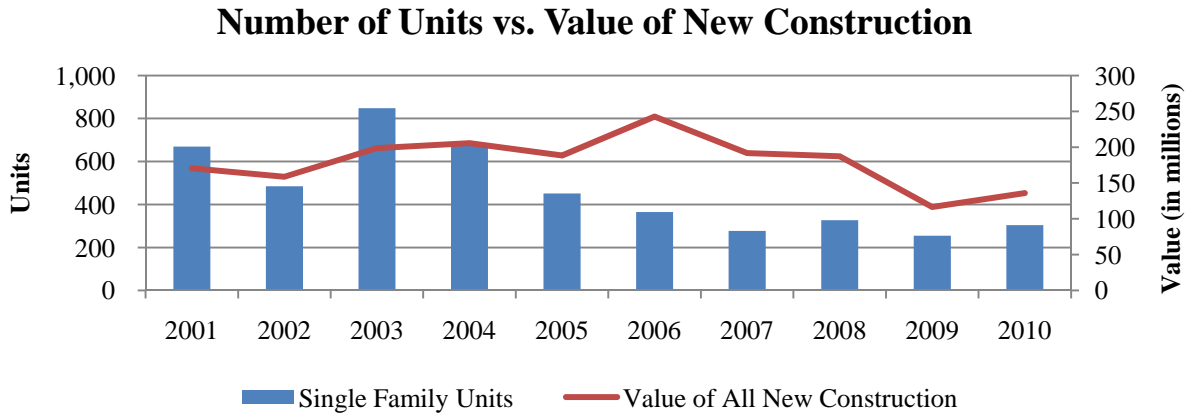
Department directors may make transfers of appropriations within a department. A transfer of appropriations between funds, however, requires approval of the City Council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been 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 83-90.

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.



Honorable Mayor and City Council
May 4, 2011

Residential and commercial/industrial construction continued to be strong, with total construction exceeding \$136.0 million. New construction of single-family homes and multi-unit dwellings added approximately \$84.0 million of new market value with 304 units for the year. Non-residential activity continued to be strong, with about \$37.9 million of new construction started during 2010. An additional \$14.1 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 will serve 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. 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.

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.

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 opportunity for 932 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.

Honorable Mayor and City Council
May 4, 2011

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. Plans are also being prepared for the expansion of the City's public works garage that would 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.

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 Hennepin County 81 in the City. All construction on this phase is scheduled to be complete by July, 2011. Planning and right of way acquisition will continue for the remaining 2.5 miles with funding from the Met Council and the City.

The City is entering its sixteenth year of the street rehabilitation program. The City has a fairly large reconstruction program for 2011 and 2012 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

Honorable Mayor and City Council
May 4, 2011

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 26 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 3,100 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 recently opened adjacent to "the Shoppes at Arbor Lakes". The City has acquired property adjacent to "The Grove" for a future transit station. Phase I, to be completed in 2011, will provide 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.

Cash Management

During the year, cash was invested in obligations of the U.S. Treasury and various agencies, state and municipal obligations, and money market funds. Investment earnings reported in the financial statements includes changes (unrealized gains/losses) in the fair value of investments. Any changes in the fair value of investments during the year, however, do not represent spendable income for the City unless an investment is actually sold.

In April of 1994, the City retained two outside firms to manage approximately 75% of the City's portfolio. The intent is to increase the City's annual yield, as the majority of the City's cash reserves will not be needed in the immediate future. The managers have a slightly longer maturity perspective than the City had used prior to 1994. During 2010, the two investment managers used by the City managed approximately \$142.1 million. The two firms currently manage approximately 80% of the City's portfolio. The City continues to manage the short-term money that is needed for the daily cash flow needs of the City. That amount fluctuated between \$24.7 million and \$62.3 million during 2010.

Honorable Mayor and City Council
May 4, 2011

The following is a history of yields and earnings.

<u>Year</u>	<u>Yield Excluding Unrealized Gains(Losses)</u>	<u>Yield Including Unrealized Gains(Losses)</u>	<u>Investment Earnings</u>	<u>Unrealized Gains/(Losses)</u>	<u>Total Investment Income</u>	<u>Average Monthly Balance</u>
2006	4.46%	4.88%	\$5,426,489	\$ 509,242	\$ 5,935,731	\$121,567,796
2007	5.01	6.60	7,520,745	2,375,850	9,896,595	150,016,851
2008	5.08	6.44	8,002,430	2,133,006	10,135,436	157,481,176
2009	4.06	3.70	6,538,376	(579,019)	5,959,357	160,916,850
2010	3.55	4.08	6,372,890	951,333	7,324,223	179,617,415

Risk Management

The City maintains its general property, automobile, and liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT). The City has elected to carry a large deductible (\$150,000 each occurrence with a \$250,000 aggregate), which has resulted in a sizable reduction in the premiums each year. The City's loss experience has been good over the last ten years. The City feels that the size of its fund balance allows it to have a larger deductible while still insuring for a major claim. The City purchases \$5 million of excess liability coverage.

Workers compensation insurance is also purchased through the LMCIT. The City has experienced relatively low levels of loss over the past several years, with the current experience modification rating for the 2010/2011 premium being 86%. The City has elected a premium option based on actual losses with a percentage cap. Again, the City feels that its size and the size of its reserves will allow it to accept more of the risk from a large loss. That decision has been very beneficial as the City's loss experience has been extremely low. The City has had three policy years in the last sixteen years that an additional premium has been required as a result of the claims for that policy year. For the sixteen policy years that the City has been under this plan, premium refunds totaling more than 20% of the audited premium have been returned to the City. The City has been active in the establishment of a safety committee with the refund being one of the many benefits from that effort.

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, 2009. This is the 26th 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.

Honorable Mayor and City Council
May 4, 2011

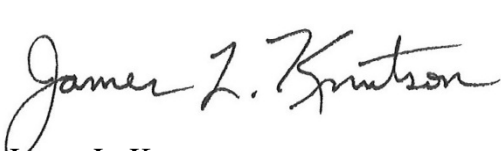
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

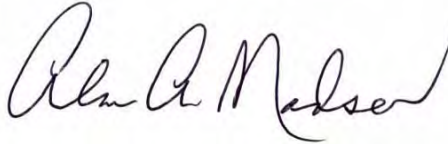
We would like to express our appreciation to all members of the Finance Department for their professional, efficient and dedicated service during the entire year. Specific recognition for the preparation of this report needs to go to Steve Hauer, Sheri Robertson, and Jamey Larson. They have prepared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

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



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FINANCIAL
SECTION



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Maple Grove, Minnesota
Maple Grove, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **City of Maple Grove, Minnesota** (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 4, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 basic 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. The 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 information is 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota
May 4, 2011

**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, 2010. 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 \$586 million. Of this amount, \$266 million may be used to meet the City's ongoing obligations to citizens and creditors within the City's fund designations and fund policies.
- The City's total net assets decreased by \$7.4 million.
- The City's governmental funds reported combined ending fund balances of \$128.2 million as of December 31, 2010. Of this total amount, approximately 89% is available for spending within the City's designations and policies.
- As of December 31, 2010, unreserved fund balance for the General Fund was \$6.8 million, or 20.8% of the 2011 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 Assets 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 33-60 of this report.

Reporting the City as a Whole

The analysis of the City as a whole begins with the Statement of Net Assets 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 Assets 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 assets and changes in them. The City's net assets 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 assets 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 Assets 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 Assets 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 33-60 of this report.
- Other information – The combining statements referred to earlier in connection with nonmajor governmental 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 67-95 of this report.

Financial Analysis of the City as a Whole

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$ 255,226	\$ 235,996	\$ 61,292	\$ 61,159	\$ 316,518	\$ 297,155
Capital assets	<u>279,180</u>	<u>288,866</u>	<u>131,675</u>	<u>134,988</u>	<u>410,855</u>	<u>423,854</u>
Total assets	<u>534,406</u>	<u>524,862</u>	<u>192,967</u>	<u>196,147</u>	<u>727,373</u>	<u>721,009</u>
Liabilities:						
Long-term liabilities	127,495	110,380	7,771	9,310	135,266	119,690
Other liabilities	<u>5,157</u>	<u>6,738</u>	<u>665</u>	<u>869</u>	<u>5,822</u>	<u>7,607</u>
Total liabilities	<u>132,652</u>	<u>117,118</u>	<u>8,436</u>	<u>10,179</u>	<u>141,088</u>	<u>127,297</u>
Net assets:						
Invested in capital assets, net of related debt	174,868	182,337	123,904	125,678	298,772	308,015
Restricted	21,368	17,888			21,368	17,888
Unrestricted	<u>205,518</u>	<u>207,519</u>	<u>60,627</u>	<u>60,290</u>	<u>266,145</u>	<u>267,809</u>
Total net assets	<u>\$ 401,754</u>	<u>\$ 407,744</u>	<u>\$ 184,531</u>	<u>\$ 185,968</u>	<u>\$ 586,285</u>	<u>\$ 593,712</u>

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 11,240	\$ 10,497	\$ 10,338	\$ 10,361	\$ 21,578	\$ 20,857
Operating grants and contributions	4,277	4,560			4,277	4,560
Capital grants and contributions	26,438	30,839	1,611	1,669	28,049	32,508
General revenues:						
Property taxes	33,055	30,329			33,055	30,329
Other taxes	824	628			824	628
Grants and contributions	8	8			8	8
Other	17	85			17	85
Investment income	5,113	4,555	2,210	2,000	7,323	6,555
Total revenues	<u>80,972</u>	<u>81,501</u>	<u>14,159</u>	<u>14,030</u>	<u>95,131</u>	<u>95,531</u>
Expenses:						
General government	8,557	7,974			8,557	7,974
Community and economic development	8,010	2,055			8,010	2,055
Public safety	13,779	12,577			13,779	12,577
Public works	43,077	19,221			43,077	19,221
Park and recreation	5,183	5,303			5,183	5,303
Transit	4,150	4,216			4,150	4,216
Conservation of natural resources	559	522			559	522
Interest on long-term debt	4,240	4,208			4,240	4,208
Water			4,848	4,833	4,848	4,833
Sewer			6,077	5,897	6,077	5,897
Community center			3,430	3,377	3,430	3,377
Street lighting			648	719	648	719
Total expenses	<u>87,555</u>	<u>56,076</u>	<u>15,003</u>	<u>14,826</u>	<u>102,558</u>	<u>70,902</u>
Change in net assets before transfers	(6,583)	25,425	(844)	(796)	(7,427)	24,629
Internal transfers	<u>593</u>	<u>(7,279)</u>	<u>(593)</u>	<u>7,279</u>		
Change in net assets	(5,990)	18,146	(1,437)	6,483	(7,427)	24,629
Net assets, January 1	<u>407,744</u>	<u>389,598</u>	<u>185,968</u>	<u>179,485</u>	<u>593,712</u>	<u>569,083</u>
Net assets, December 31	<u>\$ 401,754</u>	<u>\$ 407,744</u>	<u>\$ 184,531</u>	<u>\$ 185,968</u>	<u>\$ 586,285</u>	<u>\$ 593,712</u>

Governmental Activities

Governmental activities decreased net assets by \$6.0 million, which accounts for 81% of the total decrease in the net assets of the City. This decrease is due mainly to the timing of special assessments collected (generally 5-10 years) from improvement projects for new developments and the depreciation of the related streets and storm sewers (generally 20-30 years).

Revenues decreased slightly by \$529,000, or 1%, the key elements of this change are as follows:

Capital Grants and Contributions

- Special assessments levied from development projects in 2010 were \$2.1 million lower than in 2009 due to a decrease in development activity.
- The City received \$5.9 million in federal funding for the construction of a 2nd transit station in 2009 and \$2.0 in 2010.
- Two major county road projects started in 2009 received federal funding of \$6.1 million in 2009 and \$4.9 million in 2010 and \$3.3 million in 2009 and \$1.6 million in 2010 from Hennepin County.
- The City received \$5.6 million from the State for right-of-way related to trunk highway 610.

General Revenues

- The City adopted an \$895,000 increase in the property tax levy for 2010, or 3.12%.
- Property taxes from tax increment districts decreased \$1.0 million due to the closing of a district in the first half of 2010.
- The City received its share of excess tax increment in 2010 of \$2.3 million from the closing of a tax increment district in 2010.

Expenses increased by \$31.5 million, or 56.1% more 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 \$1.0 million.

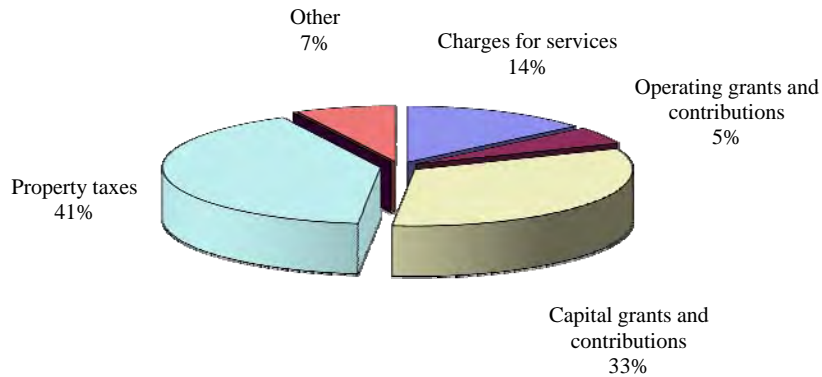
Community and Economic Development

- The City closed a tax increment district in the first half of 2010 and returned \$6.2 million in excess tax increment to the County.

Public Works

- The City was the lead agency and received Federal stimulus money for the reconstruction of two major County roads through the City. The cost of the two projects over the past two years was \$25.6 million.

Revenues by Source - Governmental Activities



Business-type Activities

Business-type activities increased net assets by approximately \$6.5 million, which is 28% of the total growth in the net assets of the City. This increase is due mainly to the collection of connection fees to be used for future trunk projects and capital contributions from special assessment projects for water and sewer distribution systems in new developments.

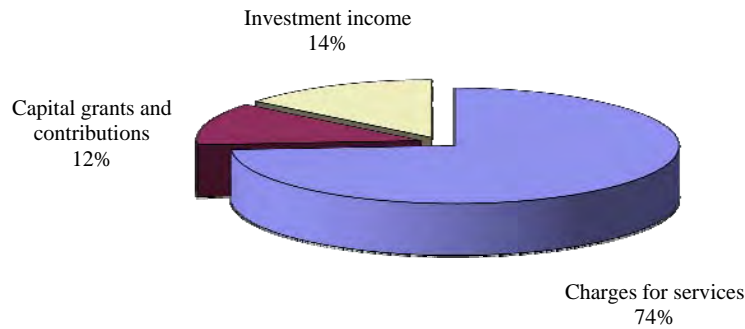
Revenues were relatively the same as last year, an increase of \$129,000, or 0.1%. The key elements making up this change are as follows:

- Charges for service were relatively the same for all activities during 2010.
- Contributions from developers for water and sewer mains in developments assessed were the same as last year.
- Investment income was up slightly in 2010 due to a stronger bond market in 2010.

Expenses increased \$177,000, or 1.2%. 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.

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

Governmental Funds

The Trunk Street Construction Fund had a decrease of \$1.1 million in fund balance due to a transfer to the 2005B Improvement Refunding debt service fund.

The decrease in fund balance of \$2.3 million for the Park Land Dedication Fund is due to the following factors: a) the park board does not budget for the use of current year's park dedication fees collected (\$72,300 for 2010) until the next year's budget, and b) the purchase of land for a future park of \$2.7 million.

The 2001B Road Reconstruction and 2003A HRA Refunding Bond Funds had increases in fund balance of \$3.5 million and \$2.0 million respectively due to the issuance of refunding bonds in 2010. The 2003A HRA refunding bonds will be refunded in 2011 and the 2001B road reconstruction bonds will be refunded in 2012.

The increase in fund balance of \$2.0 million in the Capital Improvement Fund was the result of year end transfers from the general fund for future projects of \$1.0 million and excess tax increment of \$2.3 million. The cost of completing the town green/bandshell project in 2010 was \$1.1 million.

A year-end transfer from the General Fund of \$1.3 million for athletic facilities and the annual long-term development plan transfer of \$0.9 million accounted for the increase of \$2.9 million in the Long-Term Development Fund.

The Storm Sewer Construction Fund had a decrease in fund balance of \$4.1 million related to the purchase of land in the gravel mining area for storm water retention and the increase of \$5.5 million in the Improvement Project Financing Fund was from the sale of right-of-way to the State.

The decrease in fund balance of \$5.3 million in the Tax Increment Districts fund is from the payment of excess tax increment to the County for a tax increment district closed in 2010.

The 2001A Tax Increment capital project fund had a decrease in fund balance of \$1.2 million related to the purchase of land for redevelopment.

The City had \$21.2 million in special assessment prepayments and collections during 2010 for residential and commercial improvement projects that helped increase the fund balances in the 2005, 2006, 2007, 2008 and 2009 Improvement Project Financing Funds by \$12.5 million.

Proprietary Funds

The Water Fund experienced an increase in net assets of \$177,000, while the Sewer Fund had a \$1.3 million decrease in net assets due to a decrease in development over the past two years. This resulted in fewer contributions from connection fees and development and transfers to City projects from development contributions. Development contributions are infrastructure assets (water and sanitary sewer lines) transferred to the Water and Sewer funds after the City has completed construction of residential or commercial special assessment projects.

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 projects that will be completed in the future. These transfers which were not budgeted are listed below:

Public Athletic Facilities	\$1,300,000
Major Building Repairs	900,000
Fiber Optic	250,000
Community Center Pool Deck Repair	100,000
Building Security Upgrade	80,000
Thermal Imaging Cameras	60,000
Records Management System Upgrades	50,000
Upgrade City Website	40,000
Election Equipment	25,000

General Fund fund balance increased approximately \$120,000 at year-end. Revenues and transfers were \$1.1 million more than budgeted, or 103.3% of the budget. This was mainly due to an increase in property tax collections that resulted in an increase in penalties of \$570,000 and an insurance dividend from the City's insurance carrier of \$160,000. Expenditures and transfers were \$336,000 more than budgeted for the year, or 101.0% of the budget.

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 \$411 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 decrease in the City's capital assets for the current fiscal year was \$13.0 million or 3.1% (a 3.3% decrease for governmental activities and a 2.5% decrease in business-type activities).

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

- Reconstruction of existing residential and collector streets, \$3.0 million.
- A variety of improvement projects (streets, storm sewers, and water and sewer lines) related to new residential and commercial developments in the City, \$7.8 million of which \$2.2 million was related to construction in progress. Construction in progress at the end of 2010 was \$7.2 million.
- Purchase of land for storm retention in gravel mining area for \$4.0 million.
- Construction in progress of a 2nd transit station located in the City of \$2.9 million.
- Completion of town green/band shell \$6.0 million and \$2.7 million for the purchase of land for a future park.
- Purchase of land for redevelopment, \$1.3 million.
- The purchase of a single family home as part of the scattered site housing program of the Housing and Redevelopment Authority (HRA), \$177,600.
- Construction in progress for two County road projects of \$16.7 million from previous two years was expensed and not capitalized in 2010.
- Depreciation for 2010 was \$13.1 million for governmental activities and \$4.1 million for business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land and improvements	\$ 31,039	\$ 21,638			\$ 31,039	\$ 21,638
Park improvements	18,723	16,279			18,723	16,279
Park play structures	1,606	1,185			1,606	1,185
Buildings and improvements	31,972	30,377	\$ 15,369	\$ 16,119	47,341	46,496
Furniture and equipment	6,756	7,380	591	504	7,347	7,884
Infrastructure	175,789	180,993			175,789	180,993
Distribution systems			115,715	118,364	115,715	118,364
Construction in progress	<u>13,295</u>	<u>31,014</u>			<u>13,295</u>	<u>31,014</u>
Total capital assets	<u>\$279,180</u>	<u>\$288,866</u>	<u>\$131,675</u>	<u>\$134,987</u>	<u>\$410,855</u>	<u>\$423,853</u>

Additional information on the City's capital assets can be found in Note 4 – Capital Assets on pages 43-45 of this report.

Debt Administration

The City's total debt increased by \$15.2 million during the current fiscal year after the payment of \$7.0 million in bonds due in 2010. Total bonds outstanding at the end of the year were \$123.0 million.

During the year, the City issued \$3.4 million of road reconstruction bonds to finance the cost of reconstructing various residential streets of the City and \$13.5 million of capital improvement plan bonds to finance the construction of a public works facility.

The City also issued \$3.4 million of road reconstruction refunding bonds to refinance road reconstruction bonds callable in February 2012. The refinancing will result in a decrease in future debt service payments of approximately \$374,200 over the next twelve years. The HRA issued \$2.0 million of HRA refunding bonds to refinance HRA bonds callable in February 2011. The refinancing will result in a decrease in future debt service payments of approximately \$142,800 over the next seven years.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Special assessment bonds	\$ 47,065	\$ 49,605			\$ 47,065	\$ 49,605
General obligation bonds	68,210	48,860			68,210	48,860
Revenue bonds			\$ 7,755	\$ 9,285	7,755	9,285
Total bonds outstanding	<u>\$115,275</u>	<u>\$ 98,465</u>	<u>\$ 7,755</u>	<u>\$ 9,285</u>	<u>\$123,030</u>	<u>\$107,750</u>

Additional information on the City's long-term debt can be found in Note 5 – Long-Term Debt on pages 45-48 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 2010 budget and rates and fees that will be charged for the business-type activities. These factors include: 1) An average increase in City property taxes to residential property of approximately 2%, 2) the level of growth in the City to be slightly less than in 2009, with new construction/remodeling/etc in the \$125-\$150 million range, 3) a slight increase in the population of approximately 1.1%, 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 Assets
December 31, 2010*

Assets	Governmental Activities	Business-Type Activities	Total
Equity in cash pool	\$154,522,986	\$50,803,980	\$205,326,966
Cash and investments not in pool	713,256	457,275	1,170,531
Cash and investments held with escrow agent	3,440,898		3,440,898
Interest receivable	640,409	276,704	917,113
Accounts receivable	860,909	1,989,571	2,850,480
Taxes receivable	890,941		890,941
Special assessments receivable	97,962,563	1,958,671	99,921,234
Intergovernmental receivable	789,467		789,467
Internal balances	(5,383,773)	5,383,773	
Inventory	238,333	70,593	308,926
Prepaid items	52,318	330,935	383,253
Deferred charges	497,803	19,812	517,615
Capital assets, net of accumulated depreciation:			
Land and improvements	31,038,894		31,038,894
Park improvements	18,723,100		18,723,100
Park play structures	1,605,935		1,605,935
Buildings and improvements	31,971,929	15,369,289	47,341,218
Furniture and equipment	6,755,874	591,374	7,347,248
Infrastructure	175,789,396		175,789,396
Distribution systems		115,714,670	115,714,670
Construction in progress	13,295,097		13,295,097
Total assets	<u>534,406,335</u>	<u>192,966,647</u>	<u>727,372,982</u>
Liabilities			
Interest payable	1,841,975	128,792	1,970,767
Accounts payable	2,296,285	388,038	2,684,323
Accrued wages payable	777,290	69,439	846,729
Deposits	80,725	710	81,435
Unearned revenue	160,691	77,846	238,537
Noncurrent liabilities:			
Due within one year	8,030,000	1,585,000	9,615,000
Due in more than one year	119,465,307	6,186,505	125,651,812
Total liabilities	<u>132,652,273</u>	<u>8,436,330</u>	<u>141,088,603</u>
Net Assets			
Invested in capital assets, net of related debt	174,868,239	123,903,828	298,772,067
Restricted for:			
Parks	7,780,693		7,780,693
Debt service	13,586,578		13,586,578
Unrestricted	205,518,552	60,626,489	266,145,041
Total net assets	<u>\$401,754,062</u>	<u>\$184,530,317</u>	<u>\$586,284,379</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, 2010**

	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	\$8,557,263	\$2,351,033	\$458,012	\$58,036	(\$5,690,182)		(\$5,690,182)
Community and economic development	8,009,935	1,065,895		48,637	(6,895,403)		(6,895,403)
Public safety	13,779,449	2,651,515	971,061		(10,156,873)		(10,156,873)
Public works	43,076,462	1,894,502	578,593	23,557,773	(17,045,594)		(17,045,594)
Parks and recreation	5,183,201	1,366,309		72,301	(3,744,591)		(3,744,591)
Transit	4,150,416	1,910,577	2,269,765	2,701,553	2,731,479		2,731,479
Conservation of natural resources	559,027				(559,027)		(559,027)
Interest on long-term debt	4,239,490				(4,239,490)		(4,239,490)
Total governmental activities	87,555,243	11,239,831	4,277,431	26,438,300	(45,599,681)		(45,599,681)
Business-type activities:							
Water	4,848,011	3,416,715		1,184,862		(\$246,434)	(246,434)
Sewer	6,077,160	4,009,389		426,218		(1,641,553)	(1,641,553)
Community center	3,429,699	2,256,660				(1,173,039)	(1,173,039)
Street lighting	648,232	655,409				7,177	7,177
Total business-type activities	15,003,102	10,338,173		1,611,080		(3,053,849)	(3,053,849)
Total government	\$102,558,345	\$21,578,004	\$4,277,431	\$28,049,380	(45,599,681)	(3,053,849)	(48,653,530)
General revenues:							
Property taxes levied for general purpose					29,446,638		29,446,638
Property taxes levied for debt service					1,565,189		1,565,189
Property taxes levied for housing and redevelopment					146,410		146,410
Property taxes from tax increments					1,896,593		1,896,593
Other taxes					823,729		823,729
Grants and contributions not restricted to specific programs					7,711		7,711
Investment income					5,113,134	2,209,908	7,323,042
Gain on sale of capital assets					16,854		16,854
Internal transfers					593,066	(593,066)	
Total general revenues and internal transfers					39,609,324	1,616,842	41,226,166
Change in net assets					(5,990,357)	(1,437,007)	(7,427,364)
Net assets, January 1					407,744,419	185,967,324	593,711,743
Net assets, December 31					<u>\$401,754,062</u>	<u>\$184,530,317</u>	<u>\$586,284,379</u>

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

Fund

Financial Statements

City of Maple Grove, Minnesota

**Balance Sheet
Governmental Funds
December 31, 2010**

	General	2006 Series A Improvement Bonds	Road Reconstruction	Trunk Street Construction	Other Governmental Funds	Total
Assets						
Equity in cash pool	\$8,573,579	\$2,302,829	\$21,288,519	\$18,124,371	\$79,332,166	\$129,621,464
Cash and investments not in pool					713,256	713,256
Cash and investments held with escrow agent					3,440,898	3,440,898
Interest receivable	18,578	6,074	105,765	100,595	298,545	529,557
Accounts receivable	354,783			150,000	356,126	860,909
Taxes receivable	821,762		24,452		44,727	890,941
Special assessments receivable	13,125	44,505,010	671,660	18,513,889	34,258,879	97,962,563
Intergovernmental receivable	33,938				755,529	789,467
Due from other funds	311,946				905,000	1,216,946
Prepaid items	40,430				11,888	52,318
Total assets	\$10,168,141	\$46,813,913	\$22,090,396	\$36,888,855	\$120,117,014	\$236,078,319
Liabilities and Fund Balances						
Liabilities:						
Interest payable					\$42,986	\$42,986
Accounts payable	\$513,411		\$2,520	\$194,706	1,419,065	2,129,702
Accrued wages payable	439,865				94,338	534,203
Deposits					80,725	80,725
Due to other funds	1,570,000				5,030,719	6,600,719
Deferred revenue	765,946	\$44,418,685	691,482	18,524,742	34,043,443	98,444,298
Total liabilities	3,289,222	44,418,685	694,002	18,719,448	40,711,276	107,832,633
Fund Balances:						
Reserved for prepaid items	40,430				11,888	52,318
Reserved for debt service		2,395,228			11,191,350	13,586,578
Unreserved, reported in:						
General fund, undesignated	6,838,489					6,838,489
Special revenue funds, undesignated					20,782,310	20,782,310
Capital projects funds, undesignated			21,396,394	18,169,407	47,420,190	86,985,991
Total fund balances	6,878,919	2,395,228	21,396,394	18,169,407	79,405,738	128,245,686
Total liabilities and fund balances	\$10,168,141	\$46,813,913	\$22,090,396	\$36,888,855	\$120,117,014	\$236,078,319

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 Assets
Governmental Funds
December 31, 2010*

Total fund balances - governmental funds	\$128,245,686
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	377,481,311
Less accumulated depreciation	(103,756,062)
Other long-term assets not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	
	98,283,607
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.	
	26,579,524
Long-term liabilities, including bonds payables, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(115,275,000)
Bond premium	(2,341,528)
Bond discount	693,632
Deferred charges for bond issuance costs	497,803
Deferred unamortized refunding costs	564,156
Accrued interest	(1,798,989)
Family housing loans	(200,000)
HOME loans	(1,186,746)
Metropolitan Council - RALF loans	(5,491,500)
Net OPEB liability	(541,832)
Net assets of governmental activities	<u>\$401,754,062</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, 2010**

	2006 Series A Improvement Bonds	Road Reconstruction	Trunk Street Construction	Other Governmental Funds	Total
Revenues					
Property taxes	\$26,947,682		\$1,007,643	\$4,026,641	\$31,981,966
Tax increments				1,896,593	1,896,593
Special assessments		\$3,086,370	88,934	\$933,341	17,828,299
Licenses, permits and fees	2,612,966			72,301	2,685,267
Intergovernmental revenue	1,411,246		4,942,335	5,652,122	12,005,703
Charges for services	854,054			5,542,417	6,396,471
Fines and forfeits	420,732				420,732
Investment income	148,364	48,508	844,666	757,719	2,428,586
Other	252,988		420,000	1,731,162	6,779,406
Total revenues	32,648,032	3,134,878	2,361,243	8,364,557	44,226,365
Expenditures					
Current:					
General government	6,045,736			1,187,379	7,233,115
Community and economic development	482,198			688,941	1,171,139
Public safety	13,492,261			206,826	13,699,087
Public works	5,218,328				5,218,328
Conservation of natural resources	559,027				559,027
Parks and recreation				7,773,913	7,773,913
Transit				6,682,553	6,682,553
Miscellaneous	204,530	175		2,150	206,855
Interest		7,852		350,426	358,278
Capital outlay			278,104	10,574,520	21,062,738
Debt service:					
Principal retirement		1,590,000		3,950,000	5,540,000
Interest and fiscal fees		1,986,988		2,264,099	4,251,087
Bond issuance costs				154,768	154,768
Total expenditures	26,002,080	3,585,015	278,104	10,574,520	44,323,793
Excess (deficiency) of revenues over expenditures	6,645,952	(450,137)	2,083,139	(2,209,963)	(97,428)
Other Financing Sources (Uses)					
Bonds issued				16,925,000	16,925,000
Refunding bonds issued				5,425,000	5,425,000
Premium on bonds issued				71,547	71,547
Discount on bonds issued				(205,250)	(205,250)
Loans issued				90,046	90,046
Sale of capital assets					
Transfers in	559,080			3,117,100	10,748,130
Transfers out	(7,084,700)		(1,350,000)	(2,000,000)	(4,289,610)
Total other financing sources (uses)	(6,525,620)		(1,350,000)	1,117,100	28,764,863
Net change in fund balances	120,332	(450,137)	733,139	(1,092,863)	28,667,435
Fund balances, January 1	6,758,587	2,845,365	20,663,255	19,262,270	50,738,303
Fund balance, December 31	<u>\$6,878,919</u>	<u>\$2,395,228</u>	<u>\$21,396,394</u>	<u>\$18,169,407</u>	<u>\$79,405,738</u>
				<u>\$79,405,738</u>	<u>\$128,245,686</u>

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, 2010**

Net change in fund balances - total governmental funds \$27,977,906

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

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.

Capital outlay	3,150,588
Depreciation expense	(12,229,556)

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 exceeded proceeds.

Bonds issued	(22,350,000)
HOME loans issued	(90,046)
Premium on bonds issued	(71,547)
Discount on bonds issued	205,250
Issuance costs on bonds issued	154,768
Bond principal repayments	5,540,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (10,665,400)

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.

Accrued interest	(16,018)
Amortization of bond premiums	177,792
Amortization of bond discounts	(57,584)
Amortization of bond issuance costs	(30,484)
Amortization of deferred refunding unamortized charges	(62,109)
Net OPEB liability	(204,714)

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. 2,580,797

Change in net assets of governmental activities (\$5,990,357)

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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current	\$26,159,700	\$26,159,700	\$25,757,180	(\$402,520)
Delinquent			366,773	366,773
Gravel tax reimbursement	15,000	15,000	26,699	11,699
Interest and penalties	45,000	45,000	614,685	569,685
Payment in lieu of taxes	15,000	15,000	18,021	3,021
Other			164,324	164,324
Total property taxes	26,234,700	26,234,700	26,947,682	712,982
Licenses, permits and fees				
Liquor and beer licenses	280,000	280,000	310,998	30,998
Building permits	1,701,500	1,701,500	1,566,186	(135,314)
Plumbing and heating permits	300,000	300,000	325,721	25,721
Electrical permits	81,000	81,000	138,926	57,926
Excavating licenses and permits	8,200	8,200	19,677	11,477
Water and sewer permits	25,000	25,000	36,536	11,536
Gravel and blacktop permits	50,000	50,000	43,262	(6,738)
Refuse haulers licenses	3,200	3,200	3,325	125
Amusement licenses	3,300	3,300	4,395	1,095
Sign permits	13,000	13,000	15,333	2,333
Overweight permits	7,300	7,300	3,266	(4,034)
Animal licenses and fees	21,000	21,000	16,983	(4,017)
Rental license fees	70,000	70,000	81,100	11,100
Fire permits	30,000	30,000	27,904	(2,096)
Miscellaneous licenses and permits	16,500	16,500	19,354	2,854
Total licenses, permits and fees	2,610,000	2,610,000	2,612,966	2,966
Intergovernmental revenue				
Homestead market value credit			3,302	3,302
Police state aid	443,000	443,000	452,943	9,943
Fire state aid	250,000	250,000	253,212	3,212
Municipal state aid streets	400,000	400,000	400,000	
Other aid and grants	222,000	222,000	301,789	79,789
Total intergovernmental revenue	1,315,000	1,315,000	1,411,246	96,246
Charges for services				
Planning department fees	30,000	30,000	25,680	(4,320)
Engineering fees and platting	13,000	13,000	14,629	1,629
Inspection and other fees	12,000	12,000	10,376	(1,624)
Police and fire department charges	25,500	25,500	29,071	3,571
Assessing department charges			550	550
Weed and tree charges	1,500	1,500	18,452	16,952
Street department charges	50,000	50,000	54,609	4,609
Improvement project charges	775,000	775,000	698,762	(76,238)
Street sign charges	12,000	12,000	1,925	(10,075)
Total charges for services	919,000	919,000	854,054	(64,946)

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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued)				
Fines and forfeits	\$350,000	\$350,000	\$420,732	\$70,732
Other				
Property sales and rental	2,000	2,000	15,865	13,865
Investment income	90,000	90,000	148,364	58,364
Other	52,000	52,000	237,123	185,123
Total other	144,000	144,000	401,352	257,352
Total revenues	31,572,700	31,572,700	32,648,032	1,075,332
Expenditures				
General government				
Mayor and council				
Personal services	74,100	74,100	70,027	4,073
Supplies and other services	135,500	135,500	110,907	24,593
Total mayor and council	209,600	209,600	180,934	28,666
Administration				
Personal services	463,200	463,200	450,771	12,429
Supplies and other services	324,900	324,900	308,286	16,614
Total administration	788,100	788,100	759,057	29,043
City clerk/election				
Personal services	236,500	236,500	267,887	(31,387)
Supplies and other services	108,100	108,100	54,102	53,998
Capital outlay	1,000	1,000		1,000
Total city clerk/election	345,600	345,600	321,989	23,611
Human resources				
Personal services	307,900	307,900	309,320	(1,420)
Supplies and other services	77,400	77,400	45,358	32,042
Total human resources	385,300	385,300	354,678	30,622
Finance				
Personal services	835,400	835,400	803,481	31,919
Supplies and other services	73,500	73,500	63,809	9,691
Total finance	908,900	908,900	867,290	41,610
Insurance				
Personal services	15,500	15,500	5,531	9,969
Supplies and other services	265,000	265,000	226,720	38,280
Total insurance	280,500	280,500	232,251	48,249
Legal	340,000	340,000	355,943	(15,943)

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, 2010**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
Assessing				
Personal services	\$937,400	\$937,400	\$792,769	\$144,631
Supplies and other services	67,300	67,300	32,322	34,978
Capital outlay	6,000	6,000	6,473	(473)
Total assessing	1,010,700	1,010,700	831,564	179,136
Information systems				
Personal services	589,200	589,200	501,053	88,147
Supplies and other services	565,100	565,100	552,052	13,048
Capital outlay	212,000	212,000	217,297	(5,297)
Total data processing	1,366,300	1,366,300	1,270,402	95,898
Government buildings				
Personal services	187,200	187,200	188,269	(1,069)
Supplies and other services	915,600	915,600	656,175	259,425
Capital outlay	59,400	59,400	27,184	32,216
Total government buildings	1,162,200	1,162,200	871,628	290,572
Total general government	6,797,200	6,797,200	6,045,736	751,464
Community and economic development				
Personal services	574,700	574,700	462,862	111,838
Supplies and other services	37,800	37,800	16,336	21,464
Capital outlay	3,000	3,000	3,000	
Total community and economic development	615,500	615,500	482,198	133,302
Public safety				
Police protection				
Personal services	7,444,400	7,444,400	7,250,658	193,742
Supplies and other services	1,036,200	1,036,200	739,486	296,714
Capital outlay	354,600	354,600	278,400	76,200
Total police protection	8,835,200	8,835,200	8,268,544	566,656
Fire protection and inspections				
Personal services	2,145,100	2,145,100	1,961,425	183,675
Supplies and other services	437,700	437,700	423,871	13,829
Capital outlay	398,700	398,700	408,263	(9,563)
Total fire protection and inspections	2,981,500	2,981,500	2,793,559	187,941
Building inspection				
Personal services	1,552,700	1,552,700	1,392,792	159,908
Supplies and other services	154,600	154,600	98,846	55,754
Capital outlay	25,200	25,200	25,200	
Total building inspection	1,732,500	1,732,500	1,516,838	215,662

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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Detention				
Personal services	\$265,300	\$265,300	\$243,674	\$21,626
Supplies and other services	130,700	130,700	71,909	58,791
Capital outlay			2,500	(2,500)
Total detention	396,000	396,000	318,083	77,917
Emergency preparedness				
Personal services	26,400	26,400	24,259	2,141
Supplies and other services	31,800	31,800	37,515	(5,715)
Capital outlay	17,800	17,800	21,854	(4,054)
Total emergency preparedness	76,000	76,000	83,628	(7,628)
Community service				
Personal services	433,300	433,300	385,266	48,034
Supplies and other services	144,000	144,000	101,143	42,857
Capital outlay	25,200	25,200	25,200	
Total community service	602,500	602,500	511,609	90,891
Total public safety	14,623,700	14,623,700	13,492,261	1,131,439
Public works				
Engineering				
Personal services	1,221,600	1,221,600	1,026,501	195,099
Supplies and other services	77,700	77,700	70,662	7,038
Capital outlay	25,200	25,200	29,338	(4,138)
Total engineering	1,324,500	1,324,500	1,126,501	197,999
Street maintenance				
Personal services	1,665,500	1,665,500	1,529,199	136,301
Supplies and other services	1,825,600	1,825,600	1,850,000	(24,400)
Capital outlay	401,800	401,800	350,267	51,533
Total street maintenance	3,892,900	3,892,900	3,729,466	163,434
Traffic control				
Personal services	141,800	141,800	108,426	33,374
Supplies and other services	215,200	215,200	181,080	34,120
Capital outlay	25,000	25,000	57,675	(32,675)
Total traffic control	382,000	382,000	347,181	34,819
Weed control				
Personal services	12,800	12,800	12,315	485
Supplies and other services	4,800	4,800	2,865	1,935
Total weed control	17,600	17,600	15,180	2,420
Total public works	5,617,000	5,617,000	5,218,328	398,672

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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Conservation of natural resources				
Forest management				
Personal services	\$29,000	\$29,000	\$107,706	(\$78,706)
Supplies and other services	12,800	12,800	8,024	4,776
Capital outlay			2,273	(2,273)
Total forest management	41,800	41,800	118,003	(76,203)
Water resources				
Personal services	223,600	223,600	225,689	(2,089)
Supplies and other services	214,700	214,700	208,969	5,731
Capital outlay			6,366	(6,366)
Total water resources	438,300	438,300	441,024	(2,724)
Total conservation of natural resources	480,100	480,100	559,027	(78,927)
Other				
Community action	124,500	124,500	99,253	25,247
Other			105,277	(105,277)
Total other	124,500	124,500	204,530	(80,030)
Total expenditures	28,258,000	28,258,000	26,002,080	2,255,920
Excess of revenues over expenditures	3,314,700	3,314,700	6,645,952	3,331,252
Other financing sources (uses)				
Operating transfers in	575,000	575,000	559,080	(15,920)
Operating transfers out	(4,489,700)	(4,489,700)	(7,084,700)	(2,595,000)
Total other financing sources (uses)	(3,914,700)	(3,914,700)	(6,525,620)	(2,610,920)
Net change in fund balance	(600,000)	(600,000)	120,332	720,332
Fund balance, January 1	6,758,587	6,758,587	6,758,587	
Fund balance, December 31	\$6,158,587	\$6,158,587	\$6,878,919	\$720,332

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 Assets
Proprietary Funds
December 31, 2010*

	Major Funds			Nonmajor Fund	Totals	Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Street Light Utility Fund		
Assets						
Current assets						
Equity in cash pool	\$27,478,814	\$22,634,005		\$691,161	\$50,803,980	\$24,901,522
Cash and investments not in pool			\$457,275		457,275	
Interest receivable	159,328	114,036		3,340	276,704	110,852
Accounts receivable	654,722	1,007,943	166,180	160,726	1,989,571	
Special assessments receivable	935,415	1,023,256			1,958,671	
Due from other funds	4,718,773		665,000		5,383,773	
Inventory	22,737		47,856		70,593	238,333
Prepaid expense	10,106	320,829			330,935	
Total current assets	33,979,895	25,100,069	1,336,311	855,227	61,271,502	25,250,707
Noncurrent assets						
Deferred charges	19,812				19,812	
Capital assets:						
Building			22,159,467		22,159,467	
Equipment	293,903	194,422	1,569,602		2,057,927	13,461,427
Distribution systems	87,653,107	77,401,722			165,054,829	
Less accumulated depreciation	(24,331,021)	(25,403,790)	(7,862,079)		(57,596,890)	(8,006,451)
Total noncurrent assets	63,635,801	52,192,354	15,866,990		131,695,145	5,454,976
Total assets	97,615,696	77,292,423	17,203,301	855,227	192,966,647	30,705,683
Liabilities						
Current liabilities						
Interest payable	128,792				128,792	
Accounts payable	114,729	62,760	148,969	61,580	388,038	166,583
Accrued wages payable	22,821	5,335	41,283		69,439	243,087
Deposits			710		710	
Deferred revenue			77,846		77,846	
Current portion of long-term debt	1,585,000				1,585,000	250,000
Total current liabilities	1,851,342	68,095	268,808	61,580	2,249,825	659,670
Noncurrent liabilities						
Compensated absences						3,466,489
Bonds payable	6,186,505				6,186,505	
Total liabilities	8,037,847	68,095	268,808	61,580	8,436,330	4,126,159
Net Assets						
Invested in capital assets, net of related debt	55,844,484	52,192,354	15,866,990		123,903,828	5,454,976
Unrestricted	33,733,365	25,031,974	1,067,503	793,647	60,626,489	21,124,548
Total net assets	\$89,577,849	\$77,224,328	\$16,934,493	\$793,647	\$184,530,317	\$26,579,524

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 Assets
Proprietary Funds
For the Year Ended December 31, 2010**

	Major Funds			Nonmajor Fund	Totals	Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Street Light Utility Fund		
Operating revenues						
Charges for services	\$3,326,621	\$3,815,390	\$2,256,588	\$653,385	\$10,051,984	\$7,152,049
Other revenue	90,094	193,999	72	2,024	286,189	92,962
Total operating revenues	<u>3,416,715</u>	<u>4,009,389</u>	<u>2,256,660</u>	<u>655,409</u>	<u>10,338,173</u>	<u>7,245,011</u>
Operating expenses						
Personal services	940,145	248,202	1,439,284	2,920	2,630,551	3,953,248
Supplies	270,226	30,628	126,234	1,138	428,226	919,541
Professional services	85,195	58,603	72,009		215,807	23,988
Water meters/merchandise	177,547		177,426		354,973	
Repairs and maintenance	392,324	226,805	241,823	38,729	899,681	11,963
Depreciation	1,752,644	1,545,870	813,950		4,112,464	844,477
Equipment reimbursement	49,600	60,000	35,000		144,600	3,900
Insurance	72,280	74,360	18,000		164,640	421,290
Waste treatment charges		3,725,172			3,725,172	
Utilities	480,649	33,730	471,524	605,445	1,591,348	
Computer service	53,417	53,417	1,284		108,118	23,880
Other expenses	263,139	20,373	33,165		316,677	166,071
Total operating expenses	<u>4,537,166</u>	<u>6,077,160</u>	<u>3,429,699</u>	<u>648,232</u>	<u>14,692,257</u>	<u>6,368,358</u>
Operating income (loss)	<u>(1,120,451)</u>	<u>(2,067,771)</u>	<u>(1,173,039)</u>	<u>7,177</u>	<u>(4,354,084)</u>	<u>876,653</u>
Nonoperating revenue (expense)						
Investment income	1,272,433	910,718	80	26,677	2,209,908	885,291
Interest expense	(305,042)				(305,042)	
Bond issuance costs	(5,803)				(5,803)	
Gain on sale of assets						16,854
Total nonoperating revenue (expense)	<u>961,588</u>	<u>910,718</u>	<u>80</u>	<u>26,677</u>	<u>1,899,063</u>	<u>902,145</u>
Income (loss) before contributions and transfers	<u>(158,863)</u>	<u>(1,157,053)</u>	<u>(1,172,959)</u>	<u>33,854</u>	<u>(2,455,021)</u>	<u>1,778,798</u>
Contributions - connection fees	873,333	257,368			1,130,701	
Capital contributions - development	311,529	168,850			480,379	
Capital contributions - governmental funds			68,934		68,934	
Transfers in			780,000		780,000	962,000
Transfers out	(849,000)	(581,000)	(12,000)		(1,442,000)	(160,001)
Change in net assets	<u>176,999</u>	<u>(1,311,835)</u>	<u>(336,025)</u>	<u>33,854</u>	<u>(1,437,007)</u>	<u>2,580,797</u>
Total net assets, January 1	<u>89,400,850</u>	<u>78,536,163</u>	<u>17,270,518</u>	<u>759,793</u>	<u>185,967,324</u>	<u>23,998,727</u>
Total net assets, December 31	<u>\$89,577,849</u>	<u>\$77,224,328</u>	<u>\$16,934,493</u>	<u>\$793,647</u>	<u>\$184,530,317</u>	<u>\$26,579,524</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, 2010

	Major Funds			Nonmajor Fund	Totals	Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Street Light Utility Fund		
Cash flows from operating activities						
Receipts from customers and users	\$3,347,130	\$3,756,512	\$2,211,247	\$658,855	\$9,973,744	\$7,152,049
Payments to vendors	(1,853,606)	(4,531,138)	(1,128,530)	(651,954)	(8,165,228)	(1,864,462)
Payments to employees	(938,007)	(247,540)	(1,438,141)	(2,920)	(2,626,608)	(3,386,796)
Other receipts	132,232	254,781	72	2,024	389,109	92,962
Net cash provided (used) by operating activities	687,749	(767,385)	(355,352)	6,005	(428,983)	1,993,753
Cash flows from investing activities						
Investment income	1,362,695	975,020	80	28,880	2,366,675	933,998
Cash flows from capital financing activities						
Acquisition of equipment		(156,864)	(93,992)		(250,856)	(403,008)
Contributions from developers and residents	873,333	257,368			1,130,701	
Principal paid on revenue bonds	(1,530,000)				(1,530,000)	
Interest paid on revenue bonds	(335,178)				(335,178)	
Proceeds from sale of equipment						22,310
Net cash provided (used) by capital financing activities	(991,845)	100,504	(93,992)		(985,333)	(380,698)
Cash flows from noncapital financing activities						
Transfers from other funds			645,000		645,000	962,000
Transfers to other funds	(849,000)	(581,000)	(12,000)		(1,442,000)	
Receipt (payment) to/from other funds for interfund borrowing	4,009,665				4,009,665	
Net cash provided (used) by noncapital activities	3,160,665	(581,000)	633,000		3,212,665	962,000
Increase (decrease) in equity in cash pool	4,219,264	(272,861)	183,736	34,885	4,165,024	3,509,053
Cash and cash equivalents, January 1	23,259,550	22,906,866	273,539	656,276	47,096,231	21,392,469
Cash and cash equivalents, December 31	\$27,478,814	\$22,634,005	\$457,275	\$691,161	\$51,261,255	\$24,901,522
Equity in cash pool, December 31	\$27,478,814	\$22,634,005		\$691,161	\$50,803,980	\$24,901,522
Cash and investments not in pool, December 31			\$457,275		457,275	
Cash and cash equivalents, December 31	\$27,478,814	\$22,634,005	\$457,275	\$691,161	\$51,261,255	\$24,901,522

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

City of Maple Grove, Minnesota

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Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2010

	Major Funds			Nonmajor Fund	Totals	Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Community Center Fund	Street Light Utility Fund		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	(\$1,120,451)	(\$2,067,771)	(\$1,173,039)	\$7,177	(\$4,354,084)	\$876,653
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	1,752,644	1,545,870	813,950		4,112,464	844,477
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	37,817	(58,878)	(51,630)	5,470	(67,221)	1,896
Decrease in special assessments receivable	24,830	60,782			85,612	
(Increase) in inventory	(3,475)		(4,466)		(7,941)	(7,896)
(Increase) decrease in prepaid expense	(4,299)	(10,398)			(14,697)	
Increase (decrease) in accounts payable	(1,455)	(237,652)	52,401	(6,642)	(193,348)	18,418
Increase in wages payable	2,138	662	1,143		3,943	57,465
Increase in deferred revenue			6,289		6,289	
Increase in compensated absences						202,740
Net cash provided (used) by operating activities	<u>\$687,749</u>	<u>(\$767,385)</u>	<u>(\$355,352)</u>	<u>\$6,005</u>	<u>(\$428,983)</u>	<u>\$1,993,753</u>
Noncash capital financing activities						
Contributions from developers and residents	\$311,529	\$168,850			\$480,379	
Acquisition and construction of capital assets	(311,529)	(168,850)	(68,934)		(549,313)	
Amortization of bond issuance costs	(5,803)				(5,803)	
Amortization of bond discount/premium	8,405				8,405	
Accrued bond interest	21,731				21,731	
Contribution of capital assets from government			\$68,934			
Contribution of capital assets to government						(\$160,001)

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

City of Maple Grove, Minnesota

Statement of Fiduciary Net Assets

Agency Funds

December 31, 2010

Assets

Equity in cash pool	\$11,113,359
Interest receivable	42,978
Intergovernmental receivable	16,993
	<hr/>
Total assets	\$11,173,330
	<hr/> <hr/>

Liabilities

Accounts payable	\$25,711
Accrued wages payable	3,412
Due to other governments	50,983
Deposits	11,093,224
	<hr/>
Total liabilities	\$11,173,330
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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, 2010

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 assets and the statement of changes in net assets) 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, 2010

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 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, 2010

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The City has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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.”

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

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

I. 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 fully offset by deferred revenue, because it is not known when they will be available to finance current expenditures.

J. 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 fully offset by deferred revenue because it is not known when they will be available to finance current expenditures.

K. 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 40% 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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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. It is the City’s intention to continue to fully fund compensated absences in the future.

L. 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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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.

M. Fund Equity

In the fund financial statements, governmental fund types report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of finance resources that are subject to change.

Note 2 – Budgets, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. Financial controls for debt service funds are achieved through bond indenture provisions. Project-length financial plans are adopted for all Capital Projects Funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the capital projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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.
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 the fund level. 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 the department budget. 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, 2010:

Special Revenue Funds:	
Transit Fund	\$2,590,453
HRA Fund	181,285

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010*

C. Deficit Fund Balances

The following individual Debt Service and Capital Projects Funds have deficit fund balances as of December 31, 2010:

Capital Projects Funds:	
Wedgwood Tax Increment District	\$1,498,538
2007 Improvement Project Financing	93,491
2009A Road Reconstruction Bonds	238,995
2009 Improvement Project Financing	2,038,670
2010 Improvement Project Financing	926,557

The deficit in the Wedgwood Tax Increment District is due to the timing of tax increments and projects costs for the district. Tax increment revenue collected in future years will eliminate the deficit.

Deficits in the following improvement project funds: the 2007, 2009 and 2010 Improvement Project Financing Funds are the result of the City’s decision not to issue bonds for the full amount of project costs. This method of financing recognized the cash flows of early payments of special assessments to be levied as residential subdivisions develop. The deficit in the 2009A road reconstruction fund will be eliminated from special assessments on parcels not included in the bond issue.

Note 3 – Cash and Investments

Cash and investments in the City’s cash pool at December 31, 2010 are as follows:

	<u>Fair Value</u>
<u>Cash</u>	
Cash on Hand	\$ 1,040
Cash in Bank Accounts	<u>1,142,114</u>
 Total Cash in Pool	 <u>1,143,154</u>
 <u>Investments</u>	
U.S. Treasuries	43,019,522
U.S. Agencies	155,944,017
State and Municipal Bonds	10,464,957
Money Market Funds	<u>5,868,675</u>
 Total Investments in Cash Pool	 <u>215,297,171</u>
 Total Cash and Investments in Cash Pool	 <u>\$ 216,440,325</u>

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

Cash and investments not in the City's cash pool at December 31, 2010 are as follows:

	Fair Value
<u>Cash</u>	
Cash on Hand	\$ 4,060
Cash in Bank Accounts	1,166,471
 Total Cash and Investments not in Pool	 \$ 1,170,531

Cash and investments held with escrow agent at December 31, 2010 are as follows:

	Fair Value
<u>Cash</u>	
State and Local Government Securities	\$ 3,440,898
 Total Cash and Investments held with Escrow Agent	 \$ 3,440,898

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, 2010, the City's bank balances were covered by insurance or collateral pledged and held in the City's name.

Investments

As of December 31, 2010, the City had the following investments and maturities in its cash and investment pool:

<u>Investment Type</u>	Investment Maturities – (In Years)				
	Fair Value	Less Than 1	1 – 5	6-10	More Than 10
U.S. Treasuries	\$ 43,019,522	\$ 654,088	\$ 8,417,043	\$ 31,103,824	\$ 2,844,567
U.S. Agencies	155,944,017	18,156,607	68,914,878	25,546,285	43,326,247
State and Municipal Bonds	10,464,957	2,124,827	4,187,118	3,643,702	509,310
Money Market Funds	5,868,675	5,868,675			
 Total Investments in Cash Pool	 \$ 215,297,171	\$ 26,804,197	\$ 81,519,039	\$ 60,293,811	\$ 46,680,124

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010*

As of December 31, 2010, 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	\$ 62,069,898	0.5 years	0.5 years
Galliard Capital Management	72,123,349	3.7 years	4.4 years
FAF Advisors	69,932,337	3.7 years	4.6 years
Galliard Capital Management – TIPS	5,599,515	5.6 years	7.1 years
FAF Advisors - TIPS	<u>5,572,072</u>	4.8 years	7.3 years
 Total Investments in Cash Pool	 <u>\$ 215,297,171</u>		
 Benchmark		3.9 years	4.9 years
Benchmark – TIPS		4.0 years	5.0 years

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, 2010, a custodial bank held all investments in the City's name.

Credit Risk

State statutes and the City's investment policy limit investments in 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>
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

*City of Maple Grove, Minnesota
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As of December 31, 2010, the City's 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	\$ 420,277	4%
State and Municipal Bonds	AA	6,027,149	58
State and Municipal Bonds	AAA	<u>4,017,531</u>	38
Total State and Municipal Bonds		<u>\$ 10,464,957</u>	

Note 4 – Capital Assets

Capital assets activity for the year ended December 31, 2010 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	\$ 21,638,192	\$ 9,400,702	\$	\$ 31,038,894
Park Improvements	15,712,808	3,010,292		18,723,100
Construction in Progress	<u>31,014,082</u>	<u>5,294,291</u>	<u>23,013,276</u>	<u>13,295,097</u>
Total Capital Assets, Not Being Depreciated	<u>68,365,082</u>	<u>17,705,285</u>	<u>23,013,276</u>	<u>63,057,091</u>
Capital Assets, Being Depreciated:				
Park Improvements	1,013,086	17,211		1,030,297
Park Play Structures	2,306,578			2,306,578
Buildings and Improvements	46,457,077	3,137,628		49,594,705
Furniture	919,663	76,128		995,791
Equipment	16,302,639	479,247	143,991	16,637,895
Infrastructure:				
Streets	178,647,868	4,057,327		182,705,195
Interchange	19,580,332			19,580,332
Storm Sewers	<u>54,100,809</u>	<u>934,045</u>		<u>55,034,854</u>
Total Capital Assets, Being Depreciated	<u>319,328,052</u>	<u>8,701,586</u>	<u>143,991</u>	<u>327,885,647</u>

City of Maple Grove, Minnesota
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less Accumulated Depreciation:				
Park Improvements	\$ 447,323	\$ 42,863		\$ 490,186
Park Play Structures	1,121,349	119,405		1,240,754
Buildings	16,080,505	1,542,271		17,622,776
Furniture	815,132	87,061		902,193
Equipment	9,027,009	1,087,144	\$ 138,534	9,975,619
Infrastructure:				
Streets	54,285,263	7,686,123		61,971,386
Interchange	1,322,926	652,204		1,975,130
Storm Sewers	<u>15,727,507</u>	<u>1,856,962</u>		<u>17,584,469</u>
 Total Accumulated Depreciation	 <u>98,827,014</u>	 <u>13,074,033</u>	 <u>138,534</u>	 <u>111,762,513</u>
 Total Capital Assets, Being Depreciated, Net	 <u>220,501,038</u>	 <u>(4,372,447)</u>	 <u>5,457</u>	 <u>216,123,134</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 288,866,120</u>	 <u>\$ 13,332,838</u>	 <u>\$ 23,018,733</u>	 <u>\$ 279,180,225</u>
 Business-Type Activities: Capital Assets, Being Depreciated:				
Buildings	\$ 22,159,467			\$ 22,159,467
Equipment	1,895,000	\$ 162,927		2,057,927
Distribution Systems	<u>164,417,587</u>	<u>637,242</u>		<u>165,054,829</u>
 Total Capital Assets, Being Depreciated	 <u>188,472,054</u>	 <u>800,169</u>		 <u>189,272,223</u>
 Less Accumulated Depreciation:				
Buildings	6,040,009	750,169		6,790,178
Equipment	1,390,722	75,831		1,466,553
Distribution Systems	<u>46,053,695</u>	<u>3,286,464</u>		<u>49,340,159</u>
 Total Accumulated Depreciation	 <u>53,484,426</u>	 <u>4,112,464</u>		 <u>57,596,890</u>
 Total Capital Assets, Being Depreciated, Net	 <u>134,987,628</u>	 <u>(3,312,295)</u>		 <u>131,675,333</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 134,987,628</u>	 <u>\$ (3,312,295)</u>		 <u>\$ 131,675,333</u>

*City of Maple Grove, Minnesota
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Depreciation expense was charged to City functions as follows:

Governmental activities:	
General Government	\$ 892,521
Community and Economic Development	329,236
Public Safety	656,404
Public Works	10,476,842
Parks and Recreation	393,012
Transit	<u>326,018</u>
 Total Depreciation Expense – Governmental Activities	 <u>\$ 13,074,033</u>
Business-type activities:	
Water	\$ 1,752,644
Sewer	1,545,870
Community Center	<u>813,950</u>
 Total Depreciation Expense – Business-type Activities	 <u>\$ 4,112,464</u>

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 \$3,425,000 of taxable general obligation road reconstruction bonds (Build America Bonds) were issued to finance the reconstruction of existing city streets and \$13,500,00 of taxable general obligation capital improvement bonds (Build America Bonds) for the expansion of the maintenance and operations facility.

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	2.46-4.61%	\$ 40,210,000
Governmental Activities – Refunding	1.74-4.15%	28,000,000

City of Maple Grove, Minnesota
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	BAB Credit
2011	\$ 5,115,000	\$ 2,331,948	\$ 186,065
2012	7,605,000	2,276,209	241,621
2013	4,565,000	2,073,321	237,825
2014	4,730,000	1,931,943	232,608
2015	4,865,000	1,783,766	226,208
2016-2020	23,050,000	6,252,520	977,910
2021-2025	12,585,000	2,715,545	579,455
2026-2030	5,250,000	588,905	151,641
2031	445,000	22,375	7,831
Total	<u>\$ 68,210,000</u>	<u>\$ 19,976,532</u>	<u>\$ 2,841,164</u>

Current Refunding

The HRA issued \$2,010,000 of general obligation bonds on December 15, 2010 for the current refunding of \$1,975,000 of the 2003A HRA refunding bonds. The call date for the refund bonds is February 1, 2011. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$136,004 and a reduction of \$142,837 in future debt service payments.

Cross Over Advanced Refunding

The City issued \$3,415,000 of road reconstruction refunding bonds for a cross over advanced refunding of \$3,345,000 of road reconstruction bonds. The net proceeds of \$3,440,898 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 assets. The call date for the refunded bonds is February 1, 2012. The refunding was undertaken to reduce total future debt service payments by \$374,205 and resulted in an economic gain of \$330,973.

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.

*City of Maple Grove, Minnesota
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The amount of delinquent special assessment receivables at December 31, 2010 is \$28,013. 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%	\$ 39,560,000
Governmental Activities – Refunding	3.84%	7,505,000

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>
2011	\$ 2,665,000	\$ 2,197,637
2012	2,750,000	2,085,138
2013	2,625,000	1,966,600
2014	2,700,000	1,841,950
2015	2,735,000	1,714,375
2016-2020	13,835,000	6,583,800
2021-2025	13,475,000	3,313,125
2026-2030	<u>6,280,000</u>	<u>317,500</u>
Total	<u>\$ 47,065,000</u>	<u>\$ 20,020,125</u>

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	3.20%	\$ 2,800,000
Business-Type Activities - Refunding	4.21%	4,955,000

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

<u>Year Ending December 31</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,585,000	\$ 279,691
2012	1,645,000	218,136
2013	1,720,000	152,099
2014	1,790,000	81,692
2015	495,000	34,290
2016	<u>520,000</u>	<u>11,700</u>
Total	<u>\$ 7,755,000</u>	<u>\$ 777,608</u>

City of Maple Grove, Minnesota
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Changes in long-term debt

Long-term debt activity for the year ended December 31, 2010 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	\$ 49,605,000		\$ 2,540,000	\$ 47,065,000	\$ 2,665,000
General Obligation Bonds	48,860,000	\$ 22,350,000	3,000,000	68,210,000	5,115,000
Deferred Amounts:					
Bond Premium	2,447,774	71,546	177,792	2,341,528	
Bond Discount	(545,966)	(205,250)	(57,584)	(693,632)	
Deferred Refunding Costs	(626,265)		(62,109)	(564,156)	
Total Bonds Payable	99,740,543	22,216,296	5,598,099	116,358,740	7,780,000
Accrued Compensated Absences	3,513,749	395,854	193,114	3,716,489	250,000
Family Housing Loans	200,000			200,000	
HOME Loans	1,096,700	90,046		1,186,746	
Metropolitan Council – RALF Loans	5,491,500			5,491,500	
Net OPEB Liability	337,118	204,714		541,832	
Governmental Activities Long-Term Liabilities	<u>\$ 110,379,610</u>	<u>\$ 22,906,910</u>	<u>\$ 5,791,213</u>	<u>\$ 127,495,307</u>	<u>\$ 8,030,000</u>
<u>Business-type Activities</u>					
Bonds Payable:					
Water Revenue Bonds	\$ 9,285,000		\$ 1,530,000	\$ 7,755,000	\$ 1,585,000
Deferred Amounts:					
Bond Premium	53,544		13,112	40,432	
Bond Discount	(28,634)		(4,707)	(23,927)	
Business-type Activities Long-Term Liabilities	<u>\$ 9,309,910</u>	<u>\$ 0</u>	<u>\$ 1,538,405</u>	<u>\$ 7,771,505</u>	<u>\$ 1,585,000</u>

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

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.

City of Maple Grove, Minnesota
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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 three Housing and Redevelopment Authority (HRA) of Maple Grove housing tax increment finance districts (HRA Housing Districts No. 3 and No. 5). These Districts are separate and distinct from the Tax Increment District No. 5 in the City's name.

HRA Housing District No. 3 – (#1908)

This District was established as a housing and redevelopment project for the development of a 48 unit low and moderate-income housing facility known as "Groveland Terrace Townhomes". 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 in the amount of \$750,000 to be paid in semi-annual installments of \$25,000 or available tax increment over 15 years. 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 note at December 31, 2010 was \$378,775.

The District was created in 1995 under Minnesota Statutes 469.001 to 469.047 and is expected to be terminated in 2012.

Tax Capacity (Valuation 2009, Taxes Payable 2010):

Current Net Tax Capacity	\$ 26,946
Original Net Tax Capacity	<u>(1,140)</u>
 Captured Net Tax Capacity	 <u>\$ 25,806</u>

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, 2010 was \$6,574,377.

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 2009, Taxes Payable 2010):

Current Net Tax Capacity	\$ 313,924
Original Net Tax Capacity	<u>(4,440)</u>
 Captured Net Tax Capacity	 <u>\$ 309,484</u>

*City of Maple Grove, Minnesota
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Tax Increment Financing – City of Maple Grove

The City has established six economic development tax increment districts. The two districts currently receiving tax increment revenue are:

City of Maple Grove Tax Increment District #1 (Wedgwood) – (#1901)

This District includes approximately 130 acres planned for office and industrial development. The site has approximately one mile of freeway frontage along interstate 494 and is considered a prime location for development. The City issued three bond issues to finance its portion of the development costs. These bond issues were retired by tax increment revenue collections. Tax increment assistance was provided for certain project costs for the construction of two office buildings.

In addition, the City has internally financed some improvements within the District. Based upon the current amount of tax increment revenues being collected, sufficient revenues will be generated to retire the amount financed internally by the City.

The City has made five modifications (the latest in 1998) to the District allowing for additional expenditures for both infrastructure and industrial development. The costs of these improvements were financed internally by the City and repayment anticipated from tax increment revenues derived from the District. It is estimated that the current annual collection of tax increment revenues, if continued, will generate sufficient revenues to retire all obligations of the District.

For this District, captured tax capacity started in 1989. The District was created in 1988 under Minnesota Statutes 469.174 to 469.178 and terminates in 2014.

Tax Capacity (Valuation 2009, Taxes Payable 2010):

Current Net Tax Capacity	\$1,338,730
Original Net Tax Capacity	(11,350)
Fiscal Disparities Contribution	<u>(559,873)</u>
 Captured Net Tax Capacity	 <u>\$ 767,507</u>

City of Maple Grove Tax Increment District #7 (SaniFil) – (#1909)

This District includes 325 acres that are currently zoned residential/agriculture and industrial. A portion of this District contains a private landfill that is no longer in operation. The District will provide financing for land acquisition, polluted site cleanup, redevelopment and other activities required to encourage commercial and industrial development.

During 1996, several parcels of land were acquired and cleaned up. The land was then sold in 1998 to a national distribution firm for the construction of a distribution facility. The City issued \$3,500,000 of temporary tax increment bonds to provide funding for additional acquisition and clean up costs. The District was established in 1996 under Minnesota Statutes 469.174 to 469.179 and terminated in 2010.

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<u>Tax Capacity (Valuation 2009, Taxes Payable 2010):</u>	
Current Net Tax Capacity	\$2,804,846
Original Net Tax Capacity	(682,170)
Fiscal Disparities Contribution	<u>(893,731)</u>
 Captured Net Tax Capacity	 <u><u>\$1,228,945</u></u>

Note 6 - Leases

Operating Lease

The City leases office equipment under a three year cancelable operating lease with an option for two additional years. Total rental cost for such lease was \$78,329 for the year ended December 31, 2010.

Note 7 – Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2010 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major Governmental Funds	\$ 311,946 (2)
Non-Major Governmental Funds	General Fund	905,000 (2)
Water Utility	Non-Major Governmental Funds	4,718,773 (1)
Community Center Fund	General Fund	<u>665,000 (2)</u>
	Total	<u>\$ 6,600,719</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, 2010 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Non-Major Governmental Funds	\$ 147,080 (1)
	Water Utility	200,000 (1)
	Sewer Utility	200,000 (1)
	Community Center	12,000 (1)
Trunk Street Construction	Non-Major Governmental Funds	3,117,100 (5)

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<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Non-Major Governmental Funds	General	\$ 3,674,700 (2)
	General	1,805,000 (3)
	Road Reconstruction	1,350,000 (4)
	Trunk Street Construction	2,000,000 (4)
	Non-Major Governmental Funds	586,638 (3)
	Non-Major Governmental Funds	363,792 (4)
	Water Utility	618,000 (3)
	Sewer Utility	350,000 (3)
Community Center Fund	General	605,000 (2)
	General	100,000 (3)
	Non-Major Governmental Fund	75,000 (2)
Internal Service Funds	General	900,000 (3)
	Water Utility	31,000 (3)
	Sewer Utility	<u>31,000 (3)</u>
Total Transfers In		<u>\$ 16,166,310</u>
Subtotal of Transfers Out		\$ 16,166,310
Transfer of Capital Assets From Internal Service Fund to Governmental Funds		<u>160,001</u>
Total Transfers Out		<u>\$ 16,326,311</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 \$16,166,310 is less than total transfers out of \$16,326,311 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 \$160,001 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
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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 25-28.

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.

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 2010 was \$29,423, which is 17.7% 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 at the City's finance department.

Summary financial information as of and for the fiscal year ended December 31, 2010 is as follows:

	<u>Operations</u>	<u>Capital</u>	<u>Total</u>
Total Assets	<u>\$ 16,510</u>	<u>\$ 42,385</u>	<u>\$ 58,895</u>
Total Liabilities	\$ 7,912		\$ 7,912
Total PUPS Equity	<u>8,598</u>	<u>\$ 42,385</u>	<u>50,983</u>
Total Liabilities and Equity	<u>\$ 16,510</u>	<u>\$ 42,385</u>	<u>\$ 58,895</u>
Total Revenues	\$ 166,331	\$ 1,632	\$ 167,963
Total Expenditures	<u>163,123</u>	<u>0</u>	<u>163,123</u>
Total Increase (Decrease) in PUPS Equity	<u>\$ 3,208</u>	<u>\$ 1,632</u>	<u>\$ 4,840</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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
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Note 12 – Construction Commitments

The City has active construction projects as of December 31, 2010. 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	\$ 18,326,420	\$ 1,198,536
Residential street reconstruction – special assessments	8,102,025	691,211
Governmental facilities	<u>370,218</u>	<u>29,460</u>
 Total	 <u>\$ 26,798,663</u>	 <u>\$ 1,919,207</u>

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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
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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.

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 GERF 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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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 GERF and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive, Suite 200, St. Paul, MN 55103 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. GERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.00%, respectively, of their annual covered salary in 2010. PEPFF members are required to contribute 9.40% of their annual covered salary in 2010. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members; 7.00% for Coordinated Plan PERF members; and 14.10% for PEPFF members.

The City's contributions to the General Employees Retirement Fund (GERF) for the years ending December 31, 2010, 2009 and 2008 were \$744,875, \$708,860 and \$662,215, respectively. The City's contributions to the Public Employees Police and Fire Retirement Fund (PEPFF) for the years ending December 31, 2010, 2009 and 2008 were \$799,007, \$768,732 and \$666,904, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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 2010 amounted to \$454,556, of which \$253,212 was made by the State of Minnesota for fire state aid and \$201,344 by the City.

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 2010, plan members contributed \$47,363 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.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

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	\$ 248,591
Interest on Net OPEB Obligation	18,541
Adjustment to Annual Required Contribution	<u>(13,770)</u>
Annual OPEB Cost	253,362
Retiree Contributions ⁽¹⁾ made with interest	<u>(48,648)</u>
Increase (decrease) in Net OPEB Obligation	204,714
Net OPEB Obligation beginning of year	<u>337,118</u>
Net OPEB Obligation end of year	<u>\$ 541,832</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010:

Fiscal Year Ended	Annual OPEB Cost	Retiree Contributions ⁽¹⁾	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
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, 2010, the actuarial accrued liability for benefits was \$1,910,736, 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 \$15,625,354, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.2%.

City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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, 2010, actuarial valuation is based on a 5.5% discount rate, pay-as-you-go funding, Entry Age Normal level percent of pay actuarial cost method, 30 year closed amortization of the UAAL increasing at 4.5% per year (the payroll growth rate) and an annual healthcare cost trend rate of 9.0% in 2010, reduced to an ultimate rate of 5.0% in 2022 and later.

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, 2010, the date of the latest actuarial valuation:

Retiree Plan Members	11
Active Plan Members	<u>244</u>
Total Plan Members	<u>255</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.

*City of Maple Grove, Minnesota
Notes to the Financial Statements
December 31, 2010*

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

**Required Supplementary
Information**

City of Maple Grove, Minnesota

Schedule of Funding Progress for Retiree Health Insurance Plan
For the Year Ended December 31, 2010

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⁾ The 2009 liabilities and annual costs are based on the same population as the 2008 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:

Block Grant Fund - This fund was established to account for funds received under Title I of the "Housing and Community Development Act of 1974".

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.

Park Land Dedication Fund - The Park Land Dedication Fund was established to account for contributions from owners and developers of land which will be used for acquisition and development of land for park and playground purposes.

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.

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.

Police Training Facility Fund - This fund was established to account for the operations of a police training facility used by the City and the County.

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 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:

- 2001 Series B Road Reconstruction Bonds
- 2003 Series A HRA Refunding Bonds
- 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

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.

- Capital Improvement Fund
- Long-Term Development
- Forest Preservation Bonds
- 2010 Series B Capital Improvement Plan Bonds

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
- Wedgwood Commerce Center Tax Increment District
- 2001 Series A Tax Increment Bonds

Nonmajor Governmental Funds

Capital Projects Funds

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
- 1999 Improvement Project Financing
- 2000 Improvement Project Financing
- 2001 Improvement Project Financing
- 2002 Improvement Project Financing
- 2003 Improvement Project Financing
- 2004 Improvement Project Financing
- 2005 Improvement Project Financing
- 2006 Improvement Project Financing
- 2007 Improvement Project Financing
- 2008 Improvement Project Financing
- 2009 Improvement Project Financing
- 2010 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).

- 2008 Series A Road Reconstruction Bonds
- 2009 Series A Road Reconstruction Bonds
- 2010 Series A Road Reconstruction Bonds



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**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Special Revenue Funds						
	Block Grant	Park	Park Land Dedication	Transit	Recycling	Police Training Facility	HRA
Assets							
Equity in cash pool		\$182,220	\$7,736,244	\$9,761,738	\$1,352,457	\$185,622	\$591,392
Cash and investments not in pool		522,420					
Cash and investments held with escrow agent							
Interest receivable			44,449	48,076	6,276	829	2,308
Accounts receivable		23,096		26,627	283,398	1,600	
Taxes receivable							
Unremitted							699
Delinquent							2,114
Special assessments receivable							
Unremitted							
Delinquent							
Deferred							
Intergovernmental receivable				747,755			
Due from other funds							
Prepaid items		10,678		1,210			
Total assets	\$0	\$738,414	\$7,780,693	\$10,585,406	\$1,642,131	\$188,051	\$596,513
Liabilities and Fund Balances							
Liabilities:							
Interest payable							
Accounts payable		\$56,146		\$857,346	\$76,201	\$9,927	\$3,663
Accrued wages payable		86,986		3,295	207	2,418	1,432
Deposits				5,025			12,525
Due to other funds		311,946					
Deferred revenue		155,314					2,114
Total liabilities		610,392		865,666	76,408	12,345	19,734
Fund balances:							
Reserved for prepaid items		10,678		1,210			
Reserved for debt service							
Unreserved:							
Undesignated	\$0	117,344	\$7,780,693	9,718,530	1,565,723	175,706	576,779
Total fund balances	0	128,022	7,780,693	9,719,740	1,565,723	175,706	576,779
Total liabilities and fund balances	\$0	\$738,414	\$7,780,693	\$10,585,406	\$1,642,131	\$188,051	\$596,513

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Special Revenue Funds		Debt Service Funds				
	Senior Citizen Housing	Total	2001 Series B Road Reconstruction Bonds	2003 Series A HRA Refunding Bonds	2003 Series B Road Reconstruction Bonds	2004 Series B Road Reconstruction and Refunding Bonds	2005 Series A Road Reconstruction and Refunding Bonds
Assets							
Equity in cash pool	\$729,326	\$20,538,999	\$92,181	\$2,079,946	\$1,058,738	\$22,481	\$7,733
Cash and investments not in pool	190,836	713,256					
Cash and investments held with escrow agent			3,440,898				
Interest receivable	3,560	105,498		763	5,127		
Accounts receivable		334,721					
Taxes receivable							
Unremitted		699					
Delinquent		2,114					
Special assessments receivable							
Unremitted			1,114		769	1,695	712
Delinquent			3,894		7,362	7,330	4,541
Deferred			1,180,635		1,158,000	1,942,878	526,944
Intergovernmental receivable		747,755					
Due from other funds							
Prepaid items		11,888					
Total assets	\$923,722	\$22,454,930	\$4,718,722	\$2,080,709	\$2,229,996	\$1,974,384	\$539,930
Liabilities and Fund Balances							
Liabilities:							
Interest payable			\$1,228			\$2,538	\$2,073
Accounts payable	\$18,012	\$1,021,295	2,000	\$4,550			
Accrued wages payable		94,338					
Deposits	58,175	75,725					
Due to other funds		311,946					
Deferred revenue		157,428	1,184,529		\$1,165,362	1,950,208	531,485
Total liabilities	76,187	1,660,732	1,187,757	4,550	1,165,362	1,952,746	533,558
Fund balances:							
Reserved for prepaid items		11,888					
Reserved for debt service			3,530,965	\$2,076,159	1,064,634	21,638	6,372
Unreserved:							
Undesignated	847,535	20,782,310					
Total fund balances	847,535	20,794,198	3,530,965	2,076,159	1,064,634	21,638	6,372
Total liabilities and fund balances	\$923,722	\$22,454,930	\$4,718,722	\$2,080,709	\$2,229,996	\$1,974,384	\$539,930

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Debt Service Funds						
	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
Assets							
Equity in cash pool	\$648,585	\$1,275,034	\$313,626	\$301,497	\$856,177	\$815,595	\$259,150
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable		2,794	1,435	1,195	3,701	3,687	193
Accounts receivable							
Taxes receivable							
Unremitted		7,483					
Delinquent	593	33,653					
Special assessments receivable							
Unremitted			145	869	2,315	1,112	
Delinquent			538	4,051	1,035	2,088	
Deferred	2,654,110		648,936	1,467,376	1,965,405	2,304,854	1,943,545
Intergovernmental receivable							
Due from other funds							
Prepaid items							
Total assets	\$3,303,288	\$1,318,964	\$964,680	\$1,774,988	\$2,828,633	\$3,127,336	\$2,202,888
Liabilities and Fund Balances							
Liabilities:							
Interest payable	\$3,011						
Accounts payable							
Accrued wages payable							
Deposits							
Due to other funds							
Deferred revenue	2,654,703	33,653	649,474	1,471,427	1,966,440	2,306,942	1,943,545
Total liabilities	2,657,714	33,653	649,474	1,471,427	1,966,440	2,306,942	1,943,545
Fund balances:							
Reserved for prepaid items							
Reserved for debt service	645,574	1,285,311	315,206	303,561	862,193	820,394	259,343
Unreserved:							
Undesignated							
Total fund balances	645,574	1,285,311	315,206	303,561	862,193	820,394	259,343
Total liabilities and fund balances	\$3,303,288	\$1,318,964	\$964,680	\$1,774,988	\$2,828,633	\$3,127,336	\$2,202,888

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Debt Service Funds	Capital Projects Funds					Tax Increment Districts
	Total	Capital Improvement Fund	Long-Term Development Fund	State Aid Streets	Storm Sewer Construction Fund	Improvement Project Financing Fund	
Assets							
Equity in cash pool	\$7,730,743	\$3,617,274	\$9,287,285	\$3,746,231	\$1,861,117	\$5,811,158	\$827,298
Cash and investments not in pool							
Cash and investments held with escrow agent	3,440,898						
Interest receivable	18,895	9,142	36,470	17,622	27,517	10,241	23,117
Accounts receivable			503			20,050	
Taxes receivable							
Unremitted	7,483						
Delinquent	34,246						
Special assessments receivable							
Unremitted	8,731					4,564	
Delinquent	30,839					2,040	
Deferred	15,792,683			1,312		1,581,857	
Intergovernmental receivable						7,774	
Due from other funds		505,000	400,000				
Prepaid items							
Total assets	\$27,064,518	\$4,131,416	\$9,724,258	\$3,765,165	\$1,888,634	\$7,437,684	\$850,415
Liabilities and Fund Balances							
Liabilities:							
Interest payable	\$8,850						
Accounts payable	6,550	\$6,682	\$35,802		\$46,767	\$10,489	\$124,777
Accrued wages payable							
Deposits							
Due to other funds							
Deferred revenue	15,857,768			\$1,312		1,583,897	
Total liabilities	15,873,168	6,682	35,802	1,312	46,767	1,594,386	124,777
Fund balances:							
Reserved for prepaid items							
Reserved for debt service	11,191,350						
Unreserved:							
Undesignated		4,124,734	\$9,688,456	3,763,853	1,841,867	5,843,298	725,638
Total fund balances	11,191,350	4,124,734	9,688,456	3,763,853	1,841,867	5,843,298	725,638
Total liabilities and fund balances	\$27,064,518	\$4,131,416	\$9,724,258	\$3,765,165	\$1,888,634	\$7,437,684	\$850,415

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Capital Projects Funds						
	Forest Preservation Bonds	Wedgwood Commerce Center Tax Increment District	1999 Improvement Project Financing	2000 Improvement Project Financing	2001 Improvement Project Financing	2001 Series A Tax Increment Bonds	2002 Improvement Project Financing
Assets							
Equity in cash pool	\$1,033,504					\$2,830,917	
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable	4,907					17,534	
Accounts receivable							
Taxes receivable							
Unremitted							
Delinquent	185						
Special assessments receivable							
Unremitted							
Delinquent							
Deferred		\$14,923					
Intergovernmental receivable							
Due from other funds							
Prepaid items							
Total assets	<u>\$1,038,596</u>	<u>\$14,923</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,848,451</u>	<u>\$0</u>
Liabilities and Fund Balances							
Liabilities:							
Interest payable		\$10,234					
Accounts payable	\$939	1,516				\$75	
Accrued wages payable							
Deposits	5,000						
Due to other funds		1,486,788					
Deferred revenue	185	14,923					
Total liabilities	<u>6,124</u>	<u>1,513,461</u>				<u>75</u>	
Fund balances:							
Reserved for prepaid items							
Reserved for debt service							
Unreserved:							
Undesignated	1,032,472	(1,498,538)	\$0	\$0	\$0	2,848,376	\$0
Total fund balances	<u>1,032,472</u>	<u>(1,498,538)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,848,376</u>	<u>0</u>
Total liabilities and fund balances	<u>\$1,038,596</u>	<u>\$14,923</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,848,451</u>	<u>\$0</u>

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Capital Projects Funds						
	2003	2004	2005	2006	2007	2008	2008
	Improvement Project Financing	Improvement Project Financing	Improvement Project Financing	Improvement Project Financing	Improvement Project Financing	Series A Road Reconstruction Bonds	Improvement Project Financing
Assets							
Equity in cash pool			\$3,507,717	\$3,389,807		\$197,060	\$2,320,757
Cash and investments not in pool							
Cash and investments held with escrow agent							
Interest receivable			7,844	8,924		1,009	4,638
Accounts receivable							852
Taxes receivable							
Unremitted							
Delinquent							
Special assessments receivable							
Unremitted			7,806	319,290	66,904		
Delinquent			75,851	719,114	405,225		
Deferred			7,834,372	954,176	3,923,792		589,011
Intergovernmental receivable							
Due from other funds							
Prepaid items							
Total assets	\$0	\$0	\$11,433,590	\$5,391,311	\$4,395,921	\$198,069	\$2,915,258
Liabilities and Fund Balances							
Liabilities:							
Interest payable					\$8,420		
Accounts payable				\$526	1,841		\$11,157
Accrued wages payable							
Deposits							
Due to other funds					150,134		
Deferred revenue			\$7,910,223	1,673,290	4,329,017		589,011
Total liabilities			7,910,223	1,673,816	4,489,412		600,168
Fund balances:							
Reserved for prepaid items							
Reserved for debt service							
Unreserved:							
Undesignated	\$0	\$0	3,523,367	3,717,495	(93,491)	\$198,069	2,315,090
Total fund balances	0	0	3,523,367	3,717,495	(93,491)	198,069	2,315,090
Total liabilities and fund balances	\$0	\$0	\$11,433,590	\$5,391,311	\$4,395,921	\$198,069	\$2,915,258

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Capital Projects Funds					Total Nonmajor Governmental Funds	
	2009 Series A Road Reconstruction Bonds	2009 Improvement Project Financing	2010 Series A Road Reconstruction Bonds	2010 Improvement Project Financing	2010 Series C Capital Improvement Plan Bonds		
Assets							
Equity in cash pool			\$405,372		\$12,226,927	\$51,062,424	\$79,332,166
Cash and investments not in pool							713,256
Cash and investments held with escrow agent							3,440,898
Interest receivable	\$104		935		4,148	174,152	298,545
Accounts receivable						21,405	356,126
Taxes receivable							
Unremitted							8,182
Delinquent						185	36,545
Special assessments receivable							
Unremitted						398,564	407,295
Delinquent						1,202,230	1,233,069
Deferred		\$1,926,389				16,825,832	32,618,515
Intergovernmental receivable						7,774	755,529
Due from other funds						905,000	905,000
Prepaid items							11,888
Total assets	\$104	\$1,926,389	\$406,307	\$0	\$12,231,075	\$70,597,566	\$120,117,014
Liabilities and Fund Balances							
Liabilities:							
Interest payable		\$14,484		\$998		\$34,136	\$42,986
Accounts payable		10,384	\$10,226	96,609	\$33,430	391,220	1,419,065
Accrued wages payable							94,338
Deposits						5,000	80,725
Due to other funds	\$239,099	2,013,802		828,950		4,718,773	5,030,719
Deferred revenue		1,926,389				18,028,247	34,043,443
Total liabilities	239,099	3,965,059	10,226	926,557	33,430	23,177,376	40,711,276
Fund balances:							
Reserved for prepaid items							11,888
Reserved for debt service							11,191,350
Unreserved:							
Undesignated	(238,995)	(2,038,670)	396,081	(926,557)	12,197,645	47,420,190	68,202,500
Total fund balances	(238,995)	(2,038,670)	396,081	(926,557)	12,197,645	47,420,190	79,405,738
Total liabilities and fund balances	\$104	\$1,926,389	\$406,307	\$0	\$12,231,075	\$70,597,566	\$120,117,014



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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, 2010

	Special Revenue Funds						
	Block Grant	Park	Park Land Dedication	Transit	Recycling	Police Training Facility	HRA
Revenues							
Property taxes							\$146,410
Tax increments							
Special assessments							
Fees			\$72,301				
Intergovernmental revenue	\$106,673			\$4,941,318	\$185,280		4,409
Charges for services		\$1,366,018		1,850,038	1,143,005	\$246,278	201,973
Investment income		84	355,085	383,943	50,123	6,623	18,434
Other		291		90,539	27,526	663	940
Total revenues	106,673	1,366,393	427,386	7,265,838	1,405,934	253,564	372,166
Expenditures							
Current:							
General government					1,187,379		
Community and economic development	40,000						331,285
Public safety						206,826	
Parks and recreation		5,042,071	2,731,842				
Transit				6,682,553			
Miscellaneous							
Interest							
Capital outlay							
Debt service:							
Principal retirement							
Interest and fiscal fees							
Bond issuance costs							
Total expenditures	40,000	5,042,071	2,731,842	6,682,553	1,187,379	206,826	331,285
Excess (deficiency) of revenues over expenditures	66,673	(3,675,678)	(2,304,456)	583,285	218,555	46,738	40,881
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Discount on bonds issued							
Loans issued							90,046
Transfers in		3,679,700					61,673
Transfers out	(66,673)			(457,880)	(9,500)	(9,000)	(43,880)
Total other financing sources (uses)	(66,673)	3,679,700		(457,880)	(9,500)	(9,000)	107,839
Net change in fund balances	0	4,022	(2,304,456)	125,405	209,055	37,738	148,720
Fund balances, January 1	0	124,000	10,085,149	9,594,335	1,356,668	137,968	428,059
Fund balances, December 31	\$0	\$128,022	\$7,780,693	\$9,719,740	\$1,565,723	\$175,706	\$576,779

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

	Special Revenue Funds		Debt Service Funds				
	Senior Citizen Housing	Total	2001 Series B Road Reconstruction Bonds	2003 Series A HRA Refunding Bonds	2003 Series B Road Reconstruction Bonds	2004 Series B Road Reconstruction and Refunding Bonds	2005 Series A Road Reconstruction and Refunding Bonds
Revenues							
Property taxes		\$146,410					
Tax increments							
Special assessments			\$164,393		\$161,243	\$385,932	\$67,882
Fees		72,301					
Intergovernmental revenue		5,237,680					
Charges for services	\$735,055	5,542,367					
Investment income	26,913	841,205		\$6,098	40,942		
Other	709	120,668					
Total revenues	762,677	11,960,631	164,393	6,098	202,185	385,932	67,882
Expenditures							
Current:							
General government		1,187,379					
Community and economic development	317,656	688,941					
Public safety		206,826					
Parks and recreation		7,773,913					
Transit		6,682,553					
Miscellaneous			150	150	150	650	150
Interest			9,811			20,267	16,558
Capital outlay							
Debt service:							
Principal retirement			240,000	270,000	120,000	560,000	455,000
Interest and fiscal fees			179,662	94,142	100,568	326,163	164,610
Bond issuance costs			42,636	21,789			
Total expenditures	317,656	16,539,612	472,259	386,081	220,718	907,080	636,318
Excess (deficiency) of revenues over expenditures	445,021	(4,578,981)	(307,866)	(379,983)	(18,533)	(521,148)	(568,436)
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued			3,415,000	2,010,000			
Premium on bonds issued			71,547				
Discount on bonds issued				(10,444)			
Loans issued		90,046					
Transfers in		3,741,373	275,000	363,792		525,000	550,000
Transfers out	(403,792)	(990,725)					
Total other financing sources (uses)	(403,792)	2,840,694	3,761,547	2,363,348		525,000	550,000
Net change in fund balances	41,229	(1,738,287)	3,453,681	1,983,365	(18,533)	3,852	(18,436)
Fund balances, January 1	806,306	22,532,485	77,284	92,794	1,083,167	17,786	24,808
Fund balances, December 31	<u>\$847,535</u>	<u>\$20,794,198</u>	<u>\$3,530,965</u>	<u>\$2,076,159</u>	<u>\$1,064,634</u>	<u>\$21,638</u>	<u>\$6,372</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

	Debt Service Funds						
	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
Revenues							
Property taxes	\$55	\$1,565,134					
Tax increments							
Special assessments	480,239		\$83,086	\$176,496	\$246,483	\$186,997	\$257,804
Fees							
Intergovernmental revenue							
Charges for services							
Investment income		22,319	11,456	9,548	29,554	29,447	1,539
Other							
Total revenues	480,294	1,587,453	94,542	186,044	276,037	216,444	259,343
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous	150	150	150	150	300		
Interest	24,048						
Capital outlay							
Debt service:							
Principal retirement	950,000	1,030,000	85,000	120,000	120,000		
Interest and fiscal fees	319,600	606,450	93,344	140,093	164,071	75,396	
Bond issuance costs							
Total expenditures	1,293,798	1,636,600	178,494	260,243	284,371	75,396	
Excess (deficiency) of revenues over expenditures	(813,504)	(49,147)	(83,952)	(74,199)	(8,334)	141,048	259,343
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Discount on bonds issued							
Loans issued							
Transfers in	2,000,000						
Transfers out							
Total other financing sources (uses)	2,000,000						
Net change in fund balances	1,186,496	(49,147)	(83,952)	(74,199)	(8,334)	141,048	259,343
Fund balances, January 1	(540,922)	1,334,458	399,158	377,760	870,527	679,346	0
Fund balances, December 31	<u>\$645,574</u>	<u>\$1,285,311</u>	<u>\$315,206</u>	<u>\$303,561</u>	<u>\$862,193</u>	<u>\$820,394</u>	<u>\$259,343</u>

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, 2010

	Debt Service Funds		Capital Projects Funds				
	Total	Capital Improvement Fund	Long-Term Development Fund	State Aid Streets	Storm Sewer Construction Fund	Improvement Project Financing Fund	Tax Increment Districts
Revenues							
Property taxes	\$1,565,189	\$2,314,464					
Tax increments							\$1,092,634
Special assessments	2,210,555			\$554		\$377,097	
Fees							
Intergovernmental revenue				178,593		235,849	
Charges for services		50					
Investment income	150,903	73,009	\$291,260	140,737	\$219,755	81,790	184,621
Other		40,000	892,460			5,617,289	
Total revenues	3,926,647	2,427,523	1,183,720	319,884	219,755	6,312,025	1,277,255
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous	2,150						
Interest	70,684						
Capital outlay		1,393,954	360,727		4,391,103	837,742	6,515,897
Debt service:							
Principal retirement	3,950,000						
Interest and fiscal fees	2,264,099						
Bond issuance costs	64,425						
Total expenditures	6,351,358	1,393,954	360,727		4,391,103	837,742	6,515,897
Excess (deficiency) of revenues over expenditures	(2,424,711)	1,033,569	822,993	319,884	(4,171,348)	5,474,283	(5,238,642)
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued	5,425,000						
Premium on bonds issued	71,547						
Discount on bonds issued	(10,444)						
Loans issued							
Transfers in	3,713,792	1,024,965	2,268,000				
Transfers out	0		(162,285)				(13,500)
Total other financing sources (uses)	9,199,895	1,024,965	2,105,715				(13,500)
Net change in fund balances	6,775,184	2,058,534	2,928,708	319,884	(4,171,348)	5,474,283	(5,252,142)
Fund balances, January 1	4,416,166	2,066,200	6,759,748	3,443,969	6,013,215	369,015	5,977,780
Fund balances, December 31	<u>\$11,191,350</u>	<u>\$4,124,734</u>	<u>\$9,688,456</u>	<u>\$3,763,853</u>	<u>\$1,841,867</u>	<u>\$5,843,298</u>	<u>\$725,638</u>

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, 2010

	Capital Projects Funds						
	Forest Preservation Bonds	Wedgwood Commerce Center Tax Increment District	1999 Improvement Project Financing	2000 Improvement Project Financing	2001 Improvement Project Financing	2001 Series A Tax Increment Bonds	2002 Improvement Project Financing
Revenues							
Property taxes	\$578						
Tax increments		\$803,959					
Special assessments		9,252	\$521,476	\$341,875	\$490,118		\$330,157
Fees							
Intergovernmental revenue							
Charges for services							
Investment income	39,188		10,589	10,636	11,689	\$140,029	7,016
Other							500
Total revenues	39,766	813,211	532,065	352,511	501,807	140,029	337,673
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous							
Interest		81,730					
Capital outlay	19,575	516				1,322,435	18,123
Debt service:							
Principal retirement							
Interest and fiscal fees							
Bond issuance costs							
Total expenditures	19,575	82,246				1,322,435	18,123
Excess (deficiency) of revenues over expenditures	20,191	730,965	532,065	352,511	501,807	(1,182,406)	319,550
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Discount on bonds issued							
Loans issued							
Transfers in							
Transfers out		(6,000)	(709,206)	(445,125)	(743,742)		(809,581)
Total other financing sources (uses)		(6,000)	(709,206)	(445,125)	(743,742)		(809,581)
Net change in fund balances	20,191	724,965	(177,141)	(92,614)	(241,935)	(1,182,406)	(490,031)
Fund balances, January 1	1,012,281	(2,223,503)	177,141	92,614	241,935	4,030,782	490,031
Fund balances, December 31	<u>\$1,032,472</u>	<u>(\$1,498,538)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,848,376</u>	<u>\$0</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

	Capital Projects Funds						
	2003	2004	2005	2006	2007	2008	2008
	Improvement	Improvement	Improvement	Improvement	Improvement	2008	Improvement
	Project	Project	Project	Project	Project	Road	Project
	Financing	Financing	Financing	Financing	Financing	Reconstruction	Project
						Bonds	Financing
Revenues							
Property taxes							
Tax increments							
Special assessments	\$57,752	\$134,195	\$2,774,368	\$3,140,359	\$2,614,501		\$3,163,248
Fees							
Intergovernmental revenue							
Charges for services							
Investment income	3,400	2,325	62,640	71,272		\$8,054	37,043
Other	12,600		12,000	9,000			13,852
	<u>73,752</u>	<u>136,520</u>	<u>2,849,008</u>	<u>3,220,631</u>	<u>2,614,501</u>	<u>8,054</u>	<u>3,214,143</u>
Total revenues							
Expenditures							
Current:							
General government							
Community and economic development							
Public safety							
Parks and recreation							
Transit							
Miscellaneous							
Interest					67,244		
Capital outlay			784	90,274	34,825	139	96,971
Debt service:							
Principal retirement							
Interest and fiscal fees							
Bond issuance costs							
			<u>784</u>	<u>90,274</u>	<u>102,069</u>	<u>139</u>	<u>96,971</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>73,752</u>	<u>136,520</u>	<u>2,848,224</u>	<u>3,130,357</u>	<u>2,512,432</u>	<u>7,915</u>	<u>3,117,172</u>
Other Financing Sources (Uses)							
Bonds issued							
Refunding bonds issued							
Premium on bonds issued							
Discount on bonds issued							
Loans issued							
Transfers in							
Transfers out	(199,432)	(210,014)					
	<u>(199,432)</u>	<u>(210,014)</u>					
Total other financing sources (uses)							
Net change in fund balances	(125,680)	(73,494)	2,848,224	3,130,357	2,512,432	7,915	3,117,172
Fund balances, January 1	125,680	73,494	675,143	587,138	(2,605,923)	190,154	(802,082)
Fund balances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$3,523,367</u>	<u>\$3,717,495</u>	<u>(\$93,491)</u>	<u>\$198,069</u>	<u>\$2,315,090</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

	Capital Projects Funds					Total Nonmajor Governmental Funds
	2009 Series A Road Reconstruction Bonds	2009 Improvement Project Financing	2010 Series A Road Reconstruction Bonds	2010 Improvement Project Financing	2010 Series B Capital Improvement Plan Bonds	
Revenues						
Property taxes						\$2,315,042
Tax increments						1,896,593
Special assessments		\$1,662,792				15,617,744
Fees						72,301
Intergovernmental revenue						414,442
Charges for services						50
Investment income	\$833		\$7,466		\$33,126	1,436,478
Other	57,402		3,635			6,658,738
Total revenues	58,235	1,662,792	11,101		33,126	28,339,087
Expenditures						
Current:						
General government						1,187,379
Community and economic development						688,941
Public safety						206,826
Parks and recreation						7,773,913
Transit						6,682,553
Miscellaneous						2,150
Interest		122,794		\$7,974		279,742
Capital outlay	300,182	674,894	2,969,305	918,583	1,116,709	21,062,738
Debt service:						
Principal retirement						3,950,000
Interest and fiscal fees						2,264,099
Bond issuance costs			33,571		56,772	90,343
Total expenditures	300,182	797,688	3,002,876	926,557	1,173,481	21,432,823
Excess (deficiency) of revenues over expenditures	(241,947)	865,104	(2,991,775)	(926,557)	(1,140,355)	6,906,264
Other Financing Sources (Uses)						
Bonds issued			3,425,000		13,500,000	16,925,000
Refunding bonds issued						5,425,000
Premium on bonds issued						71,547
Discount on bonds issued			(32,806)		(162,000)	(194,806)
Loans issued						90,046
Transfers in						3,292,965
Transfers out						(3,298,885)
Total other financing sources (uses)			3,392,194		13,338,000	16,724,274
Net change in fund balances	(241,947)	865,104	400,419	(926,557)	12,197,645	23,630,538
Fund balances, January 1	2,952	(2,903,774)	(4,338)	0	0	23,789,652
Fund balances, December 31	<u>(\$238,995)</u>	<u>(\$2,038,670)</u>	<u>\$396,081</u>	<u>(\$926,557)</u>	<u>\$12,197,645</u>	<u>\$47,420,190</u>



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City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Block Grant Fund
For the Year Ended December 31, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Intergovernmental revenue	\$214,061	\$106,673	(\$107,388)
Total revenues	214,061	106,673	(107,388)
<i>Expenditures</i>			
Community and economic development			
Capital outlay	80,000	40,000	40,000
Total expenditures	80,000	40,000	40,000
Excess of revenues over expenditures	134,061	66,673	(67,388)
<i>Other Financing (Uses)</i>			
Transfers out	(134,061)	(66,673)	67,388
Total other financing (uses)	(134,061)	(66,673)	67,388
Net change in fund balance	0	0	
Fund balance, January 1	0	0	
Fund balance, December 31	\$0	\$0	\$0

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, 2010**

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
Revenues			
Charges for services	\$1,308,420	\$1,366,018	\$57,598
Investment income		84	84
Other		291	291
	<hr/>	<hr/>	<hr/>
Total revenues	1,308,420	1,366,393	57,973
Expenditures			
Parks and recreation			
Park administration			
Personal services	1,375,800	1,399,602	(23,802)
Supplies and other services	413,100	338,255	74,845
Capital outlay	85,200	82,626	2,574
Parks			
Personal services	973,300	919,302	53,998
Supplies and other services	753,500	626,589	126,911
Capital outlay	283,800	285,514	(1,714)
Participation programs			
Personal services	854,310	926,169	(71,859)
Supplies and other services	454,110	464,014	(9,904)
	<hr/>	<hr/>	<hr/>
Total expenditures	5,193,120	5,042,071	151,049
	<hr/>	<hr/>	<hr/>
(Deficiency) of revenues over expenditures	(3,884,700)	(3,675,678)	209,022
Other Financing Sources			
Transfers in	3,884,700	3,679,700	(205,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources	3,884,700	3,679,700	(205,000)
	<hr/>	<hr/>	<hr/>
Net change in fund balance		4,022	4,022
	<hr/>	<hr/>	<hr/>
Fund balance, January 1	124,000	124,000	
	<hr/>	<hr/>	<hr/>
Fund balance, December 31	\$124,000	\$128,022	\$4,022
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City of Maple Grove, Minnesota

***Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Park Land Dedication Fund
For the Year Ended December 31, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Development fees		\$72,301	\$72,301
Investment income	\$350,000	355,085	5,085
Total revenues	350,000	427,386	77,386
<i>Expenditures</i>			
Parks and recreation			
Parks			
Capital outlay	9,933,250	2,731,842	7,201,408
Total expenditures	9,933,250	2,731,842	7,201,408
Net change in fund balance	(9,583,250)	(2,304,456)	7,278,794
Fund balance, January 1	10,085,149	10,085,149	
Fund balance, December 31	\$501,899	\$7,780,693	\$7,278,794

City of Maple Grove, Minnesota

***Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Transit Fund
For the Year Ended December 31, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Intergovernmental revenue	\$2,166,900	\$4,941,318	\$2,774,418
Charges for services	1,950,400	1,850,038	(100,362)
Investment income		383,943	383,943
Other		90,539	90,539
Total revenues	<u>4,117,300</u>	<u>7,265,838</u>	<u>3,148,538</u>
<i>Expenditures</i>			
Transit			
Personal services	130,000	109,003	20,997
Supplies and other services	3,962,100	3,889,247	72,853
Capital outlay		<u>2,684,303</u>	<u>(2,684,303)</u>
Total expenditures	<u>4,092,100</u>	<u>6,682,553</u>	<u>(2,590,453)</u>
Excess of revenues over expenditures	<u>25,200</u>	<u>583,285</u>	<u>558,085</u>
<i>Other Financing Sources (uses)</i>			
Transfers out	<u>(25,200)</u>	<u>(457,880)</u>	<u>(432,680)</u>
Total other financing source (uses)	<u>(25,200)</u>	<u>(457,880)</u>	<u>(432,680)</u>
Net change in fund balance		125,405	125,405
Fund balance, January 1	<u>9,594,335</u>	<u>9,594,335</u>	
Fund balance, December 31	<u><u>\$9,594,335</u></u>	<u><u>\$9,719,740</u></u>	<u><u>\$125,405</u></u>

City of Maple Grove, Minnesota

**Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Recycling Fund
For the Year Ended December 31, 2010**

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental revenue	\$150,000	\$185,280	\$35,280
Charges for services	1,040,000	1,143,005	103,005
Investment income	6,000	50,123	44,123
Other	8,000	27,526	19,526
Total revenues	1,204,000	1,405,934	201,934
Expenditures			
General government			
Personal services	40,600	23,346	17,254
Supplies and other services	1,171,500	1,164,033	7,467
Total expenditures	1,212,100	1,187,379	24,721
Excess (deficiency) of revenue over expenditures	(8,100)	218,555	226,655
Other Financing (Uses)			
Transfers out	(11,000)	(9,500)	
Total other financing (uses)	(11,000)	(9,500)	
Net change in fund balance	(19,100)	209,055	226,655
Fund balance, January 1	1,356,668	1,356,668	
Fund balance, December 31	<u>\$1,337,568</u>	<u>\$1,565,723</u>	<u>\$226,655</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, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Charges for services	\$246,000	\$246,278	\$278
Investment income	4,000	6,623	2,623
Other	200	663	463
Total revenues	<u>250,200</u>	<u>253,564</u>	<u>3,364</u>
<i>Expenditures</i>			
Public safety			
Personal services	99,800	90,297	9,503
Supplies and other services	120,300	110,129	10,171
Capital outlay	<u>14,300</u>	<u>6,400</u>	<u>7,900</u>
Total expenditures	<u>234,400</u>	<u>206,826</u>	<u>27,574</u>
Excess of revenues over expenditures	<u>15,800</u>	<u>46,738</u>	<u>30,938</u>
<i>Other Financing (Uses)</i>			
Transfers out	<u>(8,700)</u>	<u>(9,000)</u>	
Total other financing (uses)	<u>(8,700)</u>	<u>(9,000)</u>	
Net change in fund balance	7,100	37,738	30,938
Fund balance, January 1	<u>137,968</u>	<u>137,968</u>	
Fund balance, December 31	<u><u>\$145,068</u></u>	<u><u>\$175,706</u></u>	<u><u>\$30,938</u></u>

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, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Property taxes	\$150,000	\$146,410	(\$3,590)
Intergovernmental revenue		4,409	4,409
Charges for services		201,973	201,973
Investment income		18,434	18,434
Other		940	940
	<u>150,000</u>	<u>372,166</u>	<u>222,166</u>
<i>Expenditures</i>			
Community and economic development			
Personal services	50,000	39,361	10,639
Supplies and other services	100,000	138,722	(38,722)
Capital outlay		153,202	(153,202)
	<u>150,000</u>	<u>331,285</u>	<u>(181,285)</u>
Excess of revenues over expenditures		<u>40,881</u>	<u>40,881</u>
<i>Other Financing Sources (Uses)</i>			
Loans issued		90,046	90,046
Transfers in		61,673	61,673
Transfers out		(43,880)	(43,880)
		<u>107,839</u>	<u>107,839</u>
Net change in fund balance		148,720	148,720
Fund balance, January 1	<u>428,059</u>	<u>428,059</u>	
Fund balance, December 31	<u>\$428,059</u>	<u>\$576,779</u>	<u>\$148,720</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, 2010***

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
<i>Revenues</i>			
Charges for services	\$736,000	\$735,055	(\$945)
Investment income	40,000	26,913	(13,087)
Miscellaneous	1,000	709	(291)
Total revenues	<u>777,000</u>	<u>762,677</u>	<u>(14,323)</u>
<i>Expenditures</i>			
Community and economic development			
Personal services			
Supplies and other services	345,000	308,211	36,789
Capital outlay	1,000	9,445	(8,445)
Total expenditures	<u>346,000</u>	<u>317,656</u>	<u>28,344</u>
Excess of revenues over expenditures	<u>431,000</u>	<u>445,021</u>	<u>14,021</u>
<i>Other Financing (Uses)</i>			
Transfers out	<u>(396,232)</u>	<u>(403,792)</u>	
Net other financing (uses)	<u>(396,232)</u>	<u>(403,792)</u>	
Net change in fund balance	34,768	41,229	14,021
Fund balance, January 1	<u>806,306</u>	<u>806,306</u>	
Fund balance, December 31	<u><u>\$841,074</u></u>	<u><u>\$847,535</u></u>	<u><u>\$14,021</u></u>

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 Assets
Internal Service Funds
December 31, 2010**

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Assets				
Current assets				
Equity in cash pool	\$20,048,908	\$4,107,209	\$745,405	\$24,901,522
Interest receivable	89,716	18,020	3,116	110,852
Inventory - parts and fuel	238,333			238,333
Total current assets	20,376,957	4,125,229	748,521	25,250,707
Noncurrent assets				
Capital assets				
Equipment	13,461,427			13,461,427
Less accumulated depreciation	(8,006,451)			(8,006,451)
Total capital assets, net	5,454,976			5,454,976
Total assets	25,831,933	4,125,229	748,521	30,705,683
Liabilities				
Current liabilities:				
Accounts payable	165,527	1,056		166,583
Accrued wages payable	12,705	230,382		243,087
Current portion of compensated absences		250,000		250,000
Total current liabilities	178,232	481,438		659,670
Noncurrent liabilities:				
Compensated absences		3,466,489		3,466,489
Total liabilities	178,232	3,947,927		4,126,159
Net assets				
Invested in capital assets, net of related debt	5,454,976			5,454,976
Unrestricted	20,198,725	177,302	748,521	21,124,548
Total net assets	\$25,653,701	\$177,302	\$748,521	\$26,579,524

City of Maple Grove, Minnesota

***Combining Statement of Revenues, Expenses and
Changes in Net Assets
Internal Service Funds
For the Year Ended December 31, 2010***

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Operating revenues				
Charges for services	\$1,420,326			\$1,420,326
Benefits charges		\$3,532,087		3,532,087
Equipment replacement charges	1,678,500			1,678,500
Insurance charges			\$521,136	521,136
Miscellaneous income	15,942		77,020	92,962
 Total operating revenues	 <u>3,114,768</u>	 <u>3,532,087</u>	 <u>598,156</u>	 <u>7,245,011</u>
Operating expenses				
Personal services	447,622	3,505,626		3,953,248
Petroleum products	455,718			455,718
Parts and supplies	463,823			463,823
Professional services		10,800	13,188	23,988
Repairs and maintenance	11,963			11,963
Depreciation	844,477			844,477
Equipment reimbursement	3,900			3,900
Insurance	2,880		418,410	421,290
Computer service	23,880			23,880
Other expense	166,071			166,071
 Total operating expenses	 <u>2,420,334</u>	 <u>3,516,426</u>	 <u>431,598</u>	 <u>6,368,358</u>
 Operating income	 <u>694,434</u>	 <u>15,661</u>	 <u>166,558</u>	 <u>876,653</u>
Nonoperating income				
Investment income	716,494	143,914	24,883	885,291
Gain on sale of assets	16,854			16,854
 Total nonoperating income	 <u>733,348</u>	 <u>143,914</u>	 <u>24,883</u>	 <u>902,145</u>
 Net income before transfers	 <u>1,427,782</u>	 <u>159,575</u>	 <u>191,441</u>	 <u>1,778,798</u>
Transfers in	962,000			962,000
Transfers out	(160,001)			(160,001)
 Change in net assets	 <u>2,229,781</u>	 <u>159,575</u>	 <u>191,441</u>	 <u>2,580,797</u>
Net assets, January 1	<u>23,423,920</u>	<u>17,727</u>	<u>557,080</u>	<u>23,998,727</u>
Net assets, December 31	<u><u>\$25,653,701</u></u>	<u><u>\$177,302</u></u>	<u><u>\$748,521</u></u>	<u><u>\$26,579,524</u></u>

City of Maple Grove, Minnesota

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010**

	Central Equipment Fund	Employee Benefits Fund	Insurance Fund	Total
Cash flows from operating activities				
Receipts from users	\$3,098,826	\$3,532,087	\$521,136	\$7,152,049
Payments to vendors	(1,063,419)	(314,095)	(486,948)	(1,864,462)
Payments to employees	(448,261)	(2,938,535)		(3,386,796)
Other receipts	15,942		77,020	92,962
Net cash provided by operating activities	1,603,088	279,457	111,208	1,993,753
Cash flows from investing activities				
Investment income	755,174	153,116	25,708	933,998
Cash flows from capital financing activities				
Acquisition of capital assets	(403,008)			(403,008)
Proceeds from sale of equipment	22,310			22,310
Net cash used by capital financing activities	(380,698)			(380,698)
Cash flows from noncapital financing activities				
Transfers in	962,000			962,000
Net cash provided by noncapital financing activities	962,000			962,000
Increase in equity in cash pool	2,939,564	432,573	136,916	3,509,053
Cash and cash equivalents, January 1	17,109,344	3,674,636	608,489	21,392,469
Cash and cash equivalents, December 31	\$20,048,908	\$4,107,209	\$745,405	\$24,901,522
Reconciliation of operating income (loss) to cash provided (used) by operating activities				
Operating income (loss)	\$694,434	\$15,661	\$166,558	\$876,653
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	844,477			844,477
Change in assets and liabilities:				
Decrease in accounts receivable		1,896		1,896
(Increase) in inventory	(7,896)			(7,896)
Increase (decrease) in accounts payable	72,712	1,056	(55,350)	18,418
Increase (decrease) in wages payable	(639)	58,104		57,465
Increase in compensated absences		202,740		202,740
Net cash provided by operating activities	\$1,603,088	\$279,457	\$111,208	\$1,993,753
Noncash capital financing activities				
Transfer of equipment to other funds	(\$160,001)			(\$160,001)



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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 Fiduciary Net Assets
Agency Funds
For the Year Ended December 31, 2010**

	Balance 1/1/10	Additions	Deductions	Balance 12/31/10
PUPS Impound Facility Fund				
Assets				
Equity in cash pool	\$43,518	\$163,607	\$165,425	\$41,700
Interest receivable	323		121	202
Intergovernmental receivable	8,969	127,932	119,908	16,993
	<u>\$52,810</u>	<u>\$291,539</u>	<u>\$285,454</u>	<u>\$58,895</u>
Liabilities				
Accounts payable	\$3,588	\$46,033	\$45,121	\$4,500
Accrued wages payable	3,079	3,412	3,079	3,412
Due to other governments	46,143	4,840		50,983
	<u>\$52,810</u>	<u>\$54,285</u>	<u>\$48,200</u>	<u>\$58,895</u>
Deposit and Escrow Fund				
Assets				
Equity in cash pool	\$8,078,523	\$4,792,000	\$1,798,864	\$11,071,659
Interest receivable	62,004	42,776	62,004	42,776
Accounts receivable	415		415	
	<u>\$8,140,942</u>	<u>\$4,834,776</u>	<u>\$1,861,283</u>	<u>\$11,114,435</u>
Liabilities				
Accounts payable	\$42,715	\$1,162,919	\$1,184,423	\$21,211
Deposits	8,098,227	5,230,978	2,235,981	11,093,224
	<u>\$8,140,942</u>	<u>\$6,393,897</u>	<u>\$3,420,404</u>	<u>\$11,114,435</u>
Total Agency Funds				
Assets				
Equity in cash pool	\$8,122,041	\$4,955,607	\$1,964,289	\$11,113,359
Interest receivable	62,327	42,776	62,125	42,978
Accounts receivable	415		415	
Intergovernmental receivable	8,969	127,932	119,908	16,993
	<u>\$8,193,752</u>	<u>\$5,126,315</u>	<u>\$2,146,737</u>	<u>\$11,173,330</u>
Liabilities				
Accounts payable	\$46,303	\$1,208,952	\$1,229,544	\$25,711
Accrued wages payable	3,079	3,412	3,079	3,412
Due to other governments	46,143	4,840		50,983
Deposits	8,098,227	1,705,154	1,501,703	11,093,224
	<u>\$8,193,752</u>	<u>\$2,922,358</u>	<u>\$2,734,326</u>	<u>\$11,173,330</u>

**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 Assets by Component
- Changes in Net Assets
- 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 Debt Service General Obligation 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
- Capital Asset Statistics by Function



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City of Maple Grove, Minnesota
Net Assets by Component
Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$11,027,375	\$42,982,901	\$52,262,895	\$103,336,820	\$130,735,237	\$149,779,041	\$167,381,538	\$182,337,377	\$174,868,239
Restricted	11,474,961	8,104,814	16,230,200	24,869,382	27,793,716	20,780,485	18,201,546	17,887,602	21,367,271
Unrestricted	82,459,047	84,465,062	97,146,788	125,689,944	186,788,865	204,398,673	204,015,343	207,519,440	205,518,552
Total governmental activities net assets	<u>\$104,961,383</u>	<u>\$135,552,777</u>	<u>\$165,639,883</u>	<u>\$253,896,146</u>	<u>\$345,317,818</u>	<u>\$374,958,199</u>	<u>\$389,598,427</u>	<u>\$407,744,419</u>	<u>\$401,754,062</u>
Business-type activities									
Invested in capital assets, net of related debt	\$97,393,692	\$91,596,054	\$98,795,469	\$102,278,455	\$113,483,516	\$118,791,954	\$119,256,180	\$125,677,718	\$123,903,828
Unrestricted	54,604,585	65,441,780	62,448,267	59,153,150	55,792,608	58,617,940	60,228,238	60,289,606	60,626,489
Total business-type activities net assets	<u>\$151,998,277</u>	<u>\$157,037,834</u>	<u>\$161,243,736</u>	<u>\$161,431,605</u>	<u>\$169,276,124</u>	<u>\$177,409,894</u>	<u>\$179,484,418</u>	<u>\$185,967,324</u>	<u>\$184,530,317</u>
Primary government									
Invested in capital assets, net of related debt	\$108,421,067	\$134,578,955	\$151,058,364	\$205,615,275	\$130,735,237	\$268,570,995	\$286,637,718	\$308,015,095	\$298,772,067
Restricted	11,474,961	8,104,814	16,230,200	24,869,382	27,793,716	20,780,485	18,201,546	17,887,602	21,367,271
Unrestricted	137,063,632	149,906,842	159,595,055	184,843,094	145,681,813	263,016,613	264,243,581	267,809,046	266,145,041
Total primary government net assets	<u>\$256,959,660</u>	<u>\$292,590,611</u>	<u>\$326,883,619</u>	<u>\$415,327,751</u>	<u>\$304,210,766</u>	<u>\$552,368,093</u>	<u>\$569,082,845</u>	<u>\$593,711,743</u>	<u>\$586,284,379</u>

City of Maple Grove, Minnesota
Changes in Net Assets
Last Nine Fiscal Years

1 of 2

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$6,026,324	\$6,209,907	\$6,310,607	\$6,524,231	\$6,635,443	\$6,710,625	\$7,883,652	\$7,974,048	\$8,557,263
Community and economic development	1,760,585	1,903,346	2,091,462	1,754,111	1,936,785	2,275,419	3,359,651	2,054,999	8,009,935
Public safety	9,092,187	9,632,493	10,187,272	10,778,857	11,182,196	12,068,870	13,609,638	12,576,798	13,779,449
Public works	14,548,322	9,540,290	12,568,990	20,124,632	18,889,312	25,715,614	19,479,198	19,220,390	43,076,462
Parks and recreation	3,871,769	3,823,202	4,103,179	4,444,326	4,597,008	4,795,130	5,194,021	5,303,239	5,183,201
Transit	2,210,747	2,352,187	2,225,830	2,901,835	3,295,316	3,431,694	4,116,581	4,216,219	4,150,416
Conservation of natural resources	361,795	398,858	346,687	475,116	340,781	379,968	550,414	521,767	559,027
Interest on long-term debt	3,669,809	3,238,471	3,222,312	2,909,746	3,031,791	5,616,080	4,484,315	4,208,305	4,239,490
Total governmental activities expenses	<u>41,541,538</u>	<u>37,098,754</u>	<u>41,056,339</u>	<u>49,912,854</u>	<u>49,908,632</u>	<u>60,993,400</u>	<u>58,677,470</u>	<u>56,075,765</u>	<u>87,555,243</u>
Business-type activities:									
Water	3,143,819	3,545,945	3,985,367	4,090,260	4,326,375	4,850,728	5,233,044	4,832,677	4,848,011
Sewer	4,161,707	4,602,220	4,666,169	5,018,582	5,162,048	5,121,982	5,434,063	5,896,882	6,077,160
Community center	2,584,012	2,628,815	2,750,242	2,860,023	2,906,179	2,942,142	3,099,746	3,377,494	3,429,699
Street lighting	408,310	458,827	467,624	519,418	605,991	626,142	669,470	718,556	648,232
Total business-type activities expenses	<u>10,297,848</u>	<u>11,235,807</u>	<u>11,869,402</u>	<u>12,488,283</u>	<u>13,000,593</u>	<u>13,540,994</u>	<u>14,436,323</u>	<u>14,825,609</u>	<u>15,003,102</u>
Total primary government expenses	<u>\$51,839,386</u>	<u>\$48,334,561</u>	<u>\$52,925,741</u>	<u>\$62,401,137</u>	<u>\$62,909,225</u>	<u>\$74,534,394</u>	<u>\$73,113,793</u>	<u>\$70,901,374</u>	<u>\$102,558,345</u>
Program Revenues									
Governmental activities:									
Charges for services									
General government	\$801,834	\$914,270	\$1,075,076	\$1,331,186	\$908,534	\$2,442,861	\$978,139	\$1,609,142	\$2,351,033
Community and economic development	1,110,642	2,977,649	978,213	1,052,887	1,010,922	1,023,632	1,004,620	1,228,484	1,065,895
Public safety	3,034,266	3,412,756	3,899,401	3,253,616	4,230,523	3,444,263	3,172,619	2,336,819	2,651,515
Public works	1,019,435	2,540,592	2,868,927	2,113,463	2,092,357	2,065,901	1,475,185	1,913,768	1,894,502
Parks and recreation	1,758,620	1,187,203	1,658,983	1,284,811	1,341,946	1,326,074	1,350,197	1,406,203	1,366,309
Transit	844,471	841,146	902,132	1,067,313	1,263,488	1,387,805	2,251,062	2,002,289	1,910,577
Conservation of natural resources	2,046	12,276	85,838						
Operating grants and contributions	3,091,912	4,002,370	4,010,524	3,637,350	3,898,108	4,057,307	4,470,791	4,560,542	4,277,431
Capital grants and contributions	23,007,255	31,425,135	30,630,232	19,751,865	97,400,854	39,529,861	21,298,830	30,838,521	26,438,300
Total governmental activities program revenues	<u>34,670,481</u>	<u>47,313,397</u>	<u>46,109,326</u>	<u>33,492,491</u>	<u>112,146,732</u>	<u>55,277,704</u>	<u>36,001,443</u>	<u>45,895,768</u>	<u>41,955,562</u>
Business-type activities:									
Charges for services									
Water	2,801,346	3,382,326	3,221,352	3,260,608	3,684,391	3,926,313	3,568,068	3,608,799	3,416,715
Sewer	3,805,656	4,825,942	3,773,865	4,081,613	4,897,055	4,056,499	4,072,410	3,946,097	4,009,389
Community center	1,645,298	1,597,032	1,698,479	1,709,711	1,817,857	1,714,637	1,833,970	2,168,137	2,256,660
Street lighting	509,314	531,484	544,433	531,484	602,025	621,917	617,178	622,714	655,409
Capital grants and contributions	5,636,808	5,092,748	6,081,254	4,460,372	7,938,260	8,641,406	3,431,470	1,668,806	1,611,080
Total business-type activities expenses	<u>14,398,422</u>	<u>15,429,532</u>	<u>15,319,383</u>	<u>14,114,329</u>	<u>18,959,480</u>	<u>18,956,033</u>	<u>13,528,632</u>	<u>12,029,312</u>	<u>11,949,253</u>
Total primary government revenues	<u>\$49,068,903</u>	<u>\$62,742,929</u>	<u>\$61,428,709</u>	<u>\$47,606,820</u>	<u>\$131,106,212</u>	<u>\$74,233,737</u>	<u>\$49,530,075</u>	<u>\$57,925,080</u>	<u>\$53,904,815</u>
Net (expense)/revenue									
Governmental activities	(\$6,871,057)	\$10,214,643	\$5,052,987	(\$16,420,363)	\$62,238,100	(\$5,715,696)	(\$22,676,027)	(\$10,179,997)	(\$45,599,681)
Business-type activities	4,100,574	4,193,725	3,449,981	1,626,046	5,958,887	5,415,039	(907,691)	(2,796,297)	(3,053,849)
Total primary government net (expense)/revenue	<u>(\$2,770,483)</u>	<u>\$14,408,368</u>	<u>\$8,502,968</u>	<u>(\$14,794,317)</u>	<u>\$68,196,987</u>	<u>(\$300,657)</u>	<u>(\$23,583,718)</u>	<u>(\$12,976,294)</u>	<u>(\$48,653,530)</u>

City of Maple Grove, Minnesota
Changes in Net Assets
Last Eight Fiscal Years

2 of 2

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Sources in Net Assets									
Governmental activities:									
Property taxes levied for general purpose	\$14,377,415	\$15,566,380	\$16,201,251	\$18,342,197	\$20,020,563	\$21,962,101	\$23,977,292	\$24,972,780	\$29,446,638
Property taxes levied for debt service	1,232,541	1,346,561	1,943,876	1,443,866	1,435,618	1,491,775	1,648,396	2,325,278	1,565,189
Property taxes levied for housing and redevelopment	140,023	141,662	141,982	143,314	143,548	143,399	145,240	143,297	146,410
Property taxes from tax increments	2,157,054	2,470,864	2,169,474	2,008,251	2,123,098	2,849,085	2,963,942	2,887,342	1,896,593
Other taxes	121,542	149,315	181,345	138,176	124,396	140,198	220,199	628,413	823,729
Grants and contributions not restricted to specific programs	1,300,595	17,705	6,304	6,855	19,960	794,463	387,805	7,670	7,711
Investment income	6,810,417	2,369,304	2,433,698	1,955,485	4,714,497	7,211,656	7,445,449	4,555,024	5,113,134
Gain on sale of capital assets	8,174	26,237	745		392	43,000	53,473	85,160	16,854
Transfers	(87,008)	667,876	955,444	2,748,000	601,500	720,400	474,459	(7,278,975)	593,066
Total governmental activities	26,060,753	22,755,904	24,034,119	26,786,144	29,183,572	35,356,077	37,316,255	28,325,989	39,609,324
Business-type activities									
Investment income	3,836,734	1,513,708	1,711,365	1,309,823	2,487,132	3,439,131	3,456,674	2,000,228	2,209,908
Transfers	87,008	(667,876)	(955,444)	(2,748,000)	(601,500)	(720,400)	(474,459)	7,278,975	(593,066)
Total business-type activities	3,923,742	845,832	755,921	(1,438,177)	1,885,632	2,718,731	2,982,215	9,279,203	1,616,842
Total primary government	\$29,984,495	\$23,601,736	\$24,790,040	\$25,347,967	\$31,069,204	\$38,074,808	\$40,298,470	\$37,605,192	\$41,226,166
Change in Net Assets									
Governmental activities	\$19,189,696	\$32,970,547	\$29,087,106	\$10,365,781	\$91,421,672	\$29,640,381	\$14,640,228	\$18,145,992	(\$5,990,357)
Business-type activities	8,024,316	5,039,557	4,205,902	187,869	7,844,519	8,133,770	2,074,524	6,482,906	(1,437,007)
Total primary government	\$27,214,012	\$38,010,104	\$33,293,008	\$10,553,650	\$99,266,191	\$37,774,151	\$16,714,752	\$24,628,898	(\$7,427,364)

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	\$77,194	\$8,150	\$41,395	\$45,222	\$3,043	\$55,359	\$45,422	\$35,374	\$40,430
Unreserved	3,334,093	3,739,427	3,710,699	3,988,104	4,831,637	5,769,425	6,358,102	6,723,213	6,838,489
Total general fund	<u>\$3,411,287</u>	<u>\$3,747,577</u>	<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>
All other governmental funds									
Reserved	\$8,077,448	\$5,469,282	\$12,575,062	\$18,694,609	\$18,949,053	\$10,097,580	\$6,853,289	\$7,817,145	\$13,598,466
Unreserved									
Special revenue funds	6,016,426	6,565,446	8,738,002	12,676,818	16,296,393	19,703,665	22,478,003	22,517,793	20,782,310
Debt service funds	(2,025,901)	2,476,473	1,458,365	(279,238)	(852,743)	(2,238,132)	(2,649,215)	(540,922)	
Capital projects funds	23,847,385	14,706,734	26,107,962	14,753,520	50,439,429	59,411,248	57,737,807	63,715,177	86,985,991
Total all other governmental funds	<u>\$35,915,358</u>	<u>\$29,217,935</u>	<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>\$121,366,767</u>

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2009	2009	2010
Revenues									
Property taxes	\$15,871,521	\$17,203,918	\$18,468,454	\$20,067,553	\$21,724,125	\$23,737,473	\$25,991,127	\$28,069,768	\$31,981,966
Tax increments	2,157,054	2,470,864	2,169,474	2,009,251	2,123,098	2,849,085	2,963,942	2,887,342	1,896,593
Special assessments	18,433,937	14,226,327	26,472,300	16,713,944	27,297,144	27,750,719	18,736,278	22,575,738	21,936,944
Licenses, permits and fees	3,372,362	4,556,671	4,575,663	6,277,386	7,002,868	5,079,224	3,702,296	2,797,015	2,685,267
Intergovernmental revenue	8,672,825	13,383,545	10,519,326	4,422,400	4,996,166	6,353,825	5,710,980	17,297,099	12,005,703
Charges for services	4,345,430	4,459,307	4,659,006	5,062,833	5,284,247	6,802,580	5,858,396	6,316,158	6,396,471
Fines and forfeits	441,418	505,811	480,192	453,380	430,669	398,739	355,726	393,176	420,732
Investment income	5,797,155	1,978,043	2,011,892	1,606,555	3,420,663	5,695,032	6,130,153	3,819,071	4,227,843
Other	1,635,470	3,753,628	4,204,170	2,398,762	3,438,532	3,032,050	1,614,407	5,689,839	9,183,556
Total revenues	60,727,172	62,538,114	73,560,477	59,012,064	75,717,512	81,698,727	71,063,305	89,845,206	90,735,075
Expenditures									
General government	5,129,619	5,198,598	5,353,524	5,584,296	5,801,351	5,758,693	6,451,615	7,070,576	7,233,115
Community and economic development	1,062,329	965,651	1,645,764	1,614,009	1,686,934	1,325,923	1,575,624	1,303,763	1,171,139
Public safety	8,675,647	9,171,009	10,064,386	10,560,762	11,260,266	12,100,085	12,862,431	13,220,667	13,699,087
Public works	3,423,838	3,520,474	3,712,138	4,513,605	4,373,810	5,167,803	4,823,114	5,199,195	5,218,328
Conservation of natural resources	173,690	203,976	235,738	266,311	340,781	379,968	550,414	521,767	559,027
Parks and recreation	4,173,722	6,080,507	4,626,770	5,036,142	4,995,518	5,235,874	5,480,466	5,307,632	7,773,913
Transit	3,648,169	9,813,566	4,587,150	2,557,742	3,080,605	3,240,809	3,779,685	10,034,251	6,682,553
Miscellaneous	185,505	194,882	108,726	184,083	108,317	117,720	164,423	390,822	206,855
Interest	2,032,902	1,186,341	1,262,955	1,134,797	1,349,910	1,772,944	1,144,759	927,889	358,278
Capital outlay	36,152,998	28,447,343	22,721,310	32,687,585	45,286,421	29,043,962	28,127,136	30,526,906	31,915,362
Debt service:									
Principal retirement	3,970,000	8,245,000	7,650,000	7,197,130	3,440,893	3,670,000	4,265,000	7,437,545	5,540,000
Interest and fiscal fees	3,937,803	3,309,282	3,181,351	3,129,140	2,414,958	4,492,445	4,459,531	4,374,190	4,251,087
Bond issuance costs		52,685	47,254	184,439	101,891	28,678	49,351	41,094	154,768
Payment to refunded bond escrow agent				2,029,998					
Total expenditures	72,566,222	76,389,314	65,197,066	76,680,039	84,241,655	72,334,904	73,733,549	86,356,297	84,763,512
Excess (deficiency) of revenues over expenditures	(11,839,050)	(13,851,200)	8,363,411	(17,667,975)	(8,524,143)	9,363,823	(2,670,244)	3,488,909	5,971,563
Other Financing Sources (Uses)									
Proceeds from certificates of indebtedness issued			590,000				590,000		
Bonds issued		6,945,000	4,280,000	1,350,000	45,535,000	3,310,000	3,585,000	3,720,000	16,925,000
Refunding bonds issued			5,650,000	30,890,000			655,000		5,425,000
Premium on bonds issued		(81,733)	150,287	1,108,625	1,863,055		3,929		71,547
Discount on bonds issued					(29,445)	(37,764)	(11,716)	(36,414)	(205,250)
Loans issued	3,996,243	44,000	56,000			95,000	100,000	100,000	90,046
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	17,561,119	18,231,720	11,149,398	26,244,855	11,405,573	8,193,370	17,547,947	46,113,863	14,424,310
Transfers out	(17,906,127)	(17,648,920)	(10,573,123)	(23,558,855)	(10,866,073)	(7,534,970)	(17,135,488)	(45,418,863)	(14,724,310)
Total other financing sources (uses)	3,651,235	7,490,067	11,302,562	14,916,525	48,311,920	(6,231,490)	694,507	5,955,463	22,006,343
Net change in fund balances	(\$8,187,815)	(\$6,361,133)	\$19,665,973	(\$2,751,450)	\$39,787,777	\$3,132,333	(\$1,975,737)	\$9,444,372	\$27,977,906
Debt service as a percentage of noncapital expenditures	17.7%	26.4%	23.7%	24.2%	13.3%	15.0%	17.6%	19.2%	12.2%

City of Maple Grove, Minnesota
Assessed Value/Tax Capacity and
Estimated Market Value of Taxable Property ¹
Last Ten Fiscal Years
(amounts in thousands)

	Taxes Payable 2001	Taxes Payable 2002	Taxes Payable 2003	Taxes Payable 2004	Taxes Payable 2005	Taxes Payable 2006	Taxes Payable 2007	Taxes Payable 2008	Taxes Payable 2009	Taxes Payable 2010
<u>Real property</u>										
Estimated market value	\$ 3,408,754	\$ 4,011,367	\$ 4,756,679	\$ 5,337,032	\$ 6,053,256	\$ 6,731,368	\$ 7,461,267	\$ 8,157,060	\$ 8,269,689	\$ 7,930,265
Tax capacity	57,419	46,155	52,473	60,000	69,370	77,066	86,843	97,171	100,183	95,697
<u>Personal property</u>										
Estimated market value	36,330	39,336	42,511	45,565	48,077	49,415	54,138	54,928	57,332	58,579
Tax capacity	1,220	778	841	903	952	978	1,071	1,090	1,137	1,161
<u>Total before adjustments</u>										
Estimated market value	3,445,084	4,050,703	4,799,190	5,382,597	6,101,333	6,780,783	7,515,405	8,211,988	8,327,021	7,988,844
Tax capacity	58,639	46,933	53,314	60,903	70,322	78,044	87,914	98,261	101,320	96,858
<u>Adjustments to tax capacity</u>										
Area wide allocation - Fiscal disparities	(1,629)	(1,522)	(1,917)	(2,161)	(2,463)	(3,377)	(3,188)	(4,281)	(5,891)	(6,641)
Tax increment districts	(3,964)	(1,748)	(1,960)	(2,107)	(1,950)	(2,114)	(3,113)	(3,345)	(3,306)	(2,332)
Other adjustments	(6)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Net tax capacity	<u>\$53,040</u>	<u>\$43,660</u>	<u>\$49,434</u>	<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>
Direct tax capacity rates	23.780	37.060	35.200	32.980	30.677	30.272	30.169	29.318	31.259	33.845
Direct market value rates ²	0.01491	0.01295	0.01121	0.00986	0.00855	0.00763	0.00000	0.00000	0.00000	0.00000
Percent of total tax capacity to estimated market value	1.70%	1.16%	1.11%	1.13%	1.15%	1.15%	1.17%	1.20%	1.22%	1.21%

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	School Districts ³		Hennepin County	Other Agencies ¹	Total School District	Total School District
			No. 279	No. 284			No. 279	No. 284
<u>Tax Rates - (Per \$100 of Tax Capacity)</u>								
2001		23.780	56.860	46.390	37.624	7.640	125.904	115.434
2002		37.060	30.090	26.790	50.410	7.720	125.280	121.980
2003		35.200	35.040	23.260	50.610	8.058	128.908	117.128
2004		32.980	23.710	22.115	47.324	7.750	111.764	110.169
2005		30.677	24.336	20.706	44.172	7.608	106.793	103.163
2006		30.272	21.815	21.893	41.016	7.204	100.307	100.385
2007		30.169	23.758	20.245	39.110	7.493	100.530	97.017
2008		29.318	19.710	19.668	38.571	7.827	95.426	95.384
2009		31.259	21.033	20.406	40.413	7.317	100.022	99.395
2010		33.845	22.381	23.311	42.640	8.310	107.176	108.106
<u>Market Rates - (Per \$100 of Market Value)²</u>								
2001		0.01491	0.15376	0.20193	0.01857	0.00000	0.18724	0.23541
2002		0.01295	0.06264	0.14967	0.01906	0.00000	0.09465	0.18168
2003		0.01121	0.23035	0.13342	0.01899	0.00000	0.26055	0.16362
2004		0.00986	0.16958	0.13197	0.01786	0.00000	0.19730	0.15969
2005		0.00855	0.15982	0.12073	0.01595	0.00000	0.18432	0.14523
2006		0.00763	0.17045	0.16646	0.01585	0.00000	0.19393	0.18994
2007		0.00000	0.17155	0.15343	0.01571	0.00000	0.18726	0.16914
2008		0.00000	0.20475	0.14739	0.01584	0.00000	0.22059	0.16323
2009		0.00000	0.20487	0.16882	0.01096	0.00000	0.21583	0.17978
2010		0.00000	0.21123	0.16396	0.00000	0.00000	0.21123	0.16396

¹ Includes Mosquito Control, Metropolitan Council, Metropolitan Transit, Park Museum, Hennepin County Parks, 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	2010			2001		
		(1) Tax Capacity	Rank	% of Total Tax Capacity	(1) Tax Capacity	Rank	% of Total Tax Capacity
Kimco LLC	Commercial	\$2,899,731	1	3.3 %			
Prudential Insurance Company	Commercial	1,634,702	2	1.9			
Boston Scientific/SciMed	Industrial	1,471,940	3	1.7	\$1,415,613	2	2.7 %
North Memorial Health Care	Commercial	646,092	4	0.7			
Fairview Health Services	Commercial	641,504	5	0.7			
DDRA Maple Grove Crossing	Commercial	544,250	6	0.6	854,606	4	1.6
Xcel Energy	Utilities	524,966	7	0.6	904,540	3	1.7
Ryan Companies	Commercial	507,334	8	0.6			
Peak Limited Partnership	Industrial	432,520	9	0.5			
Great River Energy	Commercial	421,264	10	0.5			
Opus Northwest	Commercial				1,678,356	1	3.2
Tiller Corporation	Gravel Mining				708,771	5	1.3
Grove Square LTD	Commercial				466,115	6	0.9
Mallard Ridge/Bigos LLP	Apartment				417,761	7	0.8
Told Dev Co	Industrial				391,789	8	0.7
First Industrial Securities	Industrial				360,929	9	0.7
Riley Family Eagle Lake Ltd.	Apartment				354,650	10	0.7
Total tax capacity principal property taxpayers		<u>\$ 9,724,303</u>		<u>11.1 %</u>	<u>\$ 7,553,130</u>		<u>14.2 %</u>
Net tax capacity for the city, after fiscal disparities and tax increment adjustments		<u>\$ 87,882,753</u>			<u>\$ 53,040,054</u>		

(1) Property values as of January 2 of the preceding year for taxes payable in 2010 and 2001.

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
2001	\$13,389	(\$67)	\$13,322	(\$19)	\$13,303	\$13,218	99.2 %	\$85	\$13,303	100.0 %
2002	15,828	(34)	15,794	(119)	15,675	15,667	99.2	8	15,675	100.0
2003	17,128	(78)	17,050	(48)	17,002	16,941	99.4	61	17,002	100.0
2004	18,442	(23)	18,419	(70)	18,349	18,298	99.3	44	18,342	100.0
2005	20,119	(56)	20,063	(75)	19,988	19,896	99.2	81	19,977	99.9
2006	21,806	(13)	21,793	(60)	21,733	21,502	98.7	221	21,723	100.0
2007	24,001	(70)	23,931	(85)	23,846	23,511	98.2	313	23,824	99.9
2008	26,014	(109)	25,905	(152)	25,753	25,459	98.3	249	25,708	99.8
2009	28,009	(253)	27,756	(119)	27,637	27,231	98.1	221	27,452	99.3
2010	28,843	(64)	28,779	0	28,779	28,439	98.8	0	28,439	98.8

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		
2001	\$6,229	\$6,140	98.6 %	\$89	\$6,229	100.0 %	\$10,637	\$27,031
2002	6,539	6,314	96.6	225	6,539	100.0	13,104	18,560
2003	6,377	6,237	97.8	140	6,377	100.0	7,717	18,107
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	6,550	6,211	94.8	335	6,546	99.9	21,030	88,508
2007	11,126	10,652	95.7	468	11,120	99.9	15,916	39,847
2008	12,603	11,066	87.8	1,284	12,350	98.0	7,186	20,003
2009	14,323	12,481	87.1	1,249	13,730	95.9	9,528	10,001
2010	12,527	11,933	95.3	0	11,933	95.3	7,815	6,436

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 Activates						Business-type Activates	Total Primary Government	Percentage of Personal Income ¹	Per Capita
	Tax Increment Bonds	Special Assessment Bonds	Road Reconstruction Bonds	HRA Housing Bonds	General Obligation Bonds	State Aid Street Bonds	Revenue Bonds			
2001	\$4,325	\$21,450	\$18,970	\$4,205	\$22,225	\$1,255	\$7,705	\$80,135	3.98 %	\$1,531
2002	4,155	19,355	18,415	4,030	21,650	855	7,345	75,805	3.60	1,404
2003	4,065	16,995	20,750	3,925	20,995	430	17,525	84,685	4.21	1,532
2004	475	15,620	29,900	3,720	20,315	-	17,285	87,315	4.21	1,538
2005	385	22,665	28,730	3,495	17,540	-	15,710	88,525	4.10	1,515
2006	290	64,925	29,955	3,265	16,915	-	13,975	129,325	5.95	2,211
2007	195	57,690	27,995	3,030	15,840	-	12,200	116,950	5.21	1,967
2008	100	52,105	30,220	2,780	14,885	-	10,765	110,855	4.92	1,850
2009	-	49,605	32,445	2,525	13,890	-	9,285	107,750	4.78	1,720
2010	-	47,065	37,585	4,265	26,360	-	7,755	123,030	5.08	1,998

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

¹ See the Schedule of Demographic and Economic Statistics on page 116 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	Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage of Estimated Taxable Value ¹ of Property	Per Capita ²
2001	\$22,225	3,444	\$18,781	0.55 %	\$348
2002	21,650	3,154	18,496	0.46	343
2003	20,995	3,182	17,813	0.37	322
2004	20,315	3,233	17,082	0.32	301
2005	17,540	1,306	16,234	0.27	278
2006	16,915	1,502	15,413	0.23	264
2007	15,840	1,222	14,618	0.19	246
2008	14,885	1,252	13,633	0.17	227
2009	13,890	1,334	12,556	0.15	200
2010	26,360	1,285	25,075	0.31	407

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 106 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 116.

City of Maple Grove, Minnesota
Direct and Overlapping Governmental Activities Debt
December 31, 2010
(amounts in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to Maple Grove</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Governmental Units:			
Hennepin County	\$683,935	5.93 %	\$40,557
School District #279	216,250	56.79	122,808
School District #284	49,900	4.94	2,465
Metropolitan Council	181,079	2.50	4,527
Hennepin Parks	67,630	7.97	5,390
Hennepin Regional Rail Road	39,571	5.93	<u>2,347</u>
Total Overlapping Debt			<u>178,094</u>
City of Maple Grove Direct Debt			<u>25,075</u>
Total Direct and Overlapping Debt			<u>\$ 203,169</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$68,175	\$80,233	\$95,984	\$107,652	\$121,065	\$134,627	\$149,225	\$244,712	\$248,091	\$237,908
Total net direct applicable to limit ²	17,953	30,203	17,717	17,082	16,234	15,413	25,218	13,633	12,638	25,075
Legal debt margin	50,222	50,030	78,267	90,570	104,831	119,214	124,007	231,079	235,453	212,833
Total net debt applicable to the limit as a percentage of debt limit	26.33%	37.64%	18.46%	15.87%	13.41%	11.45%	16.90%	5.57%	5.09%	10.54%

Legal Debt margin Calculation for Fiscal Year 2010

Estimated market value	\$ 7,930,265
Debt limit (3% of estimated market value)	237,908
Amount of debt applicable to debt limit	
Total bonded debt ¹	\$ 115,275
Less debt not subject to debt limit:	
Amount available for retirement	
of general obligation bonds	(1,285)
Special assessment bonds	(47,065)
Road reconstruction bonds	(37,585)
Housing bonds	(4,265)
Total net direct applicable to limit	<u>25,075</u>
Legal debt margin	<u>\$ 212,833</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	
2001	\$6,815	\$702	\$6,113	\$335	\$130	13.15
2002	6,672	1,767	4,905	360	264	7.86
2003	5,739	1,983	3,756	580	324	4.16
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	2,558	1,480	385	1.37
2010	5,562	2,729	2,834	1,530	335	1.52

Fiscal Year	HRA Housing Bonds					
	Revenues ³	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$757	\$233	\$524	\$165	\$227	1.34
2002	746	254	492	175	220	1.25
2003	745	261	484	180	186	1.32
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	157	605	255	103	1.69
2010	763	200	563	270	94	1.55

Fiscal Year	Road Reconstruction Bonds				
	Revenues ⁴	City Share ⁵	Debt Service		Coverage
			Principal	Interest	
2001	\$952	\$0	\$530	\$678	0.79
2002	1,458	0	555	833	1.05
2003	1,598	0	685	866	1.03
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	1,241	1.09

Fiscal Year	Special Assessment Bonds			
	Revenues ⁴	Debt Service		Coverage
		Principal	Interest	
2001	\$7,811	\$8,070	\$1,240	0.84
2002	2,065	2,095	1,010	0.67
2003	2,226	2,360	905	0.68
2004	1,764	1,375	917	0.77
2005	1,756	3,140	703	0.46
2006	578	1,010	597	0.36
2007	4,876	1,020	2,559	1.36
2008	494	1,015	414	0.35
2009	503	965	358	0.38
2010	480	950	319	0.38

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.

⁶ Includes \$4,645,000 of bonds called.

***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>
2001	52,350	\$2,014,480	\$38,481	32.0	10,274	3.4 %
2002	54,000	2,108,538	39,047	34.5	10,166	3.2
2003	55,278	2,013,004	36,416	35.6	9,796	3.2
2004	56,754	2,071,748	36,504	35.5	9,723	2.8
2005	58,420	2,158,970	36,956	36.2	9,655	2.7
2006	58,491	2,173,292	37,156	36.5	9,627	3.0
2007	59,458	2,245,550	37,767	36.5	9,638	3.5
2008	59,932	2,252,065	37,577	36.8	9,360	5.0
2009	62,660	2,385,967	38,078	37.0	9,229	5.9
2010	61,567	2,422,415	39,346	37.2	9,350	5.4

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	2010			2001		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Independent School District #279	3,019	1	8.3 %	3,310	1	9.7 %
Boston Scientific/SciMed	3,000	2	8.3	2,500	2	7.3
United Parcel Service	750	3	2.1			
Data Recognition Corporation	577	4	1.6			
Minneapolis Auto Auction	400	5	1.1			
Wal Mart/Sams Club	400	6	1.1	300	7	0.9
City of Maple Grove	312	7	0.9	286	8	0.8
R.R. Donnelly & Sons Company	350	8	1.0	350	3	1.0
Target	277	9	0.8			
Tiller Corporation	250	10	0.7			
Gannett Offset				300	4	0.9
Barbarosa & Sons				300	5	0.9
Hanson Spancrete Midwest				300	6	0.9
Cub Foods				270	9	0.8
Byerly's				270	10	0.8
Total	<u>9,335</u>		<u>25.7 %</u>	<u>8,186</u>		<u>23.9 %</u>
Total Employment ¹	<u>36,329</u>			<u>34,229</u>		
Total Labor Force ¹	<u>38,391</u>			<u>35,427</u>		
Unemployment Rate ¹	<u>5.4%</u>			<u>3.4%</u>		

¹ Minnesota Department of Employment and Economic Development

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Administration	5	5	5	5	5	5	5	6	6	6
Human resources	3	3	3	3	3	3	3	3	3	3
Finance	9 2/5	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	5	5	5	6	6	6	6	6	6
Government buildings	2	2	2	2	2	2	2	2	2	2
Community and economic development	8	8	8	8	8	8	8	7	6	6
Public safety										
Building inspections	15 1/5	15 1/5	15 1/5	15 1/5	16	16	16	16	16	16
Police										
Officers	53	55	56	57	57	60	62	64	64	64
Civilians	12	12	12	14	16	16	16	16	16	16
Fire										
Officers	4	4	5	5	5	5	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	2
Public works										
Engineering	13 1/2	15	15	15	15	15	15	15	15	15
Streets	17	18	18	18	18	18	18	19	19	19
Parks and recreation	29	29	29	29	30	30 1/4	30 1/4	30 1/4	30 1/4	30 1/4
Transit	1	1	1	1	1	1	1	1	1	1
Water and sewer	11	12	12	12	13	13	13	14	14	14
Community center	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4
Central equipment	6	6	6	6	6	5	5	5	5	5
Total full-time equivalent employees ¹	<u>218 6/7</u>	<u>224 3/4</u>	<u>226 3/4</u>	<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>243 4/5</u>

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

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Community and economic development										
Senior housing rental units	88	88	88	88	88	88	88	88	88	88
Scattered-site rental units	12	13	15	15	17	19	21	23	25	26
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	22	21	20	20	20	20	20	20
Fire										
Stations	4	4	5	5	5	5	5	5	5	5
Public works										
Streets (miles) - City	238	241	248	255	260	271	275	277	279	279
Streets (miles) - County	32	33	33	33	33	33	33	33	33	33
Streets (miles) - State	13	13	13	13	13	13	13	13	13	13
Lift stations - Storm sewer	5	5	5	5	5	5	5	5	5	5
Street lights	2,368	2,392	2,516	2,625	2,726	2,821	2,912	3,115	2,899	2,927
Parks and recreation										
City parks acreage	1,227	1,227	1,314	1,343	1,326	1,343	1,424	1,424	1,424	1,424
Regional parks acreage	1,833	1,833	1,833	1,833	1,836	1,747	1,827	1,827	1,827	1,847
Forest preservation acreage	258	258	258	258	258	258	258	255	255	255
Parks										
Park facilities										
Hockey rinks	10	10	10	12	12	12	12	12	12	12
Pleasure skating rinks	22	24	24	25	17	17	17	17	17	17
Tennis courts	43	43	43	45	45	45	45	45	45	45
Multi-use ballfields	48	50	51	53	53	53	58	58	58	58
Baseball fields	9	9	10	10	10	10	12	12	12	12
Football/soccer fields	13	14	14	18	18	18	20	20	20	20
Basketball/surfaced courts	29	29	30	31	31	31	31	31	31	31
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	-	-	-	-	-	-	-	-	1	1
Permanent park buildings	12	12	12	12	13	13	13	13	14	14
Playgrounds	43	43	46	47	48	48	48	48	48	48
Picnic grounds	4	4	4	4	4	4	4	4	4	4
Trails (miles) - City	n/a	157	182	185	193	198	205	206	206	238
Trails (miles) - County	n/a	17	22	22	23	23	24	24	24	26
Transit										
Transit stations	-	-	1	1	1	1	1	1	1	2
Water										
Water mains (miles)	211	283	287	290	300	308	318	320	322	323
Fire hydrants	n/a	2,588	2,763	2,855	2,880	3,000	3,035	3,142	3,160	3,174
Wells	11	11	11	11	11	11	13	13	13	13
Water towers	2	2	2	2	2	2	2	2	2	2
Reservoirs	2	2	2	2	2	3	3	3	3	3
Storage capacity	10.0	10.0	10.0	10.0	10.0	11.5	11.5	11.5	11.5	11.5
Average daily capacity (millions of gallons)	7.3	7.3	7.3	7.5	7.5	8.8	10.3	9.7	10.2	9.2
Peak daily capacity (millions of gallons)	22.0	22.0	27.6	16.6	16.6	27.4	27.1	24.8	23.1	21.0
Sewer										
Sewer mains (miles)	235	243	243	249	256	263	268	270	271	272
Lift stations - sanitary sewers	16	14	14	15	16	16	16	16	16	16
Average daily flow (millions of gallons)	5.5	6.0	6.3	6.5	6.5	4.7	5.1	5.1	4.7	5.2



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