

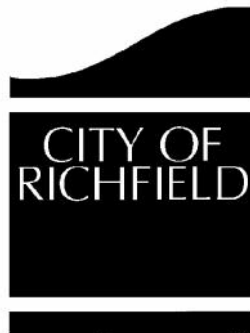


# City of Richfield, Minnesota

## Comprehensive Annual Financial Report For the year ended Dec. 31, 2010



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF RICHFIELD, MINNESOTA**



**For The  
Year Ended  
DECEMBER 31, 2010**

**DEPARTMENT OF FINANCE**

**Christopher T. Regis, Finance Manager  
Member of Government Finance Officers Association  
of United States and Canada**

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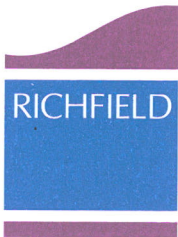
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## I. INTRODUCTORY SECTION

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May 31, 2011

The Honorable Mayor and  
Members of the City Council,  
City of Richfield, Minnesota

**MAYOR**

DEBBIE GOETTEL

**CITY COUNCIL**

PAT ELLIOTT

TOM FITZHENRY

SUZANNE M. SANDAHL

FRED L. WROGE, JR.

**CITY MANAGER**

STEVEN L. DEVICH

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Richfield for the fiscal year ended December 31, 2010.

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

The City of Richfield's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Richfield for the fiscal 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 made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Richfield's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Richfield 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. Those reports are available in the City of Richfield's separately issued Single Audit Report.

*The Urban Hometown*



GAAP require 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 MD&A and should be read in conjunction with it. The City of Richfield's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City was incorporated on February 26, 1908. Since 1964, the City has operated under a council/manager form of government, as authorized by its charter, and exists under the laws of the State of Minnesota.

The City has a population of 35,228 (Metropolitan Council Estimate) and covers an area of approximately seven square miles. Located in Hennepin County, Richfield is the first suburb south of Minneapolis. Richfield is bordered on the north by the Crosstown Highway 62; bordered on the east by the Minneapolis-St. Paul International Airport; bordered on the south by Interstate 494; and bordered on the west by Xerxes Avenue and the City of Edina. In addition, Interstate 35W, the major north/south thoroughfare in the Twin City area, runs north/south through the middle of Richfield.

The City of Richfield provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events. The City of Richfield also operates four municipal liquor stores, a water and wastewater utility and a storm water utility.

The annual budget serves as the foundation for the City of Richfield's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review prior to September 15. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than the last date established by law for the County Auditor to levy taxes. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue fund, this comparison is presented in the Required Supplementary Information section. For nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules.

### **Factors Affecting Financial Condition**

Richfield was initially developed as a residential community. Residents of Richfield generally work at the adjacent airport, in the downtown Minneapolis-St. Paul area or on the I-494 strip. Richfield's commercial/industrial base is comparatively small when looking at other Twin City metropolitan area communities. In fact, when viewing the total estimated market value of the community, approximately 72% of the market value is comprised of residential properties, 9% apartments, and only 19% commercial/industrial property. Changes in the state's tax policy have indicated for some time a need for a more diversified tax base, including more commercial development.

Richfield has responded to this by encouraging commercial development within the City. However, over 99% of the land area in Richfield is already developed. Commercial development in Richfield is a more complex process that requires extensive redevelopment and often the use of tax increment financing assistance.

Since 1975, the City has created twenty-one tax increment districts. These tax increment districts were formed in order to help transform areas which are becoming market obsolete into a more vital commercial tax base. The City has transformed itself as a result of this redevelopment which includes the development of a corporate headquarters of a Fortune 500 company within the City. Consequently, as the tax increment districts decertify, the City will realize the full market value benefit of these districts. The City has had one district decertified in 2002, a second district decertified in 2010, with a third district scheduled to be decertified in 2012.

In addition to the City's efforts in commercial redevelopment, several housing programs have been established to encourage reinvestment in the City's housing stock.

The City enjoys an Aa2 bond rating and an AA+ bond rating from Moody's and Standard and Poor's respectively.

### **Long-term financial planning**

The Metropolitan Council requires all cities in the seven-county metropolitan area to have a Comprehensive Plan and State law requires cities to update their plans every 10 years. The Comprehensive Plan guides development and redevelopment and addresses changes likely to occur due to various social and market forces. The City of Richfield's Comprehensive Plan has been recently updated and approved by the City Council in 2010.

In addition, the City on an annual basis engages in long-term financial and capital planning. The objective of this process is to provide a framework for decision making required to identify and implement strategies that will assure long-term community viability. Accordingly, outcomes of the process include promotion of long-term community affordability and livability, reinvesting in the City's housing stock to position the City to compete with other communities, addressing transportation impacts within the City, establish a financial framework to maintain and replace the City's physical and technical infrastructure, and review options and opportunities to improve delivery of City services.

### **Relevant financial policies**

The City has adopted a set of financial management policies that focus on such areas as capital budgeting, revenue policies, debt management, general fund reserve balances, cash and investments, risk management and operating budgets.

The City has established a fund balance policy for the general fund with a goal of maintaining an unreserved fund balance of 40% of general fund revenues. At the end of 2010, the City is working toward this goal and the level is currently at 39% up from 37% in 2009.

### **Major Initiatives**

Major initiatives in 2010 included the following:

#### Right Of Way Improvements:

- The construction of a new sewer interceptor through the City began in 2010. The project has been initiated by the Metropolitan Council Environmental Services (MCES). The project is managed by the MCES, however the City Public Works Engineering staff has an oversight role with the project.

#### Public Facilities

- The construction of the new Richfield Municipal Center began in late 2009 and continued throughout 2010. The expected move in date for City staff is late May 2011, with completion of the entire project estimated to be late summer.

#### Commercial Redevelopment and Housing Initiatives

- The City continues to seek commercial development and redevelopment opportunities within the City. However, due to the current state of the economy and the effect it has had on the banking and financial markets, commercial

development and redevelopment has been very difficult during 2010. It is hoped that as the economy improves, the opportunities for redevelopment will also improve.

- To complement the commercial redevelopment, the City has established several programs that encourage reinvestment in the City's housing stock. These programs include but are not limited to, incentive loan programs for remodeling homes to higher values, funding assistance for the replacement of small substandard homes, and a program to provide home ownership opportunities for low to moderate income families working with non-profit builders and developers like Habitat for Humanity.
- Currently, the City has two programs, the Neighborhood Stabilization Program and the Foreclosure Purchase Incentive Program, both initiated in 2009 that were established to help address the property foreclosure issues within the City.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Richfield, Minnesota for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the twenty-sixth consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

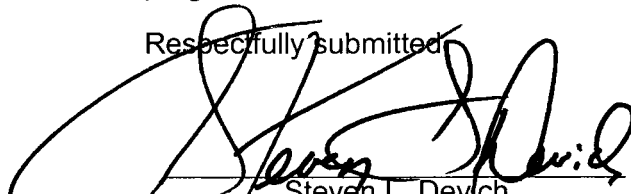
In addition, the City also received the GFOA's award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning January 1, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we have submitted to GFOA the report to determine its eligibility for another award.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the finance division. We express our appreciation to all members of the division who assisted and contributed to its preparation. We also thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations for the City of Richfield in a responsible and progressive manner.

Respectfully submitted,

  
\_\_\_\_\_  
Steven L. Devich  
City Manager

  
\_\_\_\_\_  
Chris Regis  
Finance Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Richfield  
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.



President

Executive Director

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**CITY OF RICHFIELD, MINNESOTA  
CITY OFFICIALS**

**MAYOR - DEBBIE GOETTEL**

**COUNCILMEMBER - SUZANNE M. SANDAHL      COUNCILMEMBER - FRED WROGE**

**COUNCILMEMBER - TOM FITZHENRY      COUNCILMEMBER - PAT ELLIOTT**

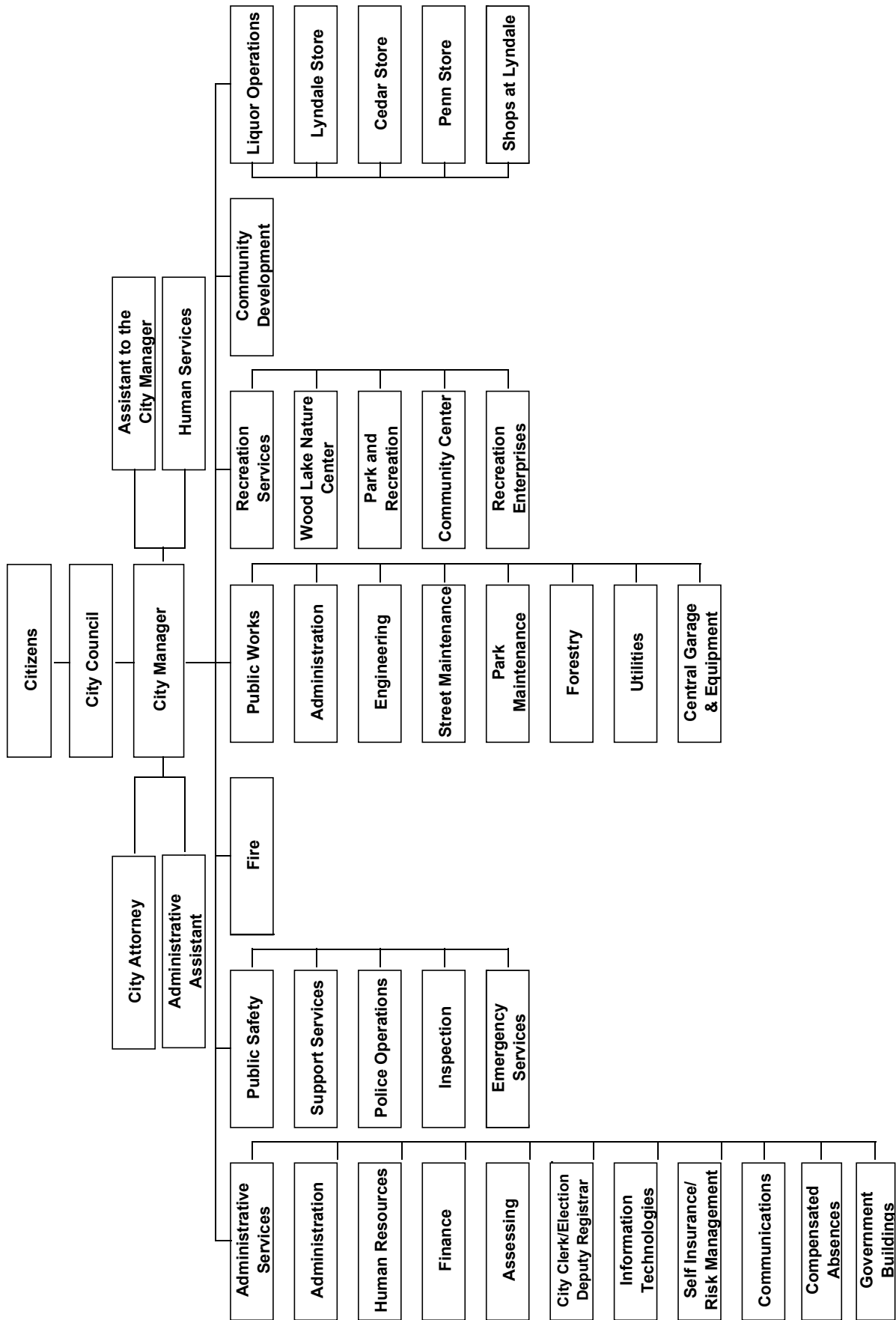
**ADMINISTRATIVE STAFF**

**STEVEN L. DEVICH - CITY MANAGER**

**CHRIS REGIS - FINANCE MANAGER**

**NANCY GIBBS - CITY CLERK**

**CITY OF RICHFIELD  
ADMINISTRATIVE ORGANIZATION CHART**





## **II. FINANCIAL SECTION**

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Residents  
City of Richfield, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Richfield (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 the 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, 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 respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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 thereof, 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 31, 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, 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.

(continued)

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information for the General Fund and major special revenue funds, and the Schedule of Funding Progress for the Other Post-Employment Benefits Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary financial information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and supplementary financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Malloy, Montague, Karcowski, Radasewich & Co., P.A.*

May 31, 2011

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## Management's Discussion and Analysis

As management of the City of Richfield, we offer readers of the City of Richfield's financial statements this narrative overview and analysis of the financial activities of the City of Richfield for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

### Financial Highlights

- The assets of the City of Richfield exceeded its liabilities at the close of the most recent fiscal year by \$93,259,552 (net assets). Of this amount, \$8,241,835 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$699,689.
- As of the close of the current fiscal year, the City of Richfield's governmental funds reported combined ending fund balances of \$34,067,335. Of this total amount, \$18,609,831 or 55% is designated or reserved through legal restrictions and City Council authorization.
- At the end of the current fiscal year, the general fund balance of \$6,829,824 included \$73,146 reserved and \$6,756,678 unreserved.
- The City of Richfield's total debt increased by \$5,870,000 (13.1 percent) during the current fiscal year from \$44,730,000 to \$50,600,000.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Richfield that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Richfield include general government, public safety, fire, public works, community development, and parks and recreation. The business-type activities of the City of Richfield include a municipal liquor operation, water and sewer utility, a storm sewer utility, a street light utility, and a recreation enterprise operation that includes an ice arena, swimming pool and mini golf operations.

The government-wide financial statements include not only the City of Richfield itself (known as the *primary government*), but also the Richfield Housing and Redevelopment Authority, a discretely



presented component unit. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

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

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

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

The City of Richfield maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, pension refund fund, improvement bonds fund, redevelopment bond fund, and the capital improvements fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Richfield adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

**Proprietary funds.** The City of Richfield maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Richfield uses enterprise funds to account for its liquor operation, water and sewer utility, storm sewer utility, street light utility, and for its recreation enterprise operation, all of which are considered to be major funds of the City. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Richfield's various functions. The City of Richfield uses internal service funds to account for its central garage & equipment, for its information technology systems, its self insurance program, its building services function, and its compensated absences liability. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

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

**Other information.** Required supplementary information can be found following the Notes to the Financial Statements.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Richfield, assets exceeded liabilities by \$93,259,552 at the close of the most recent fiscal year.

By far the largest portion of the City of Richfield’s net assets (71 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Richfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Richfield’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF RICHFIELD’S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$50,966,308	\$56,989,640	\$4,924,264	\$6,722,771	\$55,890,572	\$63,712,411
Capital assets	68,894,353	56,356,625	29,001,352	30,120,169	97,895,705	86,476,794
Total assets	119,860,661	113,346,265	33,925,616	36,842,940	153,786,277	150,189,205
Long-term liabilities outstanding	36,364,638	36,740,913	8,553,036	8,937,349	44,917,674	45,678,262
Other liabilities	14,186,622	8,465,584	1,422,429	3,485,496	15,609,051	11,951,080
Total liabilities	50,551,260	45,206,497	9,975,465	12,422,845	60,526,725	57,629,342
Net assets:						
Invested in capital assets, net of related debt	45,717,964	45,358,789	20,297,510	21,000,169	66,015,474	66,358,958
Restricted	18,729,739	18,955,821	272,507	272,507	19,002,243	19,228,328
Unrestricted	4,861,701	3,825,158	3,380,134	3,147,419	8,241,835	6,972,577
Total net assets	\$69,309,401	\$68,139,768	\$23,950,151	\$24,420,095	\$93,259,552	\$92,559,863

An additional portion of the City of Richfield’s net assets represents resources that are subject to external restrictions on how they may be used. At December 31, 2010, the City had restricted net assets of \$19,002,243. The remaining balance of *unrestricted net assets* (\$8,241,835) may be used to meet the government’s ongoing obligations to citizens and creditors.

The government’s net assets increased by \$699,689 during 2010 a \$356,154 increase over 2009. The increase can be attributed to an overall net increase in operating grants and contributions revenue, an increase in charges for services revenues, an increase in property tax revenue, and a decrease in governmental activity expenses.

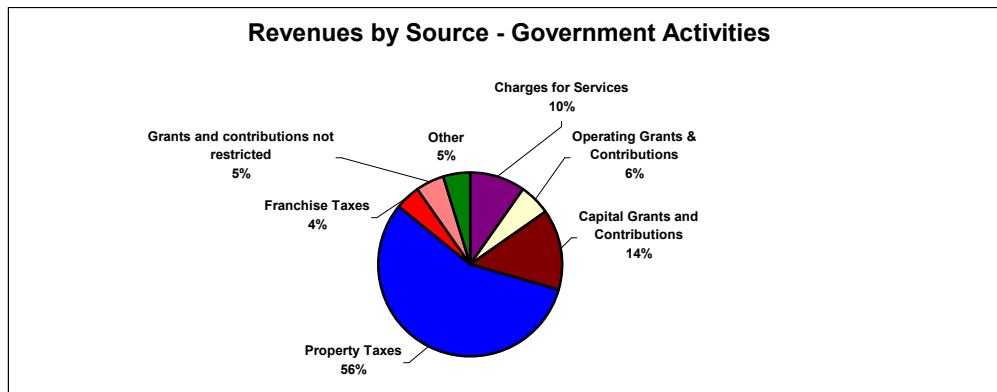
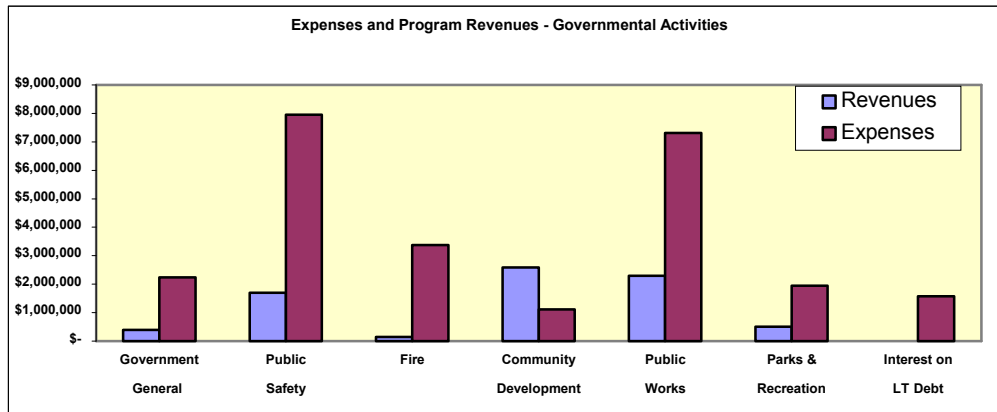
**Governmental activities.** Governmental activities increased the City of Richfield’s net assets by \$1,169,633. Key elements of this increase are as follows:

## City of Richfield's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$2,538,879	\$2,267,429	19,719,371	19,366,037	\$22,258,250	\$21,633,466
Operating grants and contributions	1,404,815	1,218,319	-	-	1,404,815	1,218,319
Capital grants and contributions	3,678,529	27,887,729	-	-	3,678,529	27,887,729
<b>General revenues:</b>						
Property taxes	14,522,676	13,631,513	-	-	14,522,676	13,631,513
Franchise taxes	1,161,200	1,055,073	-	-	1,161,200	1,055,073
Grants and contributions not restricted to specific programs	1,320,480	2,719,211	-	-	1,320,480	2,719,211
Other	1,214,910	836,787	199,264	263,689	1,414,174	1,100,476
<b>Total revenues</b>	<b>25,841,489</b>	<b>49,616,061</b>	<b>19,918,635</b>	<b>19,629,726</b>	<b>45,760,124</b>	<b>69,245,787</b>
<b>Expenses:</b>						
General government	2,241,131	2,435,317	-	-	2,241,131	2,435,317
Public safety	7,956,850	9,220,252	-	-	7,956,850	9,220,252
Fire	3,375,222	2,849,347	-	-	3,375,222	2,849,347
Community Development	1,118,218	143,142	-	-	1,118,218	143,142
Public Works	7,310,898	30,589,925	-	-	7,310,898	30,589,925
Parks and recreation	1,943,071	2,260,043	-	-	1,943,071	2,260,043
Interest on long-term debt	1,569,436	1,684,937	-	-	1,569,436	1,684,937
Liquor Operations	-	-	10,231,138	10,454,379	10,231,138	10,454,379
Water & Sewer Utility	-	-	6,543,019	6,402,596	6,543,019	6,402,596
Storm Sewer Utility	-	-	1,099,575	1,158,998	1,099,575	1,158,998
Recreation Fund	-	-	1,671,877	1,701,676	1,671,877	1,701,676
Street Light Utility	-	-	-	1,640	-	1,640
<b>Total expenses</b>	<b>25,514,826</b>	<b>49,182,963</b>	<b>19,545,609</b>	<b>19,719,289</b>	<b>45,060,435</b>	<b>68,902,252</b>
Change in net assets before transfers	326,663	433,098	373,026	(89,563)	699,689	343,535
Transfers	842,970	629,031	(842,970)	(629,031)	-	-
<b>Change in net assets</b>	<b>1,169,633</b>	<b>1,062,129</b>	<b>(469,944)</b>	<b>(718,594)</b>	<b>699,689</b>	<b>343,535</b>
Net assets – January 1, 2009	68,139,768	67,077,639	24,420,095	25,138,689	92,559,863	92,216,328
<b>Net assets – December 31, 2010</b>	<b>\$69,309,401</b>	<b>\$68,139,768</b>	<b>\$23,950,151</b>	<b>\$24,420,095</b>	<b>\$93,259,552</b>	<b>\$92,559,863</b>

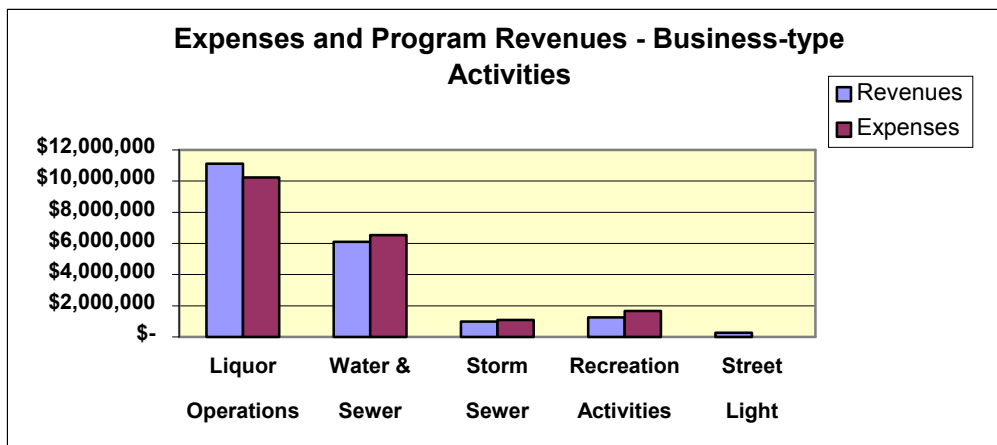
- Charges for Services increased by \$271,450 in 2010 over 2009. The increase can be traced to increases license and permit revenue, governmental services charges and fees and fines revenues.
- Grants and contributions not restricted to specific programs realized a decrease of \$1,398,731 in 2010. The decrease can be directly attributed the State of Minnesota reducing the distribution of Local Government Aid (LGA) and Market Value Homestead Credit (MVHC) to cities. This resulted in the City of Richfield's 2010 LGA being reduced by \$1,295,263 and MVHC being reduced by 610,364. Fortunately, the City was made aware of the LGA reduction and was able to factor that reduction into the 2010 budget, however the MVHC reduction occurred mid year and was not included in the 2010 budget.
- Property Taxes in 2010 reflect an increase of \$891,163 as compared to 2009. The majority of the increase can be attributed to an increase in debt service tax levies of \$594,566 over prior years. The balance of the increase can be found in an increase in the operating levy from 2009.
- During 2010, the Lyndale Avenue Bridge over I-494 was completed. It was during 2009 where the majority of the project revenues and expenses were realized. Consequently, in 2010 the public works department reflects significant reductions in both Capital Grants and Contribution revenues and project expenses.

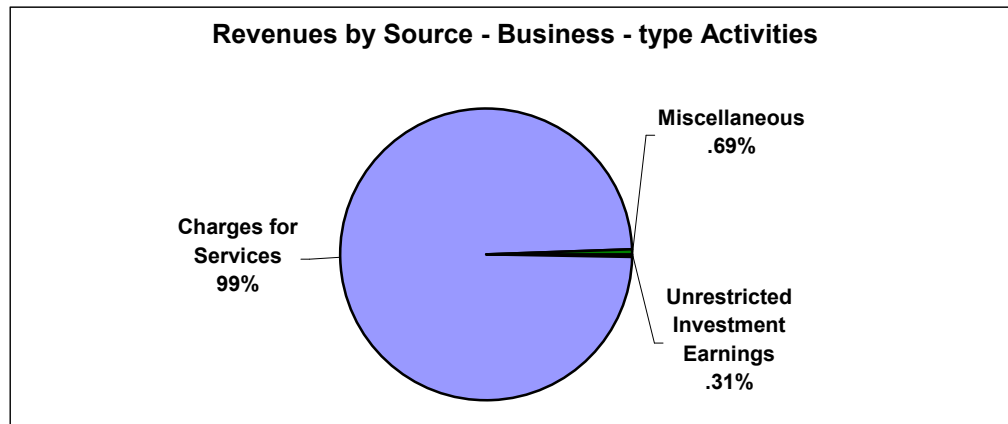
- Finally, there was a departmental reorganization in 2010 where the inspections division was shifted from the public safety department to the community development department. Consequently, public safety realized a decrease in revenues and expenses in 2010, while community development realized an increase in revenues and expense as a result of the reorganization.



**Business-type activities.** Business-type activities decreased the City's net assets by \$469,944 in 2010, which is an improvement from 2009 of \$248,650.

The improvement can be attributed to the Street Light Utility generating revenues for a full year which helped to increase total revenues by \$288,909 and a decrease in expenses of \$204,923.





### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Richfield's governmental funds reported combined ending fund balances of \$34,067,335 a decrease of \$4,939,762 in comparison with the prior year. Approximately 65% of this total amount (\$22,214,182) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. Of this amount \$6,756,678 is designated for specific purposes. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for prepaid items (\$93,421), 2) to pay debt service (\$10,850,982), and 3) for advances made to other funds (\$908,750).

The general fund is the chief operating fund of the City of Richfield. At the end of the current year, unreserved fund balance of the general fund was \$6,756,628 while total fund balance was \$6,829,824. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total general fund revenues. Unreserved fund balance represents approximately 39% of total general fund revenues and 36% of total general fund expenditures. Moreover, the State Auditor has set a standard that unreserved fund balance should be between 35 and 50 percent of yearly general fund revenues.

The City's fund balance for its general fund increased by \$54,914 despite having \$1,295,263 of Local Government Aid (LGA) revenues and 610,364 of Market Value Homestead Credit (MVHC) reduced by the State of Minnesota during 2010.

The pension refund fund is a special revenue fund established to account for a refund of residual assets received by the City from the Public Employees Retirement Association (PERA) for the overfunded assets of the City's Police and Fire PERA Consolidation accounts. The City has adopted a plan for the expenditure of this refund, whereby the City intends to maintain the initial principal amount received and only spend interest earnings of the principal. Expenditures of the fund can only be for police and fire needs. However, during 2010, the City Council amended the original plan to allow for the use of the entire balance of the fund for the purpose of funding the police and fire portion of the new Richfield Municipal Center.

Accordingly, the pension refund fund was liquidated at the end of 2010, with the balance of the fund being transferred to the Richfield Municipal Center project fund.

The G.O. Improvement Bonds fund has a fund balance of \$4,483,231, which is reserved for the payment of debt service. The fund balance increased in 2010 by \$623,115 due to property taxes collected in 2010 pay debt service in 2011.

The G.O. Redevelopment Bonds Fund has a fund balance of \$6,367,751 which is reserved for the payment of the Series 2001A bonds which will be refunded in 2011.

The capital improvement fund accounts for public improvement and road right-of-way projects undertaken by the City. This fund balance decreased by \$4,592,309 in 2010. The decrease can be attributed to expenses incurred in 2010 toward the Richfield Municipal Center project.

The nonmajor governmental funds consist of the City's remaining Special Revenue funds and the Recreation Capital Project fund. The combined total of these funds decreased by \$356,260 in 2010.

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

Unrestricted net assets of the liquor operation at the end of the year amounted to \$1,455,963, for the water and sewer utility \$1,807,980, for the storm sewer utility \$849,191, for the recreation enterprise operation \$47,291, and for the street light utility \$96,302. The total increase (decrease) in net assets for all of these funds was \$240,184, (\$323,424), \$(102,411), (231,261), and \$15,097 respectively.

## **Budgetary Highlights**

### **General Fund**

As part of the annual budget process, the current general fund revenue and expenditure budgets are revised to reflect a more accurate picture throughout the current fiscal year. The intent of this annual budget process is for the City to continue to provide and maintain quality services to its residents while trying to maintain the tax levy at a reasonable level. However, the ability to continue to provide quality services became very challenging to the City during 2010. The challenge came about due to budget issues faced by the State of Minnesota being passed down to the City in the form of reductions in Local Government Aid (LGA) and Market Value Homestead Credit (MVHC). For 2010 the State reduced revenues to the City by a total of \$1,905,627, consisting of \$1,295,263 of LGA and \$610,364 of MVHC. Fortunately, the LGA reduction was known to the City before the final 2010 tax levy and budget was certified and the City was able to adjust the budget accordingly. However, the MVHC reduction occurred in mid year 2010 which created a gap in revenues and presented obvious challenges. The City's response to this challenge during the 2010 budget revision process was to reduce the 2010 expenditure budget by \$100,350 and to increase budgeted transfers in. The main components of that adjustment are as follows:

- A reduction in expenditures spread across all general fund departments.
- As part of the reduction in expenses a 0% cost of living wage increase in 2010.
- Through attrition, layoffs and an early retirement incentive program, the City eliminated 3 full time positions.
- The use of reserves from other funds to be transferred into the General Fund.

At the end of 2010 the City's General Fund realized a small surplus of \$54,914 to its fund balance. This was accomplished through the combination of better than expected results in Property Taxes, License and Permit, and Charges for Services revenue, while at the same time, expenditures for the fund were under budget by \$310,622.

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

**Capital assets.** The City of Richfield's investment in capital assets for its governmental and business type activities as of December 31, 2010 amounts to \$97,895,705 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, other improvements, machinery and equipment, and infrastructure.

Major capital asset events during 2010 included the following:

- Completion of the Lincoln Field Athletic Complex. Total cost of the project is \$1,201,953.
- Final completion of the new City Maintenance Facility. Total cost of the project is \$12,815,119.
- New Richfield Municipal Center. Construction in progress at the close of 2010 totaled \$15,679,969.

**City of Richfield's Capital Assets**  
(net of depreciation)

	Governmental activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$9,195,429	\$9,088,344	\$674,008	\$674,008	\$9,869,437	\$9,762,352
Buildings and structures	14,705,816	2,264,278	6,839,350	7,316,847	21,545,166	9,581,125
Machinery and equipment	3,402,639	3,550,533	4,603,535	3,726,944	8,006,174	7,277,477
Other improvements	1,748,215	647,431	16,353,378	16,830,714	18,101,593	17,478,145
Streets (Infrastructures)	23,790,218	22,569,138	-	-	23,790,218	22,569,138
Construction in progress	16,052,036	18,236,901	531,081	1,571,656	16,583,117	19,808,557
<b>Total capital assets</b>	<b>\$68,894,353</b>	<b>\$56,356,625</b>	<b>\$29,001,352</b>	<b>\$30,120,169</b>	<b>\$97,895,705</b>	<b>\$86,476,794</b>

Additional information on the City's capital assets can be found in Note 1N and Note 4 Capital Assets in the accompanying notes to the basic financial statements.

**Long-term debt.**

At the end of the current fiscal year, the City of Richfield had total bonded debt outstanding of \$50,600,000. The debt service for the general obligation redevelopment bonds is provided through the collection of tax increments from Hennepin County. On an annual basis tax increment proceeds are transferred to meet annual debt service requirements. The general obligation improvement bonds are serviced by special assessment collections and tax levies.

In 2010 the City issued \$1,500,000 General Obligation Bonds, Series 2010A and \$6,355,000 G.O. Tax Increment Refunding Bonds, Series 2010B. The series 2010A bonds provided funding for the 2010 Alley Paving project and the purchase of rolling stock and computer equipment. The 2010B issue will be used to refund the \$8,350,000 G.O. TI Bonds, Series 2001A. The City will realize a net present value benefit from the refunding of \$620,169

**City of Richfield's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation redevelopment bonds	\$17,500,000	\$12,120,000	\$ -	\$ -	\$17,500,000	\$12,120,000
General obligation improvement bonds	24,365,000	23,490,000	-	-	24,365,000	23,490,000
Revenue bonds	-	-	8,735,000	9,120,000	8,735,000	9,120,000
<b>Total</b>	<b>\$41,865,000</b>	<b>\$35,610,000</b>	<b>\$8,735,000</b>	<b>\$9,120,000</b>	<b>\$50,600,000</b>	<b>\$44,730,000</b>

The City of Richfield maintains a AA+ rating from Standard & Poor's and an "Aa2" rating from Moody's Investor Service, for general obligation debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The current debt limitation for the City of Richfield is \$81,349,000, which is in excess of the City of Richfield's outstanding general obligation debt.

Additional details of the City's long-term debt activity can be found in Note 6, Long-Term Liabilities, in the accompanying notes to the basic financial statements.

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

The following items are an integral part of the City's planning for and dealing with near-term financial issues:



- LGA has historically been a major General Fund revenue source that is received from the State of Minnesota. As the State has struggled with its own budget issues, these issues have been transferred to the City of Richfield. Since 2008, the State has reduced LGA a total of \$2,475,803. In addition, in 2010 the State reduced the City's Market Value Homestead Credit (MVHC) allocation by \$610,364, which brings the cumulative revenue reduction to the City since 2008 to \$3,086,167. The reductions to LGA and MVHC are expected to continue in budget year 2011 as the State of Minnesota continues to struggle with a current \$5 billion budget deficit. In response to the State's budget issue and taking into account past reductions in state aids to the City, the City Council made the decision to begin a process to eliminate the City's dependence on LGA as part of the 2011 budget. The decision to eliminate LGA as a revenue to the City will be phased in over the next several years in order to minimize the impact on property owners as the offset to this revenue loss is to increase the operating tax levy.
- In addition to the issues the City is dealing with concerning the reductions in LGA and MVHC, the economy, both local and national, has an impact on the City. The City has seen its overall property values continue to decline from the previous year and foreclosed properties within the City still remain a concern. Finally, the budget issues faced by the State of Minnesota, as discussed above have had a negative trickle down effect on the City.
- Rates for the Utility operations increased for 2011. Water rates were projected to increase 8.43% or 21 cents per thousand gallons to help fund needed improvements to the water operation infrastructure, while wastewater rates will increase, in response to increased Met Council Environmental Service charges, 5.73% or 18 cents per thousand gallons. Rates for the Storm Sewer Utility will increase by 2.81% or 30 cents to offset increased operating costs.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Richfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, City of Richfield, 6700 Portland Avenue South, Richfield, MN 55423.

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## **BASIC FINANCIAL STATEMENTS**

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CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF NET ASSETS  
December 31, 2010

Statement 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing & Redev. Authority
<b>ASSETS:</b>				
Cash & investments	\$ 35,854,915	\$ 3,844,026	\$ 39,698,941	\$ 8,572,084
Accrued interest	141,592	-	141,592	6,335
Due from other governments	2,471,515	7,591	2,479,106	317,786
Accounts receivable - net	593,131	2,430,724	3,023,855	38,845
Inventories	-	996,879	996,879	-
Internal balances	2,699,353	(2,699,353)	-	-
Due from component unit	383,002	-	383,002	-
Prepaid items	130,671	20,500	151,171	-
Property taxes receivable:				
Delinquent	239,436	-	239,436	9,152
Delinquent tax increment	-	-	-	9,777
Special assessments receivable	969,291	-	969,291	-
Assets held for resale	1,120,405	-	1,120,405	3,680,561
Deferred charges	-	51,390	51,390	-
Restricted assets:				
Cash & investments	6,362,997	272,507	6,635,504	367,797
Long term second mortgage receivable	-	-	-	2,752,985
Capital assets (not depreciable)	25,247,465	1,205,089	26,452,554	-
Capital assets (net of accumulated depr.)	43,646,888	27,796,263	71,443,151	-
<b>Total assets</b>	<b>119,860,661</b>	<b>33,925,616</b>	<b>153,786,277</b>	<b>15,755,322</b>
<b>LIABILITIES:</b>				
Accounts payable	3,851,305	524,539	4,375,844	23,445
Due to other governmental units	171,245	162,316	333,561	83,254
Due to primary government	-	-	-	383,002
Salaries payable	501,020	103,005	604,025	-
Unearned revenue	-	-	-	2,752,985
Accrued interest payable	658,014	152,769	810,783	-
Noncurrent liabilities:				
Due within one year	9,005,038	479,800	9,484,838	-
Due in more than one year	36,364,638	8,553,036	44,917,674	-
<b>Total Liabilities</b>	<b>50,551,260</b>	<b>9,975,465</b>	<b>60,526,725</b>	<b>3,242,686</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	45,717,964	20,297,510	66,015,474	-
Restricted for:				
Debt service	4,678,072	272,507	4,950,579	-
Capital projects	13,624,052	-	13,624,052	9,777,242
Other purposes	427,612	-	427,612	864,837
Unrestricted	4,861,701	3,380,134	8,241,835	1,870,557
<b>Total net assets</b>	<b>\$ 69,309,401</b>	<b>\$ 23,950,151</b>	<b>\$ 93,259,552</b>	<b>\$ 12,512,636</b>

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 2,241,131	\$ 398,787	\$ -	\$ -
Public Safety	7,956,850	689,767	1,003,961	-
Fire	3,375,222	15,589	129,055	-
Community Development	1,118,218	1,038,020	-	1,549,542
Public Works	7,310,898	15,205	268,305	2,012,957
Parks and Recreation	1,943,071	381,511	3,494	116,030
Interest on long-term debt	1,569,436	-	-	-
Total governmental activities	<u>25,514,826</u>	<u>2,538,879</u>	<u>1,404,815</u>	<u>3,678,529</u>
<b>Business-type activities:</b>				
Liquor Operations	10,231,138	11,117,676	-	-
Water & Sewer Utility	6,543,019	6,099,325	-	-
Storm Sewer Utility	1,099,575	980,077	-	-
Recreation Activities	1,671,877	1,248,111	-	-
Street Light Utility	-	274,182	-	-
Total business-type activities	<u>19,545,609</u>	<u>19,719,371</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 45,060,435</u>	<u>\$ 22,258,250</u>	<u>\$ 1,404,815</u>	<u>\$ 3,678,529</u>
<b>Component units:</b>				
Housing & Redevelopment Authority	\$ 8,759,286	\$ 99,350	\$ 1,728,126	\$ 429,357
<b>Total Component Unit</b>	<u>\$ 8,759,286</u>	<u>\$ 99,350</u>	<u>\$ 1,728,126</u>	<u>\$ 429,357</u>

**General Revenues:**

**Taxes:**

    Property taxes, levied for general purposes

    Franchise taxes

    Tax Increments

Grants & contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

**Transfers**

    Total general revenues and transfers

    Change in net assets

Net assets - beginning

Net assets - ending

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

Statement 2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (1,842,344)	\$ -	\$ (1,842,344)	\$ -
(6,263,122)	-	(6,263,122)	-
(3,230,578)	-	(3,230,578)	-
1,469,344	-	1,469,344	-
(5,014,431)	-	(5,014,431)	-
(1,442,036)	-	(1,442,036)	-
(1,569,436)	-	(1,569,436)	-
<u>(17,892,603)</u>	<u>-</u>	<u>(17,892,603)</u>	<u>-</u>
-	886,538	886,538	-
-	(443,694)	(443,694)	-
-	(119,498)	(119,498)	-
-	(423,766)	(423,766)	-
-	274,182	274,182	-
-	173,762	173,762	-
<u>\$ (17,892,603)</u>	<u>\$ 173,762</u>	<u>\$ (17,718,841)</u>	<u>\$ -</u>
-	-	-	\$ (6,502,453)
-	-	-	\$ (6,502,453)
\$ 14,522,676	\$ -	\$ 14,522,676	\$ 562,545
1,161,200	-	1,161,200	-
-	-	-	5,790,218
1,320,480	-	1,320,480	94,114
252,610	62,593	315,203	79,856
962,300	136,671	1,098,971	32,452
842,970	(842,970)	-	-
<u>19,062,236</u>	<u>(643,706)</u>	<u>18,418,530</u>	<u>6,559,185</u>
1,169,633	(469,944)	699,689	56,732
68,139,768	24,420,095	92,559,863	12,455,904
<u>\$ 69,309,401</u>	<u>\$ 23,950,151</u>	<u>\$ 93,259,552</u>	<u>\$ 12,512,636</u>

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

CITY OF RICHFIELD, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

Statement 3

	General	Pension Refund	Improvement Bonds	Redevelopment Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 7,339,690	\$ -	\$ 4,333,896	\$ 4,754	\$ 13,237,706	\$ 2,941,439	\$ 27,857,485
Cash and investments held by trustee	-	-	-	6,362,997	-	-	6,362,997
Accrued Interest	-	-	141,592	-	-	-	141,592
Due from other governments	135,079	-	7,743	-	2,223,900	104,398	2,471,120
Receivables, net	58,559	-	-	-	217,844	316,728	593,131
Due from other funds	-	-	-	-	91,250	-	91,250
Prepaid items	73,146	-	-	-	-	20,275	93,421
Delinquent property taxes receivable	202,094	-	33,622	-	3,720	-	239,436
Special assessments receivable	-	-	726,482	-	242,809	-	969,291
Advances to other funds	-	-	-	-	908,750	-	908,750
Assets held for resale	-	-	-	-	1,120,405	-	1,120,405
<b>Total assets</b>	<b>\$ 7,808,568</b>	<b>\$ -</b>	<b>\$ 5,243,335</b>	<b>\$ 6,367,751</b>	<b>\$ 18,046,384</b>	<b>\$ 3,382,840</b>	<b>\$ 40,848,878</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 192,889	\$ -	\$ -	\$ -	\$ 3,232,737	\$ 21,445	\$ 3,447,071
Accrued salaries and benefits	471,146	-	-	-	-	2,992	474,138
Due to other funds	-	-	-	-	-	45,000	45,000
Payable to other governments	112,615	-	-	-	984	2,063	115,662
Deferred revenue	202,094	-	760,104	-	1,366,934	-	2,329,132
Advances from other funds	-	-	-	-	-	370,540	370,540
<b>Total liabilities</b>	<b>978,744</b>	<b>-</b>	<b>760,104</b>	<b>-</b>	<b>4,600,655</b>	<b>442,040</b>	<b>6,781,543</b>
<b>Fund balances:</b>							
<b>Reserved for:</b>							
Advances to other funds	-	-	-	-	908,750	-	908,750
Prepaid items	73,146	-	-	-	-	20,275	93,421
Debt service	-	-	4,483,231	6,367,751	-	-	10,850,982
Unreserved-designated for State Aid reduction	465,921	-	-	-	-	-	465,921
Unreserved-designated for working capital	6,290,757	-	-	-	-	-	6,290,757
<b>Unreserved-undesignated, reported in:</b>							
Special revenue funds	-	-	-	-	-	3,195,982	3,195,982
Capital project funds	-	-	-	-	12,536,979	(275,457)	12,261,522
<b>Total fund balances</b>	<b>6,829,824</b>	<b>-</b>	<b>4,483,231</b>	<b>6,367,751</b>	<b>13,445,729</b>	<b>2,940,800</b>	<b>34,067,335</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,808,568</b>	<b>\$ -</b>	<b>\$ 5,243,335</b>	<b>\$ 6,367,751</b>	<b>\$ 18,046,384</b>	<b>\$ 3,382,840</b>	<b>\$ 40,848,878</b>
<b>Fund balance reported above</b>							<b>\$ 34,067,335</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>							
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds							65,346,237
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.							
Delinquent property taxes							239,436
Special assessments not yet due							969,291
Land held for resale							1,120,405
The assets and liabilities of certain Internal Service Funds are included in governmental activities in the statement of net assets							
Net assets of internal service funds							9,411,096
Allocation to reflect consolidation of internal service fund activities related to enterprise funds							876,593
Allocation to reflect consolidation of internal service fund activities related to component unit							383,002
Net other post-employment benefit obligations payable reported in the Statement of Net Assets do not require the use of current financial resources and are not reported as liabilities in governmental funds until actually due.							(580,980)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:							
Bonds payable							(41,865,000)
Accrued interest payable							(658,014)
<b>Net assets of governmental activities</b>							<b>\$ 69,309,401</b>



CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010

Statement 4

	General	Pension Refund	Improvement Bonds	Redevelopment Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Property taxes	\$ 12,318,287	\$ -	\$ 2,039,192	\$ -	\$ 225,935	\$ -	\$ 14,583,414
Franchise taxes	-	-	-	-	-	1,161,200	1,161,200
Special assessments	-	-	167,353	-	188,715	-	356,068
Fees and fines	296,848	-	-	-	-	118,776	415,624
License and permits	901,746	-	-	-	-	-	901,746
Intergovernmental	2,447,816	-	14,339	1,549,542	1,702,236	374,094	6,088,027
Charges for Services	1,221,509	-	-	-	-	-	1,221,509
Investment earnings	26,631	52,375	34,557	-	39,951	25,435	178,949
Miscellaneous	84,085	-	-	-	468,207	445,253	997,545
<b>Total revenues</b>	<b>17,296,922</b>	<b>52,375</b>	<b>2,255,441</b>	<b>1,549,542</b>	<b>2,625,044</b>	<b>2,124,758</b>	<b>25,904,082</b>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
Legislative/Executive	696,172	-	-	-	-	-	696,172
Administrative Services	951,818	-	-	-	-	407,405	1,359,223
Public Safety	7,310,015	-	-	-	-	297,984	7,607,999
Fire	3,230,065	-	-	-	-	-	3,230,065
Community Development	1,075,950	-	-	-	-	-	1,075,950
Public Works	3,918,499	-	-	-	1,394,767	-	5,313,266
Recreation Services	1,538,819	-	-	-	-	186,658	1,725,477
<b>Debt service:</b>							
Principal	-	-	625,000	975,000	-	-	1,600,000
Interest and other charges	-	-	1,043,237	683,752	-	-	1,726,989
Capital outlay	49,370	-	-	-	-	24,533	73,903
Construction/acquisition costs	-	-	-	-	14,483,909	317,618	14,801,527
<b>Total expenditures</b>	<b>18,770,708</b>	<b>-</b>	<b>1,668,237</b>	<b>1,658,752</b>	<b>15,878,676</b>	<b>1,234,198</b>	<b>39,210,571</b>
<b>Revenues over (under) expenditures</b>	<b>(1,473,786)</b>	<b>52,375</b>	<b>587,204</b>	<b>(109,210)</b>	<b>(13,253,632)</b>	<b>890,560</b>	<b>(13,306,489)</b>
<b>Other financing sources (uses):</b>							
Transfers in	1,528,700	-	-	-	9,684,739	677,042	11,890,481
Transfers out	-	(7,801,868)	(1,488,715)	-	(1,023,416)	(1,211,342)	(11,525,341)
Bonds issued	-	-	1,500,000	-	-	-	1,500,000
Refunding bonds issued	-	-	-	6,355,000	-	-	6,355,000
Premium (Discounts) on bonds issued	-	-	24,626	121,961	-	-	146,587
<b>Total other financing sources and uses</b>	<b>1,528,700</b>	<b>(7,801,868)</b>	<b>35,911</b>	<b>6,476,961</b>	<b>8,661,323</b>	<b>(534,300)</b>	<b>8,366,727</b>
<b>Net increase (decrease) in fund balance</b>	<b>54,914</b>	<b>(7,749,493)</b>	<b>623,115</b>	<b>6,367,751</b>	<b>(4,592,309)</b>	<b>356,260</b>	<b>(4,939,762)</b>
<b>Fund balances - beginning</b>	<b>6,774,910</b>	<b>7,749,493</b>	<b>3,860,116</b>	<b>-</b>	<b>18,038,038</b>	<b>2,584,540</b>	<b>39,007,097</b>
<b>Fund balances - ending</b>	<b>\$ 6,829,824</b>	<b>\$ -</b>	<b>\$ 4,483,231</b>	<b>\$ 6,367,751</b>	<b>\$ 13,445,729</b>	<b>\$ 2,940,800</b>	<b>\$ 34,067,335</b>

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

**CITY OF RICHFIELD, 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**

Statement 5

Net Change in fund balances - total governmental funds \$ (4,939,762)

Amounts reported for governmental activities in the statement of activities 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 and reported as depreciation expense. This is the amount by which depreciation (\$2,213,111) was exceeded by capital outlay (\$14,875,430) in the current period. 12,662,319

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals and donations) is to decrease net assets. (136,017)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amounts of these differences are as follows:

Delinquent property taxes	(60,738)
Deferred special assessments	(40,272)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The amounts of these differences are:

Principal payments on long-term debt	1,600,000
Issuance of long term debt	(7,855,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:

Change in accrued interest payable	10,966
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Net other post-employment benefit obligations payable reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due. (179,338)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunication, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Investment earnings	73,662
Consolidation of internal service fund activities related to government activities	(444,017)
Transfers in	477,830

Change in net assets of governmental activities \$ 1,169,633

CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2010

Statement 6

	Business Type Activities - Enterprise Funds					Total	Governmental
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Recreation Fund	Street Light Utility Fund		Internal Service Fund
<b>ASSETS:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 1,082,222	\$ 1,200,872	\$ 619,406	\$ 931,927	9,599	\$ 3,844,026	\$ 7,997,430
Receivables, net	-	1,968,855	268,712	106,454	86,703	2,430,724	-
Due from other funds	-	-	-	45,000	-	45,000	54,120
Due from other governments	-	7,591	-	-	-	7,591	395
Inventories	996,879	-	-	-	-	996,879	-
Prepaid items	20,500	-	-	-	-	20,500	37,250
Total current assets	<u>2,099,601</u>	<u>3,177,318</u>	<u>888,118</u>	<u>1,083,381</u>	<u>96,302</u>	<u>7,344,720</u>	<u>8,089,195</u>
<b>Noncurrent assets:</b>							
Deferred charges	-	30,900	20,490	-	-	51,390	-
Restricted cash and cash equivalents	-	-	-	272,507	-	272,507	-
Advances to other funds	-	-	-	370,540	-	370,540	1,184,180
<b>Capital assets:</b>							
Land and improvements	499,188	53,550	-	121,270	-	674,008	-
Construction in progress	8,867	488,576	33,640	-	-	531,083	-
Distribution and collection systems	-	15,471,289	12,895,570	-	-	28,366,859	-
Buildings and equipment	2,616,999	13,725,343	188,402	10,147,569	-	26,678,313	8,814,633
Less accumulated depreciation	<u>(1,893,347)</u>	<u>(13,800,412)</u>	<u>(7,329,165)</u>	<u>(4,225,987)</u>	<u>-</u>	<u>(27,248,911)</u>	<u>(5,266,517)</u>
Total capital assets (net of accumulated depreciation)	<u>1,231,707</u>	<u>15,938,346</u>	<u>5,788,447</u>	<u>6,042,852</u>	<u>-</u>	<u>29,001,352</u>	<u>3,548,116</u>
Total noncurrent assets	<u>1,231,707</u>	<u>15,969,246</u>	<u>5,808,937</u>	<u>6,685,899</u>	<u>-</u>	<u>29,695,789</u>	<u>4,732,296</u>
Total assets	<u>3,331,308</u>	<u>19,146,564</u>	<u>6,697,055</u>	<u>7,769,280</u>	<u>96,302</u>	<u>37,040,509</u>	<u>12,821,491</u>
<b>LIABILITIES:</b>							
<b>Current Liabilities:</b>							
Accounts payable	358,749	67,182	18,680	79,928	-	524,539	403,644
Accrued salaries and benefits	45,870	37,895	2,360	16,880	-	103,005	27,472
Due to other governments	114,921	42,258	47	5,090	-	162,316	55,583
Compensated absences	30,499	39,231	52	10,018	-	79,800	440,038
Accrued interest payable	-	92,407	38,148	22,214	-	152,769	-
Due to other funds	-	91,250	-	54,120	-	145,370	-
Bonds, notes, and loans payable	-	230,000	90,000	80,000	-	400,000	-
Total current liabilities	<u>550,039</u>	<u>600,223</u>	<u>149,287</u>	<u>268,250</u>	<u>-</u>	<u>1,567,799</u>	<u>926,737</u>
<b>Noncurrent liabilities:</b>							
Advances from other funds	-	908,750	-	1,184,180	-	2,092,930	-
Compensated absences	77,205	99,307	130	25,358	-	202,000	1,406,382
Net OPEB obligation	16,394	21,958	-	8,842	-	47,194	27,209
Claims and judgments	-	-	-	-	-	-	1,050,067
Bonds, notes, and loans payable(net of unamortized premiums and discounts)	-	5,173,342	2,175,500	955,000	-	8,303,842	-
Total noncurrent liabilities	<u>93,599</u>	<u>6,203,357</u>	<u>2,175,630</u>	<u>2,173,380</u>	<u>-</u>	<u>2,342,124</u>	<u>2,483,658</u>
Total liabilities	<u>643,638</u>	<u>6,803,580</u>	<u>2,324,917</u>	<u>2,441,630</u>	<u>-</u>	<u>3,909,923</u>	<u>3,410,395</u>
<b>NET ASSETS:</b>							
Invested in capital assets, net of related debt	1,231,707	10,535,004	3,522,947	5,007,852	-	20,297,510	3,548,116
Restricted for debt service	-	-	-	272,507	-	272,507	-
Unrestricted	1,455,963	1,807,980	849,191	47,291	96,302	4,256,727	5,862,980
Total net assets	<u>\$ 2,687,670</u>	<u>\$ 12,342,984</u>	<u>\$ 4,372,138</u>	<u>\$ 5,327,650</u>	<u>\$ 96,302</u>	<u>24,826,744</u>	<u>\$ 9,411,096</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(876,593)	
Net assets of business - type activities						<u>\$ 23,950,151</u>	

CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2010

Statement 7

	Business-Type Activities - Enterprise Funds					Total Current Year	Governmental Activities - Internal Service Fund
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Recreation Fund	Street Light Utility Fund		
<b>OPERATING REVENUES</b>							
Charges for Service	\$ 11,117,676	\$ 6,099,325	\$ 980,077	\$ 1,248,111	\$ 274,182	\$ 19,719,371	\$ 3,084,065
Less: cost of sales	(8,310,154)	-	-	(64,651)	-	(8,374,805)	-
<b>Total operating revenues</b>	<b>2,807,522</b>	<b>6,099,325</b>	<b>980,077</b>	<b>1,183,460</b>	<b>274,182</b>	<b>11,344,566</b>	<b>3,084,065</b>
<b>OPERATING EXPENSES</b>							
Personnel services	1,310,845	1,545,646	250,113	691,906	-	3,798,510	1,156,784
Other service and charges	514,460	3,636,193	329,248	509,329	-	4,989,230	2,020,325
Depreciation	78,312	1,107,915	416,476	316,882	-	1,919,585	585,564
<b>Total operating expenses</b>	<b>1,903,617</b>	<b>6,289,754</b>	<b>995,837</b>	<b>1,518,117</b>	<b>-</b>	<b>10,707,325</b>	<b>3,762,673</b>
<b>Operating income (loss)</b>	<b>903,905</b>	<b>(190,429)</b>	<b>(15,760)</b>	<b>(334,657)</b>	<b>274,182</b>	<b>637,241</b>	<b>(678,608)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	5,534	32,009	3,533	20,602	915	62,593	73,662
Intergovernmental revenue	-	-	-	-	-	-	3,392
Miscellaneous revenue	17,515	58,628	1,959	58,569	-	136,671	120,342
Gain(loss) on disposal of capital assets	-	-	-	-	-	-	32,420
Interest expense	-	(223,632)	(92,143)	(79,575)	-	(395,350)	-
<b>Total nonoperating revenue (expenses)</b>	<b>23,049</b>	<b>(132,995)</b>	<b>(86,651)</b>	<b>(404)</b>	<b>915</b>	<b>(196,086)</b>	<b>229,816</b>
<b>Income before transfers</b>	<b>926,954</b>	<b>(323,424)</b>	<b>(102,411)</b>	<b>(335,061)</b>	<b>275,097</b>	<b>441,155</b>	<b>(448,792)</b>
Transfers in	-	-	-	103,800	-	103,800	577,830
Transfers out	(686,770)	-	-	-	(260,000)	(946,770)	(100,000)
<b>Changes in net assets</b>	<b>240,184</b>	<b>(323,424)</b>	<b>(102,411)</b>	<b>(231,261)</b>	<b>15,097</b>	<b>(401,815)</b>	<b>29,038</b>
<b>Total net assets - beginning</b>	<b>2,447,486</b>	<b>12,666,408</b>	<b>4,474,549</b>	<b>5,558,911</b>	<b>81,205</b>		<b>9,382,058</b>
<b>Total net assets - ending</b>	<b>\$ 2,687,670</b>	<b>\$ 12,342,984</b>	<b>\$ 4,372,138</b>	<b>\$ 5,327,650</b>	<b>\$ 96,302</b>		<b>\$ 9,411,096</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(68,129)	
<b>Change in net assets of business - type activities</b>						<b>\$ (469,944)</b>	

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For The Year Ended December 31, 2010**

Statement 8

	Business Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Recreation Fund	Street Light Utility Fund		
<b>Cash flows from operating activities:</b>							
Receipts from customers and users	\$ 2,807,522	\$ 5,905,625	\$ 951,649	\$ 1,169,992	\$ 248,831	\$ 11,083,619	\$ -
Receipts from interfund services provided	-	-	-	-	-	-	3,084,065
Payment to employees	(1,296,337)	(1,523,818)	(249,742)	(688,453)	-	(3,758,350)	(1,078,805)
Payment to suppliers	(570,822)	(3,590,666)	(248,287)	(496,167)	(1,025)	(4,906,967)	(1,657,299)
Payments for interfund services used	(135,308)	(256,204)	(100,339)	(65,112)	-	(556,963)	-
Miscellaneous revenue	17,515	58,628	1,959	58,569	-	136,671	120,342
Net cash flows from operating activities	<u>822,570</u>	<u>593,565</u>	<u>355,240</u>	<u>(21,171)</u>	<u>247,806</u>	<u>1,998,010</u>	<u>468,303</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfer to General Fund	(236,770)	-	-	-	(260,000)	(496,770)	-
Transfer to Special Revenue Fund	(450,000)	-	-	-	-	(450,000)	-
Transfer to Capital Project Funds	-	-	-	-	-	-	(100,000)
Transfers from Special Revenue Fund	-	-	-	103,800	-	103,800	-
Transfer from Capital Project Funds	-	-	-	-	-	-	577,830
Interfund borrowing	-	1,000,000	-	(53,050)	-	946,950	53,050
Intergovernmental grants	-	-	-	-	-	-	3,392
Net cash flows from noncapital financing activities:	<u>(686,770)</u>	<u>1,000,000</u>	<u>-</u>	<u>50,750</u>	<u>(260,000)</u>	<u>103,980</u>	<u>534,272</u>
<b>Cash flows from capital and related financing activities:</b>							
Proceeds from disposal of capital assets	-	-	-	-	-	-	32,420
Premium on bonds	-	-	(400)	-	-	(400)	-
Deferred charges on bonds	-	4,500	1,400	-	-	5,900	-
Acquisition of capital assets	(33,140)	(112,084)	(61,773)	(593,767)	-	(800,764)	(596,989)
Principal paid on capital debt	-	(220,000)	(90,000)	(75,000)	-	(385,000)	-
Interest payments	-	(227,197)	(93,545)	(81,103)	-	(401,845)	-
Net cash flows from capital and related financing activities	<u>(33,140)</u>	<u>(554,781)</u>	<u>(244,318)</u>	<u>(749,870)</u>	<u>-</u>	<u>(1,582,109)</u>	<u>(564,569)</u>
<b>Cash flows from investing activities:</b>							
Investment income	5,534	32,009	3,533	20,602	915	62,593	73,662
Net increase in cash and cash equivalents	108,194	1,070,793	114,455	(699,689)	(11,279)	582,474	511,668
Cash and cash equivalents - January 1	974,028	130,079	504,951	1,904,123	20,878	3,534,059	7,485,762
Cash and cash equivalents - December 31	<u>\$ 1,082,222</u>	<u>\$ 1,200,872</u>	<u>\$ 619,406</u>	<u>\$ 1,204,434</u>	<u>\$ 9,599</u>	<u>\$ 4,116,533</u>	<u>\$ 7,997,430</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 903,905	\$ (190,429)	\$ (15,760)	\$ (334,657)	\$ 274,182	\$ 637,241	\$ (678,608)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities:</b>							
Miscellaneous revenue (expense)	17,515	58,628	1,959	58,569	-	136,671	120,342
Depreciation	78,312	1,107,915	416,476	316,882	-	1,919,585	585,564
<b>Changes in assets and liabilities:</b>							
Decrease (increase) in receivables	-	(194,734)	(28,428)	327,732	(25,351)	79,219	12,547
Decrease (increase) in prepaid items	(212)	-	-	-	-	(212)	12,000
Decrease (increase) in inventory	(7,915)	-	-	-	-	(7,915)	-
Increase (decrease) in payables	(187,016)	(215,726)	(15,992)	(392,289)	(1,025)	(812,048)	260,431
Increase (decrease) in salaries and benefits payable	3,873	4,205	310	1,224	-	9,612	3,598
Increase (decrease) in compensated absences	10,635	17,623	61	2,229	-	30,548	74,381
Increase (decrease) in due to other governments	(1,161)	758	(3,386)	(2,125)	-	(5,914)	10,667
Increase (decrease) in net OPEB obligations	4,634	5,325	-	1,264	-	11,223	7,100
Increase (decrease) in claims and judgments	-	-	-	-	-	-	60,281
Total adjustments	(81,335)	783,994	371,000	313,486	(26,376)	1,360,769	1,146,911
Net cash flows from operating activities	<u>\$ 822,570</u>	<u>\$ 593,565</u>	<u>\$ 355,240</u>	<u>\$ (21,171)</u>	<u>\$ 247,806</u>	<u>\$ 1,998,010</u>	<u>\$ 468,303</u>

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**December 31, 2010**

**Statement 9**

<b>Assets</b>	<b>Agency Fund</b>
Cash and investments	\$ 321,086
Accounts and other receivables	<u>10,112</u>
<b>Total assets</b>	<b><u><u>\$ 331,198</u></u></b>
<b>Liabilities</b>	
Overdraft payable	\$ 6,687
Accrued payroll	3,140
Due to other governments	4,129
Deposits	<u>317,242</u>
<b>Total Liabilities</b>	<b><u><u>\$ 331,198</u></u></b>

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

**CITY OF RICHFIELD, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

1. Summary of Significant Accounting Policies

The City of Richfield (the City) was incorporated February 26, 1908. Since 1964, the City has operated under a Council-Manager form of government, as authorized by its City Charter.

The accounting policies of the City conform to generally accepted accounting principles, as applied to governmental units by the U.S. Governmental Accounting Standards Board (GASB). With respect to proprietary activities, the City has adopted GASB No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

A. Reporting Entity

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the general purpose financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

- *Blended Component Units* - Reported as if they were part of the City.
- *Discretely Presented Component Units* - Entails reporting the component unit financial data in a column separate from the financial data of the City.
- *Related Organizations* - The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

- *Blended Components Units:*  
The City has no blended component units.
- *Discretely Presented Component Units:*  
Housing and Redevelopment Authority (HRA) in and for the City of Richfield.

The HRA was established on November 12, 1974, per Minnesota State Statute 462.426 (Minnesota Housing and Redevelopment Act of 1947), and is governed by a five-member commission appointed by the Mayor. The HRA was formed by the City to provide housing and redevelopment assistance to Richfield citizens and businesses. The HRA provides this assistance through the general taxes, the use of Community Development Block Grants, and the establishment of tax increment and tax abatement financing districts. The HRA also operates the Section 8 rental subsidy program as a direct recipient from the Department of Housing and Urban Development. As the City appoints the HRA commission and has the ability to hire or dismiss those persons responsible for its day-to-day operations, the HRA is considered a component unit of the City.

Financial statements of the HRA can be obtained from the administrative offices at City Hall:

Richfield Housing and Redevelopment Authority  
6700 Portland Avenue South  
Richfield, Minnesota 55423

- *Related Organizations*  
The City has no related organizations.

## B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

## C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, however, are unlike all other funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

The government reports the following major governmental funds:

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

The Pension Refund Special Revenue Fund was established to account for the Public Employees Retirement Associated refund of Police and Fire Consolidated Accounts received by the City.

The Improvement Bond Debt Service Fund is used for the accumulation of resources for payment of principal and interest for outstanding general obligation issues.

The Redevelopment Bond Debt Service Fund is used for the accumulation of resources for the payment of principal and interest for outstanding general obligation tax increment issues.



The Capital Improvement Capital Projects Fund is used to account for projects related to public improvement within the City.

The government reports the following major proprietary funds:

The Municipal Liquor Fund accounts for the operations of the four municipal liquor stores operated by the City.

The Water and Sewer Utility Fund accounts for the water and sewer service charges which are used to finance the water system and sanitary sewer system operating expenses.

The Storm Sewer Fund accounts for storm sewer user fees, which are used to finance storm sewer system operating expenses.

The Recreation Fund accounts for activities of the ice arena, swimming pool and special facilities operations.

The Street Light Utility Fund accounts for street light fees, which are used to finance the street light system operating expenses.

Additionally, the government reports the following fund types:

Internal Service Funds account for fleet management, data processing, risk management, building maintenance services, and compensated absences, provided to other funds or departments on a cost reimbursement basis.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The funds are custodial in nature and do not involve measurement of results of operation.

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 Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government 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 general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City of Richfield. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, the liquor, water, sewer, storm sewer, recreation, and street light enterprise funds, and the City's internal service funds are from the sale of product and charges to customers for 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 an allowable use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Budgets

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control for Capital Projects Funds is accomplished through the use of project controls and for the Debt Service Funds by bond indentures.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

E. Legal Compliance - Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statement and set forth in Section 7.06 of the City Charter.

1. The City Manager shall, at a special budget meeting of the Council on or before September 15, submit to the Council a proposed budget and an explanatory budget message in a form and manner as prescribed by the City Charter.
2. At the special budget meeting, the Council shall determine the plan and time of the public hearing or hearings on the budget. Public hearings are conducted to obtain taxpayer comments.
3. The Council shall adopt the budget no later than the last date established by law for the County Auditor to levy taxes. The budget shall set forth the total for each budgeted fund and each department with such segregation as to objects and purposes of expenditures as the Council deems necessary for purposes of budget control for the General and Special Revenue Funds.
4. Reported budget amounts are as originally adopted or as amended by Council-approved budget transfers. During 2010 the General Fund budget was amended to decrease budgeted expenditures by \$100,350. The City Manager is authorized to transfer budgeted amounts between divisions within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council with formal adoption by resolution. All budgeted appropriations lapse at the end of the year.
5. Expenditures may not legally exceed budgeted appropriations at the total department level. Monitoring of budgets is maintained at the expenditure category (i.e., salaries, wages, and benefits; material, supplies, and services; and capital outlay) within each activity. Budgetary monitoring, by departments or divisions and by category, is required by the City Charter.

F. Cash, Cash Equivalents, and Investments

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee in the G.O. Redevelopment Bonds Debt Service Fund include balances held in escrow for future bond refundings. Earnings on these accounts are allocated directly to this fund.

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date. For purposes of the statement of cash flows, the Proprietary Funds consider investments held in the City's cash management pool to be cash equivalents because this pool is used essentially as a demand deposit account.

G. Short-Term Interfund and Primary Government/Component Unit Receivable/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "advances to other funds" or "advances from other funds" on the balance sheet. Payables/receivables between the primary government and its component unit are classified as "due to/from component unit" on the primary government's balance sheet and "due to/from primary government" on the component unit's balance sheet.

Property taxes and special assessments have been reported net of estimated uncollectible accounts. (See Note 1H and I.) Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. Property Tax Revenue Recognition

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is

responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 2 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

#### Government-Wide Financial Statements

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

#### Governmental Fund Financial Statements

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

#### I. Special Assessment Revenue Recognition

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

#### Government-Wide Financial Statements

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

#### Governmental Fund Financial Statements

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

#### J. Inventories

Inventories are valued at cost, on a first-in, first-out basis. The cost of inventory in the Proprietary Funds is recognized as cost of sales or expense of operation at the time the inventory is sold or used.

#### K. Restricted Assets

Restricted assets include cash and investments, the use of which is limited by applicable bond covenants.

L. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

M. Land Held for Resale

Land held for resale represents property purchased by the City with the intent to resell in the future for redevelopment. These assets are stated at the lower of cost or net realizable value.

N. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets that are reported within the government-wide financial statements include assets that were acquired on or after 1960. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2010, no interest was capitalized in connection with construction in progress.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method, while infrastructure assets are depreciated using the composite method. Capital assets are depreciated over the following estimated useful lives:

<u>Assets</u>	
Buildings and structures	20-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	10 years
Other park improvements	10- 50 years
Storm sewers	25 years
Streets	25 years
Street lights	25 years
Distribution and collection systems	50 years

O. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave pay benefits. In addition, the fire employees are paid one-third of their unused sick pay upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for governmental fund employees is accrued in the Compensated Absences Fund as they are incurred. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is vested as severance pay. Compensated absences for governmental funds are accounted for in the Compensated Absences Internal Service Fund.

P. 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.

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

financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

R. Net Assets

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

S. Interfund Transactions

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

T. Reclassified

Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

2. Deposits and Investments

A. Deposits

Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. Deposits include checking, savings and certificates of deposits.

The December 31, 2010 bank balance and carrying amount of the City's deposits with financial institutions was \$1,345 and the cash on hand was \$47,240.

B. Investments

The City and HRA is authorized by Minnesota Statutes Chapter 118A to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in a) above.
- c) General obligations of the State of Minnesota or any of its municipalities.
- d) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper, issued by United States corporations of their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities in the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g) Guaranteed investment contracts (GIC) issued or guaranteed by a United States commercial bank or domestic branch of a foreign bank or a United States insurance company or its Canadian or United States subsidiary.
- h) Mortgage-backed securities that are direct obligations or guaranteed or insured issues of the United States, its agencies, and its instrumentality's, or organizations created by an act of Congress.

The City's investments are categorized by level of risk as provided in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, in the following manner:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able

to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not formally address this risk, but the City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Interest Rate Risk – To control the risk of market price changes, the City's formal investment policy recommends investment maturities shall match the City's projected cash flows. Investments in securities with maturities in excess of two years shall be placed with the intention to hold the security until maturity.

Credit Risk – To control credit risk, investments purchased shall include those authorized by Minnesota Statutes, such as U.S. Government Securities and the highest quality commercial paper. Investments in U.S. Government Securities were rated Aaa by Moody's Investors Services and AAA by Standard & Poors. The City has purchased four securities that are rated less than Aaa by Moody's Investors Services and AAA by Standard and Poors. The ratings assigned to these securities range from A1 to AA1. The City's investment policy does not further address credit risk.

The City participates in the 4M Fund, an external investment pool. The City's investment in the 4M Fund at December 31, 2010 is \$11,445,751. The 4M Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated 2a7-like pool and the fair value of the position in the pool is the same as the value of pool shares.

Money market mutual funds invested as part of the City's trust arrangement at Wells Fargo are rated Aaa by Moody's Investors Services and AAA by Standard & Poors and consist entirely of money market 2a7 funds.

Concentration of Credit Risk – The City's investment policy places no limit on the amount the City may invest in any one issuer. Approximately 53% of the City's investments are with U.S. Government Securities. To protect against potential fraud and embezzlement, the investments of the City and HRA are secured through a third party custody and safekeeping arrangement.

The following is a summary of the City's and HRA's investments, stated at fair value.

As of December 31, 2010, the City and HRA had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	% of Total	Fair Value	Less Than 1 Year	Years 1-5	Years 6-10
<u>U.S Agencies:</u>					
Federal Home Loan Bank Federal Home Loan Mortgage Corporation	26.60%	\$14,775,021	\$10,009,446	\$4,765,575	\$-
Federal National Mortgage Association	2.72%	1,509,655	1,006,895	502,760	-
Federal Farm Credit	8.28%	4,597,620	1,373,927	1,940,550	1,283,143
U.S. Treasuries	1.35%	751,627	751,627	-	-
Municipal Bond	14.17%	7,869,677	7,360,829	508,848	-
Discount Notes	3.92%	2,179,575	2,038,228	141,347	-
Certificates of Deposit	2.70%	1,498,235	1,498,235	-	-
	12.11%	6,725,163	5,237,492	1,487,671	-
<u>Money Markets:</u>					
Money Market Mutual Fund Investments	7.54%	4,187,816	4,187,816	-	-
External Investment Pool	20.61%	11,445,751	11,445,751	-	-
<b>Total</b>	<b>100.00%</b>	<b>\$55,540,140</b>	<b>\$44,910,246</b>	<b>\$9,346,751</b>	<b>\$1,283,143</b>

### 3. Receivables

Significant receivables balances not expected to be collected within one year of December 31, 2010 are as follows:

	Major Funds			Total
	General	Impr. Bond	Capital Imps.	
Special assessments receivable	\$ 676	\$626,965	\$114,072	\$741,713
Delinquent property taxes	116,346	19,356	2,141	137,843
	<u>\$117,022</u>	<u>\$646,321</u>	<u>\$116,213</u>	<u>\$879,556</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	City Unavailable
Delinquent property taxes receivable (General Fund)	\$ 202,094
Delinquent property taxes receivable (Debt Service)	33,622
Delinquent property taxes receivable (Capital Project)	3,720
Special assessments not yet due (Improvement Bonds)	969,291
Land held for resale	1,120,405
Total deferred/unearned revenue for governmental funds	<u>\$2,329,132</u>

#### 4. Capital Assets

Capital asset activity for the year ended December 31, 2010:

	Beginning Balance	Additions	Deletions	Ending Balance
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,088,344	\$107,085	\$ -	\$ 9,195,429
Construction in progress	18,236,901	14,696,076	(16,880,941)	16,052,036
Total capital assets, not being depreciated	<u>27,325,245</u>	<u>14,803,161</u>	<u>(16,880,941)</u>	<u>25,247,465</u>
Capital assets, being depreciated:				
Buildings and structures	6,836,421	12,815,119	-	19,651,540
Machinery and equipment	9,881,878	658,259	(445,007)	10,095,130
Other improvements	2,865,762	1,212,953	-	4,078,715
Streets (Infrastructures)	63,676,907	2,863,869	-	66,540,776
Total capital assets, being depreciated	<u>83,260,968</u>	<u>17,550,200</u>	<u>(445,007)</u>	<u>100,366,161</u>
Less accumulated depreciation for:				
Buildings and structures	4,572,143	373,581	-	4,945,724
Machinery and equipment	6,331,345	670,136	(308,990)	6,692,491
Other improvements	2,218,331	112,169	-	2,330,500
Streets (Infrastructures)	41,107,769	1,642,789	-	42,750,558
Total accumulated depreciation	<u>54,229,588</u>	<u>2,798,675</u>	<u>(308,990)</u>	<u>56,719,273</u>
Total capital assets being depreciated-net	<u>29,031,380</u>	<u>14,751,525</u>	<u>(136,017)</u>	<u>43,646,888</u>
Governmental activities capital assets-net	<u>\$56,356,625</u>	<u>29,554,686</u>	<u>(17,016,958)</u>	<u>68,894,353</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 674,008	\$ -	\$ -	\$674,008
Construction in process	1,571,656	376,919	(1,417,494)	531,081
Total capital assets, not being depreciated	<u>2,245,664</u>	<u>376,919</u>	<u>(1,417,494)</u>	<u>1,205,089</u>
Capital assets, being depreciated:				
Buildings and structures	15,026,318	24,284	-	15,050,602
Machinery and equipment	9,386,321	1,324,410	-	10,710,731
Other improvements	28,791,198	492,649	-	29,283,847
Total capital assets, being depreciated	<u>53,203,837</u>	<u>1,841,343</u>	<u>-</u>	<u>55,045,180</u>
Less accumulated depreciation for:				
Buildings and structures	7,709,471	501,780	-	8,211,251
Machinery and equipment	5,659,377	447,820	-	6,107,197
Other improvements	11,960,484	969,985	-	12,930,469
Total accumulated depreciation	<u>25,329,332</u>	<u>1,919,585</u>	<u>-</u>	<u>27,248,917</u>
Total capital assets being depreciated – net	<u>27,874,505</u>	<u>(78,242)</u>	<u>-</u>	<u>27,796,263</u>
Business-type activities capital assets - net	<u>\$30,120,169</u>	<u>\$298,677</u>	<u>\$(1,417,494)</u>	<u>\$29,001,352</u>

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

Governmental activities:	
General government	\$ 9,664
Public safety	125,097
Fire	7,011
Public works, including depreciation of general infrastructure assets	1,870,997
Parks and recreation	200,342
Internal service funds	585,564
Total depreciation expense – governmental activities	<u>\$2,798,675</u>
Business-type activities:	
Liquor operations	\$78,312
Water & Sewer utility	1,107,915
Storm Sewer utility	416,476
Recreation activities	316,882
Total depreciation expense – business-type activities	<u>\$1,919,585</u>

### Construction Commitments

At December 31, 2010, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project #</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
41400	Richfield Municipal Center	\$18,264,391	\$5,182,878

### 5. Risk Management

The City is exposed to various risks such as loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the City's policy to be self insured for workers' compensation, dental insurance and short-term disability insurance. Additionally, the City maintains a risk retention program for property, general liability, and auto liability insurance coverage by maintaining high deductibles. Accordingly, a Self-Insurance Fund (an Internal Service Fund) was established to account for and finance the City's uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$450,000 for each Workers' Compensation claim, and \$50,000 (\$300,000 aggregate) for each general liability and property damage claim. The City purchases insurance from the League of Minnesota Cities Insurance Trust (LMCIT) for property and municipal liability and the Workers' Compensation Reinsurance Association for claims in excess of coverage provided by the Fund and for all other risks of loss. The City has realized no significant reductions in insurance coverage during 2010. Finally, settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Insurance reimbursements to the Self-Insurance Fund are charged back to the affected Governmental and Proprietary funds in the form of an insurance charge to fund future premiums and estimated prior and current year claims. The claims and judgments liability of \$1,050,067 reported in the fund at December 31, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires a liability for claims reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.



A summary of the claims and judgments liability amount at December 31, 2010 and 2009 are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims & Changes in Estimates	Claim Payments-Net	Balance at Fiscal Year End
2009	\$637,447	618,550	(266,211)	\$ 989,786
2010	\$989,786	219,430	(159,149)	\$1,050,067

6. Long-Term Liabilities

The City issues general obligation bonds and capital notes to provide funds for the acquisition and construction of capital projects. The reporting entity and long-term debt is segregated between the amounts repaid from governmental activities and amounts to be repaid from business-type activities.

Redevelopment bonds are paid primarily from tax increments derived from increases in the taxable valuation of property within a redevelopment area in the City. The full faith and credit of the City is pledged on the bonds. Improvement bonds are paid primarily from debt service tax levies and proceeds of special assessments levied against property owners benefiting from improvements made. The full faith and credit of the City is pledged on the bonds. The Water and Sewer Revenue Bonds debt requirements are paid from the revenues of the operation of Water and Sewer Utility Fund. The Storm Sewer Revenue Bonds debt requirements are paid from net revenue of the operation of the Enterprise – Storm Sewer Utility Fund. The Ice Arena Revenue Bonds are paid from the activities of the Ice Arena operation within the Recreation Activities Fund.

During 2010, the City issued \$1,500,000 in G.O. Improvement Bonds, Series 2010A and \$6,355,000 in G.O. Tax Increment Refunding Bonds, Series 2010B. The proceeds of the 2010B issue and interest earned thereon will be used to refund in advance of their stated maturities the 2012 through 2024 maturities of the City's 2001A G.O. Tax Increment Bonds. The proceeds of the 2010B issue have been placed in an escrow account pending the August 1, 2011 call date of the refunded issue. Until the call date, the City will continue to make all debt service payments on the 2001A issue, and all debt service payments on the 2010B issue will be paid from the escrow account. On August 1, 2011, the escrow account will be used to call the remaining principal of the 2001A issue, and the City will assume all future principal and interest payments on the 2010B issue. This advance "crossover refunding" will reduce the City's future debt service payments by approximately \$738,795 and will result in net present value savings of approximately \$620,169.

## Governmental Activities

As of December 31, 2010, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Net Interest Rate	Issue Date	Final Maturity Date	Original Issued	Payable 12/31/10
<b>REDEVELOPMENT BONDS</b>					
General Obligation Tax Increment Bonds, 2000A	5.09%	4/1/2000	2/1/2012	\$ 1,630,000	\$ 340,000
General Obligation Tax Increment Bonds, 2001A	4.91%	4/1/2001	2/1/2024	8,350,000	6,610,000
Taxable G.O. Tax Increment Refunding Bonds, 2002B	4.13%	12/5/2002	2/1/2012	2,460,000	645,000
Taxable G.O. Tax Increment Refunding Bonds, 2002C	4.91%	12/5/2002	2/1/2017	1,045,000	570,000
Taxable G.O. Tax Increment Bonds, 2003C	5.42%	12/30/2003	2/1/2025	3,470,000	2,980,000
G.O. Tax Increment Refunding Bonds, 2010B	3.05%	12/30/2010	2/2/2024	6,355,000	6,355,000
Total Redevelopment Bonds				<u>23,310,000</u>	<u>17,500,000</u>
<b>IMPROVEMENT BONDS</b>					
Taxable G.O. Improvement Bonds of 1997	6.53%	12/1/1997	2/1/2013	750,000	220,000
G.O. Capital Improvement Bonds Series, 2007A	4.27%	7/10/2008	2/1/2028	4,705,000	4,390,000
G.O. Improvement Bonds, Series 2007B	4.27%	7/10/2008	2/1/2028	4,250,000	3,965,000
G.O. Capital Improvement Bonds Series, 2008A	4.60%	12/23/2008	2/1/2029	9,480,000	9,480,000
G.O. Capital Notes, Series 2008B	2.66%	12/23/2008	2/1/2011	515,000	260,000
G.O. Capital Improvement Bonds Series, 2009A	4.49%	1/14/2009	2/1/2029	4,550,000	4,550,000
G.O. Bonds, 2010A	1.89%	5/19/2010	2/1/2021	1,500,000	1,500,000
Total Improvement Bonds				<u>25,750,000</u>	<u>24,365,000</u>
TOTAL GOVERNMENTAL INDEBTEDNESS				<u>49,060,000</u>	<u>41,865,000</u>
<b>ENTERPRISE BONDS</b>					
Gross Revenue Ice Arena Bonds, Series 1999	5.26%	5/1/1999	2/1/2020	1,660,000	1,035,000
Water & Sewer Revenue Bonds, Series 2006A	4.21%	5/18/2006	2/1/2027	6,080,000	5,440,000
Storm Sewer Revenue Bonds, Series 2006B	4.07%	12/21/2006	2/1/2027	2,500,000	2,260,000
TOTAL BUSINESS-TYPE ACTIVITY INDEBTEDNESS				<u>10,240,000</u>	<u>8,735,000</u>
TOTAL CITY INDEBTEDNESS				<u>\$59,300,000</u>	<u>\$50,600,000</u>

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

Year	Redevelopment Bonds		Improvement Bonds		Water & Sewer		Storm Sewer		Ice Arena	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	7,295,000	623,160	1,270,000	1,004,700	230,000	218,020	90,000	90,170	80,000	51,490
2012	1,515,000	332,790	1,255,000	954,096	235,000	208,894	95,000	86,701	85,000	47,365
2013	590,000	298,175	1,295,000	909,574	245,000	199,414	100,000	83,045	90,000	42,945
2014	600,000	286,675	1,255,000	865,928	255,000	189,539	105,000	79,070	95,000	38,228
2015	615,000	273,300	970,000	825,715	265,000	179,269	110,000	74,770	100,000	33,205
2016-2020	3,385,000	1,082,882	5,500,000	3,486,687	1,495,000	727,087	625,000	302,350	585,000	80,084
2021-2025	3,500,000	374,500	6,795,000	2,173,729	1,850,000	387,714	775,000	160,795	-	-
2026-2029	-	-	6,025,000	531,967	865,000	37,731	360,000	15,512	-	-
TOTALS	<u>\$17,500,000</u>	<u>\$3,271,482</u>	<u>\$24,365,000</u>	<u>\$10,752,396</u>	<u>\$5,440,000</u>	<u>\$2,147,668</u>	<u>\$2,260,000</u>	<u>\$892,413</u>	<u>\$1,035,000</u>	<u>\$293,317</u>

## Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Redevelopment Bonds	\$12,120,000	\$ 6,355,000	\$(975,000)	\$17,500,000	\$7,295,000
Improvement Bonds	23,490,000	1,500,000	(625,000)	24,365,000	1,270,000
Total bonds and notes payable	35,610,000	7,855,000	(1,600,000)	41,865,000	8,565,000
Other Liabilities:					
Claims and judgments	989,786	219,430	(159,149)	1,050,067	-
Net OPEB obligation	421,751	251,259	(64,821)	608,189	-
Compensated absences	1,772,039	112,135	(37,754)	1,846,420	440,038
Governmental activities long-term liabilities	\$38,793,576	\$8,437,824	\$(1,861,724)	\$45,369,676	\$9,005,038
<b>Business – Type Activities</b>					
Bonds and notes payable:					
Ice Arena Bonds	\$ 1,110,000	\$ -	\$ (75,000)	\$ 1,035,000	\$ 80,000
Water & Sewer Revenue Bonds	5,660,000	-	(220,000)	5,440,000	230,000
Storm Sewer Revenue Bonds	2,350,000	-	(90,000)	2,260,000	90,000
Premium (Discount) on bonds payable	(33,198)	-	2,040	(31,158)	-
Total bonds and notes payable	9,086,802	-	(382,960)	8,703,842	400,000
Other Liabilities:					
Net OPEB obligation	35,971	21,865	(10,642)	47,194	-
Compensated absences	251,252	34,076	(3,528)	281,800	79,800
Business-type activities long-term liabilities	\$9,374,025	\$55,941	\$(397,130)	\$9,032,836	\$479,800

For the governmental activities, compensated absences are generally liquidated by the compensated absences fund. Net OPEB obligations are generally liquidated by the General Fund and Enterprise Funds. Claims and judgments are generally liquidated by the Self Insurance Fund. All long-term bonded indebtedness outstanding at December 31, 2010 is backed by the full faith and credit of the City, including special assessment and revenue bond issues. Special assessment receivable at December 31, 2010 totaled \$969,291.

### 7. Interfund balances and transactions

Interfund transfers as of December 31, 2010 are as follows:

Transfers out	Transfers in					Total
	General Fund	Capital Improvements	Nonmajor Governmental	Recreation Activities	Internal Service	
Pension Refund Fund	-	7,801,868	-	-	-	7,801,868
Improvement Bonds	-	1,488,715	-	-	-	1,488,715
Capital Improvement	301,930	143,656	-	-	577,830	1,023,416
Nonmajor governmental	730,000	150,500	227,042	103,800	-	1,211,342
Liquor Enterprise	236,770	-	450,000	-	-	686,770
Street Light Utility	260,000	-	-	-	-	260,000
Internal Service	-	100,000	-	-	-	100,000
	\$1,528,700	\$9,684,739	\$677,042	\$103,800	\$577,830	\$12,572,111

Interfund transfers allow the City to allocate financial resources to funds to provide funding for services to be provided or to provide financing for specific capital projects.

In 2009, the City's Recreation Enterprise Fund made an advance to the Park and Recreational Development Capital Project Fund to finance the Lincoln Field Park reconstruction project. The advance will be repaid over the next five years using funds from the City's Liquor Contribution Special Revenue Fund with 0% interest. In addition, the City's Self Insurance Fund made an advance to the Recreation Enterprise Fund to finance energy improvements at the City's Ice Arena. The term of the advance will be twenty (20) years with a beginning interest rate of 2%. The City Manager is authorized to adjust the interest rate as market conditions may dictate. At December 31, 2010 the balance of the respective advances (due in more than a year) was \$370,540 and \$1,184,180. The portion of the advances that is due in one year is \$45,000 and 54,120 respectively.

In 2010, the City's Capital Improvements Fund made an advance to the Water & Sewer Utility Fund to help provide funding for certain capital projects to be undertaken within the water operation. The advance will be repaid over the next ten years with at 2% interest rate, using funds generated from the water utility operation. The City Manager is authorized to adjust the interest rate as market conditions may dictate. At December 31, 2010, the balance of the advance was \$908,750. The portion of this advance that is due in one year, \$91,250, is included in interfund receivables and payables.

Individual fund interfund receivables and payables balances at year-end were as follows:

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
Recreation Enterprise Fund	Park and Recreational Development	
	Capital Project Fund	\$45,000
Capital Project Funds	Water & Sewer Utility	\$91,250
Self Insurance Fund	Recreation Enterprise Fund	\$54,120

Individual fund advances to and advances from at year-end were as follows:

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	<u>Amount</u>
Recreation Enterprise Fund	Park and Recreational Development	
	Capital Project Fund	\$ 370,540
Capital Project Funds	Water & Sewer Utility	\$ 908,750
Self Insurance Fund	Recreation Enterprise Fund	\$1,184,180

8. Restricted Assets

Restricted assets are monies restricted by legal requirements for the payment of bonds and interest. The balances at December 31, 2010 are as follows:

Redevelopment Bonds – Major Governmental Fund	\$6,362,997
Recreation Enterprise Fund	\$ 272,507

9. Individual Fund Disclosures

Expenditures exceeded appropriations (budget) in the following individual funds for the year ended December 31, 2010:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Primary Government:			
Nonmajor Special Revenue Funds:			
Tourism Administration	\$ 11,530	\$ 11,537	\$ 7
Drug/Felony Forfeiture	48,000	156,890	108,890
911 Fees	39,060	42,542	3,482
Public Safety Compliance	20,000	30,511	10,511
Community Center Contributions	-	10,311	10,311
Nature Center Contributions	35,960	72,721	36,761

The Park and Recreational Development Capital Projects nonmajor governmental fund had a deficit fund balance of \$275,457 as of December 31, 2010.

10. Contingencies and Litigation

The City is not currently involved in any pending or threatened litigation of a material nature.

The City has entered into an agreement with the Metropolitan Airports Commission (MAC), where the City will purchase certain right-of-way-properties as part of the 66<sup>th</sup> Street/17<sup>th</sup> Avenue intersection constructed in 2007. As part of the agreement, MAC will provide to the City the funds necessary to finance the right-of-way acquisitions. In addition, the City agrees to repay to MAC payments made by MAC to the City for the right-of-way acquisitions. However, within the agreements there are specific provisions that must be met in order for repayment to MAC to occur.

The cumulative amount of funds provided to the City for right-of-way acquisitions as of December 31, 2010 by MAC is \$1,080,779. In 2010 the City received no funds from MAC for right of way acquisitions as part of the intersection project. This potential liability is not recorded on the financial statements. The likelihood of the specific provisions being met is considered remote.

11. Defined Benefit Pension Plans - Statewide

A. Plan Description

All full-time and certain part-time employees of the City of Richfield are covered by defined benefit 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 Statute*, 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 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.

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 #200, St. Paul, Minnesota, 55103 or by calling (651)296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statute, 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 were required to contribute 9.1 percent and 6.0 percent, respectively, of their annual covered salary in 2010. PEPFF members were required to contribute 9.4 percent of their annual covered salary in 2010. The City was required to contribute the following percentages of annual covered payroll in 2010: 11.78 percent for Basic Plan GERF members, 6.75 percent for Coordinated Plan GERF members, and 14.1 percent for PEPFF members. Employer contribution rates for the Coordinated Plan increased by 0.25 percent, effective January 1, 2011. The City's contributions for the past three years ending December 31, which were equal to the contractually required contributions for each year as set by state statutes, were as follows:

<u>Year Ended</u> <u>December 31</u>	<u>GERF</u>	<u>PEPFF</u>
2008	593,653	692,816
2009	595,731	754,717
2010	610,560	766,474

12. Other Post Employments Benefits

A. Plan Description

The City provides post-employment insurance benefits to certain eligible employees as required by State law, through a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

Post-Employment Insurance Benefits – All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as

an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

**B. Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the City. There is no invested plan assets accumulated for payment of future benefits.

**C. Annual OPEB Cost and Net OPEB Obligation**

The City’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the City, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation to the plan:

	2010
Annual required contribution	252,267
Interest on net OPEB obligation	21,333
Adjustment to annual required contribution	(16,816)
Adj. for 2008 & 2009 costs	16,339
Annual OPEB cost (Expense)	273,123
Contributions made	75,462
Increase in net OPEB obligation	197,661
Net OPEB obligation – beginning of year	457,722
Net OPEB obligation – end of year	655,383

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended 2008, 2009, and 2010 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$323,026	\$75,972	23.5%	\$247,054
December 31, 2009	\$326,138	\$115,470	35.4%	\$457,722
December 31, 2010	\$273,123	\$75,462	27.6%	\$655,383

**D. Funded Status and Funding Progress**

As of January 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,573,782, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,573,782. The covered payroll (annual payroll of active employees covered by the plan) was \$12,903,221 and the ratio of the UAAL to the covered payroll was 19.9 percent.

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

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques

that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.5 percent discount, Pay-As-You-Go funding, Projected Unit Credit actuarial cost method, an annual health care cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after twelve years for medical insurance, a 30 year closed amortization period of the UAAL increasing at 4.5% per year using the payroll growth rate and with the level percentage of payroll amortization method. The remaining amortization periods at January 1, 2010 for the various amortization layers ranged from 28 to 30 years.

13. Right-of-Way

In 2002 the City acquired three properties for a total cost of \$7,000,000 for Interstate 494 widening right-of-way under the Metropolitan Council Right-of-Way Acquisition Loan Fund (RALF).

Under the RALF program, the City is obligated to return to the Metropolitan Council the proceeds of all RALF properties sold to the State of Minnesota. These RALF obligations and related properties have not been recorded since they do not represent true resources or liabilities of the City.

14. Conduit Debt

From time to time, the City has issued various industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Finally, the City does not track the remaining outstanding principal balances on conduit debt, as the City does not have any obligation toward the debt.

As of December 31, 2010 there were seven bond issues outstanding with an estimated aggregate principal amount outstanding of approximately \$53,005,317.

As part of the Richfield Senior Housing Inc. refunding, Richfield Senior Housing Inc. requested, and the City agreed, to defer the annual administrative fee charged on the outstanding principal balance of the bonds until the final maturity December 1, 2039 or a subsequent refunding of the bonds. The deferral of the annual administrative fee is estimated to be approximately \$600,000.

15. Limited Pay-As-You-Go Notes

The Richfield Housing and Redevelopment Authority (HRA) has issued Limited Revenue Pay-as-you-go Notes for the purpose of helping to finance various tax increment and tax abatement projects. These notes are not general obligations of the HRA as they are payable only to the extent of the future increments received. The cash flows of the notes have been updated to show the amount of the original note, per the development agreement, rather than the present value which had been used in the past. Accordingly, total pay-as-you-go notes at December 31, 2010 equal \$86,169,542.

16. Deferred Loan Program

The City's Housing and Rehabilitation Authority (HRA), as part of its home remodeling program, has issued several hundred home remodeling deferred loans. The funding source of the loans is Federal Community Development Block Grants. The loans are for 30-year terms, there is no interest charge, no monthly payment, and loan recipients must meet certain income requirements in order to qualify for the loans. The loans are only repaid if the remodeled home is sold prior to the expiration of the 30-year loan term. At the end of 2006, the City turned over the loan portfolio and administration of all loans to Hennepin County.

17. Federal and State Funds

The City received financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the

grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2010.

18. Nature and Amount of Significant Transactions between City – HRA

As noted in note 1, the HRA was established for the purpose to provide housing and redevelopment assistance to Richfield residents and businesses. The structure of the HRA is that it has no employees per se; however, it has a contract with the City where the City's Community Development department is to provide services as needed. Accordingly, the City charges the HRA for labor provided, data processing services, and office supplies, etc. In addition, to help fund redevelopment projects, the City will issue long term debt on behalf of the HRA. At the same time the HRA enters into a pledge agreement with the City whereby the HRA pledges future tax increment receipts generated by the redevelopment to service the debt issued.

Significant transactions during 2010 the HRA transferred to the City \$1,549,542 of tax increment receipts to fund debt service requirements for debt issued on behalf of the HRA.

19. Joint Venture

Local Government Information Systems Association (LOGIS):

This consortium of approximately 30 government entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of its board, and the Consortium is fiscally independent of the City. The total amount recorded within the 2010 financial statements of the City was \$481,810 for services provided, which is allocated to the various funds based on applications. Complete financial statements may be obtained at the LOGIS offices located at 5750 Duluth Street, Golden Valley, Minnesota 55422.

20. Subsequent Event

In May of 2011, the City issued \$1,480,000 of General Obligation Water Revenue Bonds, Series 2011A to fund capital improvements within the water utility infrastructure. The sale of the bonds were approved the City Council in April 2011. The debt service for the bonds will be funded through operations of the water utility. The 2011A bonds were rated by Standard and Poor's as AAA (credit enhanced).



**REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2010

Schedule 10  
 Page 1 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Taxes:</b>				
Current ad valorem	\$ 10,715,803	\$ 9,613,281	\$ 10,300,996	\$ 687,715
Fiscal disparities	1,903,237	2,395,399	2,017,291	(378,108)
<b>Total Taxes</b>	<b>12,619,040</b>	<b>12,008,680</b>	<b>12,318,287</b>	<b>309,607</b>
<b>Fees and Fines:</b>				
Municipal court fines	309,250	308,500	296,848	(11,652)
<b>Total Fees and Fines</b>	<b>309,250</b>	<b>308,500</b>	<b>296,848</b>	<b>(11,652)</b>
<b>Licenses and Permits:</b>				
Business licenses	248,640	248,640	234,489	(14,151)
Nonbusiness licenses and permits	475,490	420,020	667,257	247,237
<b>Total Licenses and Permits</b>	<b>724,130</b>	<b>668,660</b>	<b>901,746</b>	<b>233,086</b>
<b>Intergovernmental Revenues:</b>				
<b>Federal :</b>				
Grants	51,500	128,610	145,165	16,555
<b>State:</b>				
Local government aid	1,218,340	1,218,340	1,218,346	6
Market Value Homestead Credit	-	-	86,214	86,214
Fire State Aid	126,200	126,200	129,055	2,855
Grants - other	50,000	65,000	73,487	8,487
Police State Aid	342,840	342,840	333,637	(9,203)
Law officer training	16,000	17,000	15,057	(1,943)
State-aid street maintenance	257,770	268,000	268,305	305
<b>County -</b>				
Community health services	134,380	134,380	134,379	(1)
Grants - other	-	25,000	44,171	19,171
<b>Total Intergovernmental Revenue</b>	<b>2,197,030</b>	<b>2,325,370</b>	<b>2,447,816</b>	<b>122,446</b>
<b>Charges for Services:</b>				
General Government	287,300	291,250	388,844	97,594
Deputy Registrar	357,000	407,000	397,752	(9,248)
Public Safety	37,580	29,280	53,402	24,122
Park and Recreation	273,910	267,340	305,960	38,620
Nature Center	74,300	79,380	75,551	(3,829)
<b>Total Charges for Services</b>	<b>1,030,090</b>	<b>1,074,250</b>	<b>1,221,509</b>	<b>147,259</b>
<b>Investment Earnings</b>				
Investment Earnings	60,000	25,000	26,631	1,631
<b>Total Investment Earnings</b>	<b>60,000</b>	<b>25,000</b>	<b>26,631</b>	<b>1,631</b>
<b>Miscellaneous Revenues:</b>				
Rent	11,760	11,760	12,110	350
Recovery - damage to City property	8,000	8,000	7,191	(809)
Other	55,290	60,210	64,784	4,574
<b>Total Miscellaneous Revenues</b>	<b>75,050</b>	<b>79,970</b>	<b>84,085</b>	<b>4,115</b>
<b>Total Revenues</b>	<b>\$ 17,014,590</b>	<b>\$ 16,490,430</b>	<b>\$ 17,296,922</b>	<b>\$ 806,492</b>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2010

Schedule 10  
 Page 2 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>EXPENDITURES:</b>				
<b>LEGISLATIVE/EXECUTIVE</b>				
Mayor - Council:				
Personnel services	\$ 91,400	\$ 89,690	\$ 81,363	\$ (8,327)
Other services and charges	26,000	24,990	18,529	(6,461)
Total	<u>117,400</u>	<u>114,680</u>	<u>99,892</u>	<u>(14,788)</u>
Other Agencies:				
Other Agencies	92,510	92,510	92,505	(5)
South Hennepin Regional	25,720	25,720	25,720	-
Total	<u>118,230</u>	<u>118,230</u>	<u>118,225</u>	<u>(5)</u>
Human Services:				
Personnel services	30	-	-	-
Other services and charges	5,910	-	-	-
Total	<u>5,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
City Manager:				
Personnel services	148,280	153,940	152,441	(1,499)
Other services and charges	25,400	27,270	24,201	(3,069)
Total	<u>173,680</u>	<u>181,210</u>	<u>176,642</u>	<u>(4,568)</u>
Legal:				
Other services and charges	284,680	294,690	251,167	(43,523)
Total	<u>284,680</u>	<u>294,690</u>	<u>251,167</u>	<u>(43,523)</u>
Boards, Commissions, & Organizations:				
Other services and charges	44,670	43,700	50,246	6,546
Total	<u>44,670</u>	<u>43,700</u>	<u>50,246</u>	<u>6,546</u>
Total Legislative/Executive	<u>744,600</u>	<u>752,510</u>	<u>696,172</u>	<u>(56,338)</u>
<b>ADMINISTRATIVE SERVICES:</b>				
Administration:				
Personnel services	63,840	60,940	(29,581)	(90,521)
Other services and charges	90,740	87,820	89,875	2,055
Total	<u>154,580</u>	<u>148,760</u>	<u>60,294</u>	<u>(88,466)</u>
Human Resources:				
Personnel services	2,510	4,050	11,050	7,000
Other services and charges	27,190	21,760	13,441	(8,319)
Total	<u>29,700</u>	<u>25,810</u>	<u>24,491</u>	<u>(1,319)</u>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2010

Schedule 10  
 Page 3 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>ADMINISTRATIVE SERVICES:(Cont.)</b>				
<b>Finance:</b>				
Personnel services	227,940	222,690	170,316	(52,374)
Other services and charges	48,310	46,930	43,356	(3,574)
<b>Total</b>	<b>276,250</b>	<b>269,620</b>	<b>213,672</b>	<b>(55,948)</b>
<b>City Clerk:</b>				
Personnel services	284,690	278,190	283,204	5,014
Other services and charges	53,970	53,710	50,023	(3,687)
<b>Total</b>	<b>338,660</b>	<b>331,900</b>	<b>333,227</b>	<b>1,327</b>
<b>Assessing:</b>				
Personnel services	69,390	70,300	69,645	(655)
Other services and charges	230,890	250,860	250,489	(371)
<b>Total</b>	<b>300,280</b>	<b>321,160</b>	<b>320,134</b>	<b>(1,026)</b>
<b>Total Administrative Services</b>	<b>1,099,470</b>	<b>1,097,250</b>	<b>951,818</b>	<b>(145,432)</b>
<b>PUBLIC SAFETY:</b>				
<b>Administrative Support Services:</b>				
Personnel services	384,540	365,810	365,696	(114)
Other services and charges	361,870	361,630	344,172	(17,458)
<b>Total</b>	<b>746,410</b>	<b>727,440</b>	<b>709,868</b>	<b>(17,572)</b>
<b>Police Operations:</b>				
Personnel services	5,415,140	5,403,490	5,452,119	48,629
Other services and charges	1,180,840	1,157,760	1,130,535	(27,225)
<b>Total</b>	<b>6,595,980</b>	<b>6,561,250</b>	<b>6,582,654</b>	<b>21,404</b>
<b>Emergency Services:</b>				
Personnel services	9,080	8,180	8,180	-
Other services and charges	13,920	14,600	9,313	(5,287)
<b>Total</b>	<b>23,000</b>	<b>22,780</b>	<b>17,493</b>	<b>(5,287)</b>
<b>Total Public Safety</b>	<b>7,365,390</b>	<b>7,311,470</b>	<b>7,310,015</b>	<b>(1,455)</b>
<b>FIRE:</b>				
<b>Fire Protection:</b>				
Personnel services	2,835,250	2,825,280	2,835,203	9,923
Other services and charges	417,970	428,580	394,862	(33,718)
Capital Outlay	-	22,200	22,165	(35)
<b>Total</b>	<b>3,253,220</b>	<b>3,276,060</b>	<b>3,252,230</b>	<b>(23,830)</b>
<b>Total Fire</b>	<b>3,253,220</b>	<b>3,276,060</b>	<b>3,252,230</b>	<b>(23,830)</b>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2010

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	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>COMMUNITY DEVELOPMENT:</b>				
Administration:				
Personnel services	172,030	167,550	186,168	18,618
Other services and charges	87,200	88,230	86,213	(2,017)
Total	<u>259,230</u>	<u>255,780</u>	<u>272,381</u>	<u>16,601</u>
Inspection:				
Personnel services	563,440	562,650	557,357	(5,293)
Other services and charges	273,600	264,950	246,212	(18,738)
Total	<u>837,040</u>	<u>827,600</u>	<u>803,569</u>	<u>(24,031)</u>
Total Community Development	<u>1,096,270</u>	<u>1,083,380</u>	<u>1,075,950</u>	<u>(7,430)</u>
<b>PUBLIC WORKS:</b>				
Administration:				
Personnel services	143,710	143,980	165,241	21,261
Other services and charges	23,010	21,910	16,311	(5,599)
Total	<u>166,720</u>	<u>165,890</u>	<u>181,552</u>	<u>15,662</u>
Engineering:				
Personnel services	210,770	217,500	211,219	(6,281)
Other services and charges	77,890	69,710	60,217	(9,493)
Capital outlay	-	-	17,634	17,634
Total	<u>288,660</u>	<u>287,210</u>	<u>289,070</u>	<u>1,860</u>
Streets:				
Personnel services	521,030	522,870	614,167	91,297
Other services and charges	1,462,160	1,449,820	1,262,956	(186,864)
Total	<u>1,983,190</u>	<u>1,972,690</u>	<u>1,877,123</u>	<u>(95,567)</u>
Park Maintenance:				
Personnel services	642,790	626,450	698,330	71,880
Other services and charges	449,220	463,780	392,668	(71,112)
Total	<u>1,092,010</u>	<u>1,090,230</u>	<u>1,090,998</u>	<u>768</u>
Forestry:				
Personnel services	253,480	253,670	269,346	15,676
Other services and charges	273,730	240,710	228,044	(12,666)
Total	<u>527,210</u>	<u>494,380</u>	<u>497,390</u>	<u>3,010</u>
Total Public Works	<u>4,057,790</u>	<u>4,010,400</u>	<u>3,936,133</u>	<u>(74,267)</u>
<b>RECREATION SERVICES:</b>				
Recreation Services Administration:				
Personnel services	213,420	220,300	223,054	2,754
Other services and charges	85,610	71,980	64,188	(7,792)
Capital outlay	-	-	9,571	9,571
Total	<u>299,030</u>	<u>292,280</u>	<u>296,813</u>	<u>4,533</u>
Recreation Programs:				
Personnel services	599,590	596,190	557,075	(39,115)
Other services and charges	247,340	247,010	275,004	27,994
Total	<u>846,930</u>	<u>843,200</u>	<u>832,079</u>	<u>(11,121)</u>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2010

Schedule 10  
 Page 5 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>RECREATION SERVICES:(Cont.)</b>				
Wood Lake Nature Center:				
Personnel services	344,050	340,710	343,615	2,905
Other services and charges	74,930	74,070	75,883	1,813
<b>Total</b>	<b>418,980</b>	<b>414,780</b>	<b>419,498</b>	<b>4,718</b>
<b>Total Recreation Services</b>	<b>1,564,940</b>	<b>1,550,260</b>	<b>1,548,390</b>	<b>(1,870)</b>
<b>Total Expenditures</b>	<b>\$ 19,181,680</b>	<b>\$ 19,081,330</b>	<b>\$ 18,770,708</b>	<b>\$ (310,622)</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (2,167,090)</b>	<b>\$ (2,590,900)</b>	<b>\$ (1,473,786)</b>	<b>\$ 1,117,114</b>
<b>Other financing sources (uses):</b>				
Transfer from Special Revenue Funds	1,080,320	892,200	730,000	(162,200)
Transfer from Debt Service Funds	250,000	300,000	-	(300,000)
Transfer from Capital Project Funds	340,000	901,930	301,930	(600,000)
Transfer from Enterprise Funds	496,770	496,770	496,770	-
<b>Total other financing sources (uses)</b>	<b>2,167,090</b>	<b>2,590,900</b>	<b>1,528,700</b>	<b>(1,062,200)</b>
<b>Net increase (decrease) in fund balance</b>	<b>-</b>	<b>-</b>	<b>54,914</b>	<b>54,914</b>
<b>Fund balance - January 1</b>	<b>6,774,910</b>	<b>6,774,910</b>	<b>6,774,910</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 6,774,910</b>	<b>\$ 6,774,910</b>	<b>\$ 6,829,824</b>	<b>\$ 54,914</b>

**CITY OF RICHFIELD, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - PENSION REFUND FUND  
For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 96,210	\$ 35,000	\$ 52,375	\$ 17,375
<b>Total Revenues</b>	<u>96,210</u>	<u>35,000</u>	<u>52,375</u>	<u>17,375</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out:				
Capital Improvements Fund	<u>(96,210)</u>	<u>(7,784,493)</u>	<u>(7,801,868)</u>	<u>(17,375)</u>
<b>Net Other Financing Sources (Uses)</b>	<u>(96,210)</u>	<u>(7,784,493)</u>	<u>(7,801,868)</u>	<u>(17,375)</u>
<b>Net increase (decrease) in fund balance</b>	-	(7,749,493)	(7,749,493)	-
<b>Fund Balance - January 1</b>	<u>7,749,493</u>	<u>7,749,493</u>	<u>7,749,493</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 7,749,493</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CITY OF RICHFIELD, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2008	\$ 3,347,505	\$ -	\$ 3,347,505	-	\$ 13,254,399	25.3%
January 1, 2010	\$ 2,573,782	\$ -	\$ 2,573,782	-	\$ 12,903,221	19.9%

**CITY OF RICHFIELD, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
DECEMBER 31, 2010**

Note 1 Legal Compliance – Budgets

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control is at the department level for the General Fund and total expenditures for the special revenue funds. At December 31, 2010, there were no General Fund departments or major Special Revenue Funds whose expenditures exceeded budget appropriations.

There were several nonmajor Special Revenue Funds where expenditures exceeded appropriations at December 31, 2010. A more detailed listing of these funds can be found in the Notes to the Financial Statements, Note 9.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES**

**NONMAJOR GOVERNMENTAL FUNDS**

## **SPECIAL REVENUE FUNDS**

**A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified programs.**

### **PARK AND RECREATIONAL DEVELOPMENT CAPITAL PROJECTS FUND**

**This fund accounts for financial resources to be used for the acquisition or construction of major park recreational and cultural development capital improvement purposes.**

CITY OF RICHFIELD, MINNESOTA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2010

Statement 13

	Special Revenue	Park and Recreational Development Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 2,901,356	\$ 40,083	\$ 2,941,439
Due from other governments	4,398	100,000	104,398
Receivables, net	316,728	-	316,728
Prepaid items	20,275	-	20,275
Total assets	\$ 3,242,757	\$ 140,083	\$ 3,382,840
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 21,445	\$ -	\$ 21,445
Accrued salaries and benefits	2,992	-	2,992
Due to other funds	-	45,000	45,000
Payable to other governments	2,063	-	2,063
Advances from other funds	-	370,540	370,540
Total liabilities	26,500	415,540	442,040
 <b>Fund balances</b>			
<b>Reserved for:</b>			
Prepaid items	20,275	-	20,275
Unreserved, Undesignated	3,195,982	(275,457)	2,920,525
Total fund balances	3,216,257	(275,457)	2,940,800
<b>Total liabilities and fund balances</b>	<b>\$ 3,242,757</b>	<b>\$ 140,083</b>	<b>\$ 3,382,840</b>

CITY OF RICHFIELD, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010

Statement 14

	Special Revenue	Park and Recreational Development Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Franchise taxes	\$ 1,161,200	\$ -	\$ 1,161,200
Fees and fines	118,776	-	118,776
Intergovernmental	258,064	116,030	374,094
Investment earnings	23,469	1,966	25,435
Miscellaneous	445,253	-	445,253
Total revenues	2,006,762	117,996	2,124,758
<b>EXPENDITURES:</b>			
Current:			
Administrative Services	407,405	-	407,405
Public Safety	297,984	-	297,984
Recreation Services	179,248	7,410	186,658
Capital Outlay:			
Public Safety	13,533	-	13,533
Recreation Services	11,000	317,618	328,618
Total expenditures	909,170	325,028	1,234,198
Excess (deficiency) of revenues over expenditures	1,097,592	(207,032)	890,560
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	455,842	221,200	677,042
Transfers out	(1,211,342)	-	(1,211,342)
Total other financing sources and uses	(755,500)	221,200	(534,300)
Net increase (decrease) in fund balance	342,092	14,168	356,260
Fund balances - January 1	2,874,165	(289,625)	2,584,540
Fund balances - December 31	\$ 3,216,257	\$ (275,457)	\$ 2,940,800

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## **NONMAJOR SPECIAL REVENUE FUNDS**

The **Community Development Block Grant Fund** is maintained for specific social programs.

**Liquor Contributions Fund** is maintained according to Section 7.12, Subdivision 2 of the City Charter. Its primary purpose is to receive profits from the municipal off-sale liquor operations, which funds are restricted in use to financing capital improvements of the type which would be financed by a general obligation bond issue. Project appropriations are authorized by ordinance.

The **Tourism Administration Fund** is maintained to account for the collection of lodging taxes and subsequent payment to the Richfield Tourism Promotion Board.

The **Cable Television Fund** is maintained to account for the quarterly cable franchise fee received and cable television activities.

The **Elections Fund** was created to better account for the cost fluctuations in conducting elections.

The **Drug/Forfeiture Fund** is maintained according to federal regulations and is used to account for monies allocated to the City and spent according to their guidelines.

The **911 Fees Fund** is maintained to account for money received from the State of Minnesota for 911 dispatching services.

The **Public Safety Compliance Fund** is maintained to account for the collection of funds from the sale of recovered property, and fines collected from violations of alcohol and tobacco compliance checks.

**Contributions – Community Center, Nature Center and Recreation** are used to account for private donations restricted by the donor to certain programs or used for the park, Community Center, Nature Center and recreation.

The **Community Center Days Out Fund** is maintained to account for specific recreation day out programs.

The **Public Health Grants Fund** was created to account for grant funds received for enhancing the health and environmental well being of the community.

The **Wood Lake Half Marathon Fund** was created to separately account for the proceeds and costs associated with the Half Marathon race held at Wood Lake Nature Center.

The **Utility Franchise Fee Fund** was created to account for gas and electric franchise fees received from gas and electric public utilities.

CITY OF RICHFIELD, MINNESOTA  
SUBCOMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2010

	Liquor Contributions Fund	Tourism Admin	Comm. Fund	Elections	Drug/ Forfeiture	911 Fees
<b>ASSETS</b>						
Cash and investments	\$ 130,793	\$ 59,456	\$ 1,897,136	\$ 255,505	\$ 202,904	\$ 51,811
Due from other governments	-	-	-	-	4,398	-
Receivables, net	-	-	84,703	-	-	-
Prepaid items	-	-	7,330	-	-	12,945
Total Assets	<u>\$ 130,793</u>	<u>\$ 59,456</u>	<u>\$ 1,989,169</u>	<u>\$ 255,505</u>	<u>\$ 207,302</u>	<u>\$ 64,756</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 7,687	\$ 185	\$ 2,698	\$ 1,305	\$ 1,184
Accrued salaries and employee benefits payable	-	-	2,992	-	-	-
Payable to other governments	-	-	-	-	2,032	31
Total Liabilities	<u>-</u>	<u>7,687</u>	<u>3,177</u>	<u>2,698</u>	<u>3,337</u>	<u>1,215</u>
Fund Balances:						
Reserved for prepaid items	-	-	7,330	-	-	12,945
Unreserved, undesignated	<u>130,793</u>	<u>51,769</u>	<u>1,978,662</u>	<u>252,807</u>	<u>203,965</u>	<u>50,596</u>
Total Fund Balances	<u>130,793</u>	<u>51,769</u>	<u>1,985,992</u>	<u>252,807</u>	<u>203,965</u>	<u>63,541</u>
Total Liabilities and Fund Balances	<u>\$ 130,793</u>	<u>\$ 59,456</u>	<u>\$ 1,989,169</u>	<u>\$ 255,505</u>	<u>\$ 207,302</u>	<u>\$ 64,756</u>

Statement 15

Public Safety Compliance	Recreation	Community Center	Nature Center	Community Center Days Out	Public Health Grants	Wood Lake Half Marathon	Utility Franchise Fees	Total Nonmajor Special Revenue Funds
\$ 76,576	\$ 34,617	\$ -	\$ 68,068	\$ 11,126	\$ 80,852	\$ 20,725	\$ 11,787	\$ 2,901,356
-	-	-	-	-	-	-	-	4,398
8,718	-	-	-	-	-	-	223,307	316,728
-	-	-	-	-	-	-	-	20,275
<u>\$ 85,294</u>	<u>\$ 34,617</u>	<u>\$ -</u>	<u>\$ 68,068</u>	<u>\$ 11,126</u>	<u>\$ 80,852</u>	<u>\$ 20,725</u>	<u>\$ 235,094</u>	<u>\$ 3,242,757</u>
\$ 5,828	\$ 580	\$ -	\$ 1,766	\$ -	\$ 212	\$ -	\$ -	\$ 21,445
-	-	-	-	-	-	-	-	2,992
-	-	-	-	-	-	-	-	2,063
<u>5,828</u>	<u>580</u>	<u>-</u>	<u>1,766</u>	<u>-</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>26,500</u>
-	-	-	-	-	-	-	-	20,275
<u>79,466</u>	<u>34,037</u>	<u>-</u>	<u>66,302</u>	<u>11,126</u>	<u>80,640</u>	<u>20,725</u>	<u>235,094</u>	<u>3,195,982</u>
<u>79,466</u>	<u>34,037</u>	<u>-</u>	<u>66,302</u>	<u>11,126</u>	<u>80,640</u>	<u>20,725</u>	<u>235,094</u>	<u>3,216,257</u>
<u>\$ 85,294</u>	<u>\$ 34,617</u>	<u>\$ -</u>	<u>\$ 68,068</u>	<u>\$ 11,126</u>	<u>\$ 80,852</u>	<u>\$ 20,725</u>	<u>\$ 235,094</u>	<u>\$ 3,242,757</u>

CITY OF RICHFIELD  
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended December 31, 2010

	Liquor Contributions Fund	Tourism Admin	Comm. Fund	Elections	Drug/ Forfeiture	911 Fees
<b>Revenues:</b>						
Franchise taxes	\$ -	\$ -	\$ 331,807	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	118,776	-
<b>Intergovernmental revenues:</b>						
Federal grants	-	-	-	-	71,824	-
Other	-	-	-	-	32,979	-
State of Minnesota - 911 Fees	-	-	-	-	-	49,935
County	-	-	-	-	-	-
Total Intergovernmental Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,803</u>	<u>49,935</u>
Investment Earnings	<u>878</u>	<u>404</u>	<u>12,448</u>	<u>1,543</u>	<u>1,084</u>	<u>350</u>
<b>Miscellaneous:</b>						
Contributions	-	-	-	-	13,533	-
Other	-	7,092	6,310	204,648	725	-
Total Miscellaneous Revenues	<u>-</u>	<u>7,092</u>	<u>6,310</u>	<u>204,648</u>	<u>14,258</u>	<u>-</u>
Total Revenues	<u>878</u>	<u>7,496</u>	<u>350,565</u>	<u>206,191</u>	<u>238,921</u>	<u>50,285</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Personnel services	-	11,537	129,815	91,515	2,500	-
Other services and charges	-	-	59,629	22,709	140,857	42,542
Capital outlay	-	-	-	-	13,533	-
Total Expenditures	<u>-</u>	<u>11,537</u>	<u>189,444</u>	<u>114,224</u>	<u>156,890</u>	<u>42,542</u>
Excess (Deficiency) of Revenues over Expenditures	<u>878</u>	<u>(4,041)</u>	<u>161,121</u>	<u>91,967</u>	<u>82,031</u>	<u>7,743</u>
<b>Other Financing Sources (Uses):</b>						
<b>Transfers in:</b>						
Special Revenue Funds	-	-	-	-	-	-
Enterprise Funds	450,000	-	-	-	-	-
<b>Transfers out:</b>						
General Fund	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Project Funds	(346,200)	-	(25,500)	-	-	-
Enterprise Funds	(103,800)	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in fund balance	878	(4,041)	135,621	91,967	82,031	7,743
Fund Balance - January 1	<u>129,915</u>	<u>55,810</u>	<u>1,850,371</u>	<u>160,840</u>	<u>121,934</u>	<u>55,798</u>
Fund Balance - December 31	<u>\$ 130,793</u>	<u>\$ 51,769</u>	<u>\$ 1,985,992</u>	<u>\$ 252,807</u>	<u>\$ 203,965</u>	<u>\$ 63,541</u>

Statement 16

Public Safety Compliance	Recreation	Community Center	Nature Center	Community Center Days Out	Public Health Grants	Wood Lake Half Marathon	Utility Franchise Fees	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 829,393	\$ 1,161,200
-	-	-	-	-	-	-	-	118,776
1,995	-	-	-	-	89,295	-	-	163,114
-	-	-	-	-	-	-	-	32,979
-	-	-	-	-	-	-	-	49,935
12,036	-	-	-	-	-	-	-	12,036
14,031	-	-	-	-	89,295	-	-	258,064
525	272	-	1,930	86	640	207	3,102	23,469
-	7,902	8,388	82,067	-	-	10,478	-	122,368
23,176	-	-	-	22,143	-	58,791	-	322,885
23,176	7,902	8,388	82,067	22,143	-	69,269	-	445,253
37,732	8,174	8,388	83,997	22,229	89,935	69,476	832,495	2,006,762
2,500	2,000	-	28,760	1,000	8,760	27,500	-	305,887
28,011	16,921	10,311	32,961	19,832	72,814	39,963	92,200	578,750
-	-	-	11,000	-	-	-	-	24,533
30,511	18,921	10,311	72,721	20,832	81,574	67,463	92,200	909,170
7,221	(10,747)	(1,923)	11,276	1,397	8,361	2,013	740,295	1,097,592
-	5,842	-	-	-	-	-	-	5,842
-	-	-	-	-	-	-	-	450,000
-	-	-	-	-	-	-	(730,000)	(730,000)
-	-	(5,842)	-	-	-	-	-	(5,842)
-	-	-	-	-	-	-	-	(371,700)
-	-	-	-	-	-	-	-	(103,800)
-	5,842	(5,842)	-	-	-	-	(730,000)	(755,500)
7,221	(4,905)	(7,765)	11,276	1,397	8,361	2,013	10,295	342,092
72,245	38,942	7,765	55,026	9,729	72,279	18,712	224,799	2,874,165
\$ 79,466	\$ 34,037	\$ -	\$ 66,302	\$ 11,126	\$ 80,640	\$ 20,725	\$ 235,094	\$ 3,216,257

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - LIQUOR CONTRIBUTION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 17

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 1,000	\$ 500	\$ 878	\$ 378
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
Enterprise Funds	450,000	450,000	450,000	-
Transfers out:				
Capital Project Funds	(346,200)	(346,200)	(346,200)	-
Enterprise Funds	(103,800)	(103,800)	(103,800)	-
Net Other Financing Sources (Uses)	-	-	-	-
<b>Net increase (decrease) in fund balance</b>	<b>1,000</b>	<b>500</b>	<b>878</b>	<b>378</b>
<b>Fund Balance - January 1</b>	<b>129,915</b>	<b>129,915</b>	<b>129,915</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 130,915</b>	<b>\$ 130,415</b>	<b>\$ 130,793</b>	<b>\$ 378</b>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - TOURISM ADMINISTRATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 600	\$ 300	\$ 404	\$ 104
Other	7,000	6,300	7,092	792
<b>Total Revenues</b>	<b>7,600</b>	<b>6,600</b>	<b>7,496</b>	<b>896</b>
<b>Expenditures:</b>				
Personnel services	6,400	11,530	11,537	7
Other services and charges	5,000	-	-	-
<b>Total Expenditures</b>	<b>11,400</b>	<b>11,530</b>	<b>11,537</b>	<b>7</b>
<b>Net increase (decrease) in fund balance</b>	<b>(3,800)</b>	<b>(4,930)</b>	<b>(4,041)</b>	<b>889</b>
<b>Fund Balance - January 1</b>	<b>55,810</b>	<b>55,810</b>	<b>55,810</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 52,010</b>	<b>\$ 50,880</b>	<b>\$ 51,769</b>	<b>\$ 889</b>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - COMMUNICATIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Franchise fee	\$ 320,000	\$ 325,000	\$ 331,807	\$ 6,807
Investment Earnings	45,000	12,500	12,448	(52)
Other	-	-	6,310	6,310
Total Revenues	<u>365,000</u>	<u>337,500</u>	<u>350,565</u>	<u>13,065</u>
<b>Expenditures:</b>				
Personnel services	167,840	164,840	129,815	(35,025)
Other services and charges	79,980	79,980	59,629	(20,351)
Total Expenditures	<u>247,820</u>	<u>244,820</u>	<u>189,444</u>	<u>(55,376)</u>
Revenues over (under) expenditures	117,180	92,680	161,121	68,441
<b>Other Financing Sources (Uses):</b>				
<b>Transfers out:</b>				
General Fund	(234,110)	(146,200)		146,200
Capital Project Fund	-	(25,500)	(25,500)	-
Net Other Financing Sources (Uses):	<u>(234,110)</u>	<u>(171,700)</u>	<u>(25,500)</u>	<u>146,200</u>
Net Increase (decrease) in fund balance	(116,930)	(79,020)	135,621	214,641
Fund Balance - January 1	<u>1,850,371</u>	<u>1,850,371</u>	<u>1,850,371</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,733,441</u>	<u>\$ 1,771,351</u>	<u>\$ 1,985,992</u>	<u>\$ 214,641</u>



CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - ELECTIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 20

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 2,000	\$ 900	\$ 1,543	\$ 643
Other Revenues	120,000	110,000	204,648	94,648
<b>Total Revenues</b>	<b>122,000</b>	<b>110,900</b>	<b>206,191</b>	<b>95,291</b>
<b>Expenditures:</b>				
Personnel services	90,000	95,000	91,515	(3,485)
Other services and charges	78,360	78,360	22,709	(55,651)
<b>Total Expenditures</b>	<b>168,360</b>	<b>173,360</b>	<b>114,224</b>	<b>(59,136)</b>
<b>Net increase (decrease) in fund balance</b>	<b>(46,360)</b>	<b>(62,460)</b>	<b>91,967</b>	<b>154,427</b>
<b>Fund Balance - January 1</b>	<b>160,840</b>	<b>160,840</b>	<b>160,840</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 114,480</b>	<b>\$ 98,380</b>	<b>\$ 252,807</b>	<b>\$ 154,427</b>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - DRUG/FELONY FORFEITURE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 21

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Fees and Fines	\$ 35,000	\$ 35,000	\$ 118,776	\$ 83,776
Intergovernmental:				
Federal Grants	-	25,000	71,824	46,824
Other	-	-	32,979	32,979
Investment Earnings	2,000	1,000	1,084	84
Other	10,000	10,000	14,258	4,258
<b>Total Revenues</b>	<u>47,000</u>	<u>71,000</u>	<u>238,921</u>	<u>167,921</u>
<b>Expenditures:</b>				
Personnel services	3,000	3,000	2,500	(500)
Other services and charges	30,000	30,000	140,857	110,857
Capital outlay	15,000	15,000	13,533	(1,467)
<b>Total Expenditures</b>	<u>48,000</u>	<u>48,000</u>	<u>156,890</u>	<u>108,890</u>
<b>Net increase (decrease) in fund balance</b>	(1,000)	23,000	82,031	59,031
<b>Fund Balance - January 1</b>	<u>121,934</u>	<u>121,934</u>	<u>121,934</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 120,934</u>	<u>\$ 144,934</u>	<u>\$ 203,965</u>	<u>\$ 59,031</u>

**CITY OF RICHFIELD, MINNESOTA**  
**SPECIAL REVENUE FUND - 911 FEES**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2010**

Schedule 22

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Intergovernmental revenues:</b>				
<b>911 Fees</b>	\$ 48,000	\$ 49,930	\$ 49,935	\$ 5
<b>Investment Earnings</b>	500	200	350	150
<b>Total Revenues</b>	<u>48,500</u>	<u>50,130</u>	<u>50,285</u>	<u>155</u>
<b>Expenditures:</b>				
<b>Other services and charges</b>	17,000	39,060	42,542	3,482
<b>Total Expenditures</b>	<u>17,000</u>	<u>39,060</u>	<u>42,542</u>	<u>3,482</u>
<b>Net increase (decrease) in fund balance</b>	31,500	11,070	7,743	(3,327)
<b>Fund Balance - January 1</b>	<u>55,798</u>	<u>55,798</u>	<u>55,798</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 87,298</u>	<u>\$ 66,868</u>	<u>\$ 63,541</u>	<u>\$ (3,327)</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - PUBLIC SAFETY COMPLIANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 23

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal Grants	\$ -	\$ -	\$ 1,995	\$ 1,995
Other	-	-	12,036	12,036
Investment Earnings	500	500	525	25
Other Revenues	<u>26,000</u>	<u>22,000</u>	<u>23,176</u>	<u>1,176</u>
<b>Total Revenues</b>	<u>26,500</u>	<u>22,500</u>	<u>37,732</u>	<u>15,232</u>
<b>Expenditures:</b>				
Personnel services	-	-	2,500	2,500
Other services and charges	<u>22,000</u>	<u>20,000</u>	<u>28,011</u>	<u>8,011</u>
<b>Total Expenditures</b>	<u>22,000</u>	<u>20,000</u>	<u>30,511</u>	<u>10,511</u>
<b>Net increase (decrease) in fund balance</b>	4,500	2,500	7,221	4,721
<b>Fund Balance - January 1</b>	<u>72,245</u>	<u>72,245</u>	<u>72,245</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 76,745</u>	<u>\$ 74,745</u>	<u>\$ 79,466</u>	<u>\$ 4,721</u>

CITY OF RICHFIELD, MINNESOTA  
**SPECIAL REVENUE FUND - RECREATION CONTRIBUTIONS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2010

Schedule 24

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 200	\$ 272	\$ 72
Contributions	2,000	11,690	7,902	(3,788)
<b>Total Revenues</b>	<b>2,500</b>	<b>11,890</b>	<b>8,174</b>	<b>(3,716)</b>
<b>Expenditures:</b>				
Personnel services	-	-	2,000	2,000
Other services and charges	15,000	45,380	16,921	(28,459)
<b>Total Expenditures</b>	<b>15,000</b>	<b>45,380</b>	<b>18,921</b>	<b>(26,459)</b>
<b>Revenues over (under) expenditures</b>	<b>(12,500)</b>	<b>(33,490)</b>	<b>(10,747)</b>	<b>22,743</b>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers in:</b>				
Special Revenue Funds	-	-	5,842	5,842
<b>Net Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>5,842</b>	<b>5,842</b>
<b>Net Increase (decrease) in fund balance</b>	<b>(12,500)</b>	<b>(33,490)</b>	<b>(4,905)</b>	<b>28,585</b>
<b>Fund Balance - January 1</b>	<b>38,942</b>	<b>38,942</b>	<b>38,942</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 26,442</b>	<b>\$ 5,452</b>	<b>\$ 34,037</b>	<b>\$ 28,585</b>

**CITY OF RICHFIELD, MINNESOTA**  
**SPECIAL REVENUE FUND - COMMUNITY CENTER CONTRIBUTIONS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2010**

Schedule 25

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 100	\$ -	\$ -	\$ -
Contributions	7,740	-	8,388	8,388
<b>Total Revenues</b>	<u>7,840</u>	<u>-</u>	<u>8,388</u>	<u>8,388</u>
<b>Expenditures:</b>				
Other services and charges	5,290	-	10,311	10,311
<b>Total Expenditures</b>	<u>5,290</u>	<u>-</u>	<u>10,311</u>	<u>10,311</u>
<b>Revenues over (under) expenditures</b>	2,550	-	(1,923)	(1,923)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers out:</b>				
Special Revenue Funds	-	-	(5,842)	(5,842)
<b>Net Other Financing Sources (Uses):</b>	<u>-</u>	<u>-</u>	<u>(5,842)</u>	<u>(5,842)</u>
<b>Net Increase (decrease) in fund balance</b>	2,550	-	(7,765)	(7,765)
<b>Fund Balance - January 1</b>	<u>7,765</u>	<u>7,765</u>	<u>7,765</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 10,315</u>	<u>\$ 7,765</u>	<u>\$ -</u>	<u>\$ (7,765)</u>

CITY OF RICHFIELD, MINNESOTA  
**SPECIAL REVENUE FUND - NATURE CENTER CONTRIBUTIONS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2010

Schedule 26

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 2,500	\$ 200	\$ 1,930	\$ 1,730
Contributions	42,700	41,500	82,067	40,567
<b>Total Revenues</b>	<u>45,200</u>	<u>41,700</u>	<u>83,997</u>	<u>42,297</u>
<b>Expenditures:</b>				
Personnel services	-	28,760	28,760	-
Other services and charges	34,000	7,200	32,961	25,761
Capital Outlay	-	-	11,000	11,000
<b>Total Expenditures</b>	<u>34,000</u>	<u>35,960</u>	<u>72,721</u>	<u>36,761</u>
<b>Net increase (decrease) in fund balance</b>	11,200	5,740	11,276	5,536
<b>Fund Balance - January 1</b>	<u>55,026</u>	<u>55,026</u>	<u>55,026</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 66,226</u>	<u>\$ 60,766</u>	<u>\$ 66,302</u>	<u>\$ 5,536</u>

CITY OF RICHFIELD, MINNESOTA  
**SPECIAL REVENUE FUND - COMMUNITY CENTER DAYS OUT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2010

Schedule 27

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 50	\$ 86	\$ 36
Charges to Programs	<u>20,260</u>	<u>16,740</u>	<u>22,143</u>	<u>5,403</u>
<b>Total Revenues</b>	<u>20,760</u>	<u>16,790</u>	<u>22,229</u>	<u>5,439</u>
<b>Expenditures:</b>				
Personnel services	6,000	7,000	1,000	(6,000)
Other services and charges	<u>16,560</u>	<u>15,250</u>	<u>19,832</u>	<u>4,582</u>
<b>Total Expenditures</b>	<u>22,560</u>	<u>22,250</u>	<u>20,832</u>	<u>(1,418)</u>
<b>Net increase (decrease) in fund balance</b>	(1,800)	(5,460)	1,397	6,857
<b>Fund Balance - January 1</b>	<u>9,729</u>	<u>9,729</u>	<u>9,729</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 7,929</u></u>	<u><u>\$ 4,269</u></u>	<u><u>\$ 11,126</u></u>	<u><u>\$ 6,857</u></u>



CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - PUBLIC HEALTH GRANTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 28

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental revenues:</b>				
Federal grants	\$ 34,020	\$ 74,020	\$ 89,295	\$ 15,275
Investment Earnings	500	500	640	140
<b>Total Revenues</b>	<u>34,520</u>	<u>74,520</u>	<u>89,935</u>	<u>15,415</u>
<b>Expenditures:</b>				
Personnel services	5,170	8,760	8,760	-
Other services and charges	28,850	74,020	72,814	(1,206)
<b>Total Expenditures</b>	<u>34,020</u>	<u>82,780</u>	<u>81,574</u>	<u>(1,206)</u>
<b>Net increase (decrease) in fund balance</b>	500	(8,260)	8,361	16,621
<b>Fund Balance - January 1</b>	<u>72,279</u>	<u>72,279</u>	<u>72,279</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 72,779</u></u>	<u><u>\$ 64,019</u></u>	<u><u>\$ 80,640</u></u>	<u><u>\$ 16,621</u></u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - WOOD LAKE HALF MARATHON  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 29

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 150	\$ 207	\$ 57
Contributions	11,000	11,000	10,478	(522)
Other	51,000	60,000	58,791	(1,209)
Total Revenues	<u>62,500</u>	<u>71,150</u>	<u>69,476</u>	<u>(1,674)</u>
<b>Expenditures:</b>				
Personnel services	21,000	22,000	27,500	5,500
Other services and charges	42,000	47,800	39,963	(7,837)
Total Expenditures	<u>63,000</u>	<u>69,800</u>	<u>67,463</u>	<u>(2,337)</u>
Net increase (decrease) in fund balance	(500)	1,350	2,013	663
Fund Balance - January 1	<u>18,712</u>	<u>18,712</u>	<u>18,712</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 18,212</u>	<u>\$ 20,062</u>	<u>\$ 20,725</u>	<u>\$ 663</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - UTILITY FRANCHISE FEES  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2010

Schedule 30

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Franchise taxes	\$ 812,000	\$ 847,000	\$ 829,393	\$ (17,607)
Investment Earnings	13,000	1,000	3,102	2,102
<b>Total Revenues</b>	<u>825,000</u>	<u>848,000</u>	<u>832,495</u>	<u>(15,505)</u>
<b>Expenditures:</b>				
Other services and charges	<u>99,000</u>	<u>149,000</u>	<u>92,200</u>	<u>(56,800)</u>
<b>Revenues over (under) expenditures</b>	<b>726,000</b>	<b>699,000</b>	<b>740,295</b>	<b>41,295</b>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers out:</b>				
General Fund	<u>(750,000)</u>	<u>(746,000)</u>	<u>(730,000)</u>	<u>16,000</u>
<b>Net Other Financing Sources (Uses)</b>	<u>(750,000)</u>	<u>(746,000)</u>	<u>(730,000)</u>	<u>16,000</u>
<b>Net increase (decrease) in fund balance</b>	<b>(24,000)</b>	<b>(47,000)</b>	<b>10,295</b>	<b>57,295</b>
<b>Fund Balance - January 1</b>	<u>224,799</u>	<u>224,799</u>	<u>224,799</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 200,799</u></u>	<u><u>\$ 177,799</u></u>	<u><u>\$ 235,094</u></u>	<u><u>\$ 57,295</u></u>

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## **INTERNAL SERVICE FUNDS**

**Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. Internal Service Funds are authorized by Section 7.12, Subdivision 6 of the Richfield City Charter.**

**The Central Garage and Equipment Fund, the Information Technologies Fund, the Self Insurance Fund, Building Services Fund, and the Compensated Absences Fund, are self-sustaining funds providing service to other departments within the City and for which payments are made by the using department.**

CITY OF RICHFIELD, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2010

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Total
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 1,064,625	\$ 332,873	\$ 4,148,865	\$ 725,852	\$ 1,725,215	\$ 7,997,430
Due from other funds	-	-	54,120	-	-	54,120
Due from other governments	-	-	395	-	-	395
Prepaid items	-	1,250	36,000	-	-	37,250
<b>Total current assets</b>	<b>1,064,625</b>	<b>334,123</b>	<b>4,239,380</b>	<b>725,852</b>	<b>1,725,215</b>	<b>8,089,195</b>
<b>Noncurrent assets:</b>						
Advances to other funds	-	-	1,184,180	-	-	1,184,180
<b>Capital assets:</b>						
Buildings and equipment	7,200,420	666,789	-	947,424	-	8,814,633
Less accumulated depreciation	(4,482,676)	(455,874)	-	(327,967)	-	(5,266,517)
<b>Total noncurrent assets</b>	<b>2,717,744</b>	<b>210,915</b>	<b>1,184,180</b>	<b>619,457</b>	<b>-</b>	<b>4,732,296</b>
<b>Total assets</b>	<b>3,782,369</b>	<b>545,038</b>	<b>5,423,560</b>	<b>1,345,309</b>	<b>1,725,215</b>	<b>12,821,491</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable	258,264	75,983	58,012	11,385	-	403,644
Accrued salaries	7,491	11,978	-	8,003	-	27,472
Due to other governments	55,583	-	-	-	-	55,583
Compensated absences	6,127	12,311	-	10,448	411,152	440,038
<b>Total current liabilities</b>	<b>327,465</b>	<b>100,272</b>	<b>58,012</b>	<b>29,836</b>	<b>411,152</b>	<b>926,737</b>
<b>Noncurrent liabilities:</b>						
Compensated absences	19,581	39,345	-	33,393	1,314,063	1,406,382
Net OPEB obligation	10,654	7,673	-	8,882	-	27,209
Claims and judgments	-	-	1,050,067	-	-	1,050,067
<b>Total noncurrent liabilities</b>	<b>30,235</b>	<b>47,018</b>	<b>1,050,067</b>	<b>42,275</b>	<b>1,314,063</b>	<b>2,483,658</b>
<b>Total liabilities</b>	<b>357,700</b>	<b>147,290</b>	<b>1,108,079</b>	<b>72,111</b>	<b>1,725,215</b>	<b>3,410,395</b>
<b>NET ASSETS</b>						
Invested in capital assets	2,717,744	210,915	-	619,457	-	3,548,116
Unrestricted	706,925	186,833	4,315,481	653,741	-	5,862,980
<b>Total net assets</b>	<b>\$ 3,424,669</b>	<b>\$ 397,748</b>	<b>\$ 4,315,481</b>	<b>\$ 1,273,198</b>	<b>\$ -</b>	<b>\$ 9,411,096</b>

**CITY OF RICHFIELD, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**For the Year Ended December 31, 2010**

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Total
<b>OPERATING REVENUES</b>						
Charges for Service	\$ 918,860	\$ 856,264	\$ 654,417	\$ 654,524	\$ -	\$ 3,084,065
Total operating revenues	<u>918,860</u>	<u>856,264</u>	<u>654,417</u>	<u>654,524</u>	<u>-</u>	<u>3,084,065</u>
<b>OPERATING EXPENSES</b>						
Personnel services	235,984	347,600	324,374	237,645	11,181	1,156,784
Other service and charges	706,161	481,369	592,047	240,748	-	2,020,325
Depreciation	474,137	47,609	-	63,818	-	585,564
Total operating expenses	<u>1,416,282</u>	<u>876,578</u>	<u>916,421</u>	<u>542,211</u>	<u>11,181</u>	<u>3,762,673</u>
Operating income (loss)	<u>(497,422)</u>	<u>(20,314)</u>	<u>(262,004)</u>	<u>112,313</u>	<u>(11,181)</u>	<u>(678,608)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment revenue	4,884	1,188	51,512	4,897	11,181	73,662
Intergovernmental revenues	-	2,416	976	-	-	3,392
Miscellaneous revenue	7,412	2,033	110,789	108	-	120,342
Gain (loss) on disposal of capital assets	32,420	-	-	-	-	32,420
Total nonoperating revenue (expenses)	<u>44,716</u>	<u>5,637</u>	<u>163,277</u>	<u>5,005</u>	<u>11,181</u>	<u>229,816</u>
Income before transfers	<u>(452,706)</u>	<u>(14,677)</u>	<u>(98,727)</u>	<u>117,318</u>	<u>-</u>	<u>(448,792)</u>
Transfers in	446,000	131,830	-	-	-	577,830
Transfers out	-	-	-	(100,000)	-	(100,000)
Changes in net assets	<u>(6,706)</u>	<u>117,153</u>	<u>(98,727)</u>	<u>17,318</u>	<u>-</u>	<u>29,038</u>
Total net assets - beginning	<u>3,431,375</u>	<u>280,595</u>	<u>4,414,208</u>	<u>1,255,880</u>	<u>-</u>	<u>9,382,058</u>
Total net assets - ending	<u>\$ 3,424,669</u>	<u>\$ 397,748</u>	<u>\$ 4,315,481</u>	<u>\$ 1,273,198</u>	<u>\$ -</u>	<u>\$ 9,411,096</u>

CITY OF RICHFIELD, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2010

Statement 33

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Totals
<b>Cash flows from operating activities:</b>						
Receipts from interfund services provided	\$ 918,860	\$ 856,264	\$ 654,417	\$ 654,524	\$ -	\$ 3,084,065
Payment to employees	(234,416)	(343,780)	(324,374)	(235,888)	59,653	(1,078,805)
Payment to suppliers	(434,717)	(460,019)	(525,003)	(237,560)	-	(1,657,299)
Miscellaneous revenue	7,412	2,033	110,789	108	-	120,342
Net cash flows from operating activities	<u>257,139</u>	<u>54,498</u>	<u>(84,171)</u>	<u>181,184</u>	<u>59,653</u>	<u>468,303</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfer from Capital Project Funds	446,000	131,830	-	-	-	577,830
Transfer to Capital Project Funds	-	-	-	(100,000)	-	(100,000)
Interfund borrowing	-	-	53,050	-	-	53,050
Intergovernmental grants	-	2,416	976	-	-	3,392
Net cash flows from noncapital financing activities:	<u>446,000</u>	<u>134,246</u>	<u>54,026</u>	<u>(100,000)</u>	<u>-</u>	<u>534,272</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of property	32,420	-	-	-	-	32,420
Acquisition of capital assets	(549,638)	(47,351)	-	-	-	(596,989)
Net cash flows from capital and related financing activities	<u>(517,218)</u>	<u>(47,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(564,569)</u>
<b>Cash flows from investing activities:</b>						
Investment income	4,884	1,188	51,512	4,897	11,181	73,662
Net increase in cash and cash equivalents	190,805	142,581	21,367	86,081	70,834	511,668
Cash and cash equivalents - January 1	873,820	190,292	4,127,498	639,771	1,654,381	7,485,762
Cash and cash equivalents - December 31	<u>\$ 1,064,625</u>	<u>\$ 332,873</u>	<u>\$ 4,148,865</u>	<u>\$ 725,852</u>	<u>\$ 1,725,215</u>	<u>\$ 7,997,430</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (497,422)	\$ (20,314)	\$ (262,004)	\$ 112,313	\$ (11,181)	\$ (678,608)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities:</b>						
Miscellaneous revenue (expense)	7,412	2,033	110,789	108	-	120,342
Depreciation	474,137	47,609	-	63,818	-	585,564
<b>Changes in assets and liabilities:</b>						
Decrease (increase) in receivables	-	12,942	(395)	-	-	12,547
Decrease (increase) in prepaid items	-	-	12,000	-	-	12,000
Increase (decrease) in payables	231,269	6,760	21,590	812	-	260,431
Increase (decrease) in salaries and benefits	(346)	929	-	3,015	-	3,598
Increase (decrease) in compensated absences	1,914	2,891	-	(1,258)	70,834	74,381
Increase (decrease) in due to other governments	37,099	-	(26,432)	-	-	10,667
Increase (decrease) in net OPEB obligations	3,076	1,648	-	2,376	-	7,100
Increase (decrease) in claims and judgements	-	-	60,281	-	-	60,281
Total adjustments	<u>754,561</u>	<u>74,812</u>	<u>177,833</u>	<u>68,871</u>	<u>70,834</u>	<u>1,146,911</u>
Net cash flows from operating activities	<u>\$ 257,139</u>	<u>\$ 54,498</u>	<u>\$ (84,171)</u>	<u>\$ 181,184</u>	<u>\$ 59,653</u>	<u>\$ 468,303</u>



## FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. These funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

Building Permit – Surcharges Fund is maintained to account for surcharges collected for the state and to remit these funds to them.

Escrow Fund is maintained to account for various deposits, mainly contractors' deposits, to guarantee work performance improvements required by the City.

Snowmobile – Boat Licenses Fund accounts for monies collected for registration of snowmobile and boat licenses and remits these funds to the Department of Natural Resources.

Motor Vehicle Licenses Fund accounts for monies collected for registration and license fees of motor vehicles and remits these funds to the State of Minnesota.

South Hennepin Human Services is maintained to account for the payroll service that the City provides and the billings made for reimbursement for this service.

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CITY OF RICHFIELD  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 December 31, 2010

Statement 34

	Agency Funds				Total Fiduciary Funds
	Building Permit Surcharges	Escrow Fund	Snowmobile Boat Licenses	South Henn. Human Services	
<b>Assets</b>					
Cash and investments	\$ 2,379	\$ 317,242	\$ 1,465	\$ -	\$ 321,086
Accounts and other receivables	-	-	-	10,112	10,112
<b>Total assets</b>	<b>\$ 2,379</b>	<b>\$ 317,242</b>	<b>\$ 1,465</b>	<b>\$ 10,112</b>	<b>\$ 331,198</b>
<b>Liabilities</b>					
Overdraft payable	\$ -	\$ -	\$ -	\$ 6,687	\$ 6,687
Accrued payroll	-	-	-	3,140	3,140
Due to other governments	2,379	-	1,465	285	4,129
Deposits	-	317,242	-	-	317,242
<b>Total Liabilities</b>	<b>\$ 2,379</b>	<b>\$ 317,242</b>	<b>\$ 1,465</b>	<b>\$ 10,112</b>	<b>\$ 331,198</b>

CITY OF RICHFIELD, MINNESOTA  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
<b><u>BUILDING PERMIT SURCHARGES</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 719	\$ 23,083	\$ 21,423	\$ 2,379
<b><u>LIABILITIES</u></b>				
Due to other governments	\$ 719	\$ 26,974	\$ 25,314	\$ 2,379
<b><u>ESCROW FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 325,820	\$ 145,737	\$ 154,315	\$ 317,242
<b><u>LIABILITIES</u></b>				
Deposits	\$ 325,820	\$ 142,330	\$ 150,908	\$ 317,242
<b><u>SNOWMOBILE - BOAT LICENSES</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 4,510	\$ 52,189	\$ 55,234	\$ 1,465
<b><u>LIABILITIES</u></b>				
Due to other governments	\$ 4,510	\$ 52,189	\$ 55,234	\$ 1,465
<b><u>MOTOR VEHICLE LICENSES</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ -	\$ 10,349,731	\$ 10,349,731	\$ -
<b><u>LIABILITIES</u></b>				
Due to other governments	\$ -	\$ 10,349,486	\$ 10,349,486	\$ -
<b><u>SOUTH HENNEPIN HUMAN SERVICES</u></b>				
<b><u>ASSETS</u></b>				
Accounts receivable	\$ 20,545	\$ 128,466	\$ 138,899	\$ 10,112
<b><u>LIABILITIES</u></b>				
Overdraft payable	\$ 14,269	\$ 174,428	\$ 182,010	\$ 6,687
Accrued payroll	5,987	3,140	5,987	3,140
Due to other governments	289	-	4	285
	<u>\$ 20,545</u>	<u>\$ 177,568</u>	<u>\$ 188,001</u>	<u>\$ 10,112</u>

## Statement 35

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 331,049	\$ 10,570,740	\$ 10,580,703	\$ 321,086
Accounts receivable	20,545	128,466	138,899	10,112
<b>TOTAL ASSETS</b>	<b><u>\$ 351,594</u></b>	<b><u>\$ 10,699,206</u></b>	<b><u>\$ 10,719,602</u></b>	<b><u>\$ 331,198</u></b>
<b><u>LIABILITIES</u></b>				
Overdraft payable	\$ 14,269	\$ 174,428	\$ 182,010	\$ 6,687
Accrued Payroll	5,987	3,140	5,987	3,140
Due to other governments	5,518	10,428,649	10,430,038	4,129
Deposits	325,820	142,330	150,908	317,242
<b>TOTAL LIABILITIES</b>	<b><u>\$ 351,594</u></b>	<b><u>\$ 10,748,547</u></b>	<b><u>\$ 10,768,943</u></b>	<b><u>\$ 331,198</u></b>

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**SUPPLEMENTARY FINANCIAL INFORMATION**

**HOUSING AND REDEVELOPMENT AUTHORITY  
OF RICHFIELD, MINNESOTA  
COMBINED BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010**

	General	Special Revenue	Capital Projects
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,078,199	\$ 1,342,360	\$ 6,151,525
Accrued interest receivable	-	4,483	1,852
Due from other governments	2,069	303,357	12,360
Accounts receivable	287	23,677	14,881
Taxes receivable	9,152	-	9,777
Assets held for resale	-	303,348	3,377,213
Restricted cash	-	367,797	-
Long term second mortgage receivable	412,850	2,247,357	92,778
Total Assets	\$ 1,502,557	\$ 4,592,379	\$ 9,660,386
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,734	\$ 8,297	\$ 11,414
Due to other government	-	954	82,300
Deferred revenue	9,152	303,348	3,386,990
Deferred long term second mortgage	412,850	2,247,357	92,778
Deposits	-	-	-
Total Liabilities	425,736	2,559,956	3,573,482
<b>Fund Balances:</b>			
<b>Reserved for:</b>			
Housing assistance payments	-	367,797	-
<b>Unreserved:</b>			
Designated for investment	-	1,000,000	-
Undesignated	1,076,821	664,626	6,086,904
Total Fund Balances	1,076,821	2,032,423	6,086,904
Total Liabilities and Fund Balances	\$ 1,502,557	\$ 4,592,379	\$ 9,660,386

Fund balance reported above

Allocation to reflect consolidation on internal service fund activities related to component unit

Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in component unit funds.

Delinquent property taxes

Delinquent tax increment

Land held for sale

Net assets of component unit activities



Statement 36

Totals	
2010	2009
\$ 8,572,084	\$ 10,398,579
6,335	4,483
317,786	14,514
38,845	22,331
18,929	31,156
3,680,561	2,549,926
367,797	-
<u>2,752,985</u>	<u>2,776,130</u>
<u>\$ 15,755,322</u>	<u>\$ 15,797,119</u>
\$ 23,445	\$ 33,856
83,254	22,881
3,699,490	2,714,829
2,752,985	2,776,130
-	1,907
<u>6,559,174</u>	<u>5,549,603</u>
367,797	-
1,000,000	1,000,000
<u>7,828,351</u>	<u>9,247,516</u>
<u>9,196,148</u>	<u>10,247,516</u>
<u>\$ 15,755,322</u>	<u>\$ 15,797,119</u>
\$ 9,196,148	
(383,002)	
9,152	
9,777	
3,680,561	
<u>\$ 12,512,636</u>	

**HOUSING AND REDEVELOPMENT AUTHORITY  
OF RICHFIELD, MINNESOTA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year December 31, 2010**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Taxes	\$ 566,132	\$ -	\$ 5,798,857
Intergovernmental revenue	153,230	1,883,199	66,884
Investment income	4,749	11,392	63,715
Miscellaneous revenues	56,806	124,000	99,280
<b>Total Revenues</b>	<u>780,917</u>	<u>2,018,591</u>	<u>6,028,736</u>
<b>Expenditures -</b>			
<b>Current:</b>			
Personnel services	127,309	214,254	384,757
Other services and charges	257,441	1,700,022	4,972,862
Capital improvements	-	-	2,222,967
<b>Total Expenditures</b>	<u>384,750</u>	<u>1,914,276</u>	<u>7,580,586</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>396,167</u>	<u>104,315</u>	<u>(1,551,850)</u>
<b>Other Financing Sources (Uses):</b>			
<b>Transfers in:</b>			
General Fund	-	20,070	176,000
Capital Project Funds	141	-	721,283
<b>Transfers out:</b>			
General Fund	-	-	(141)
Special Revenue Funds	(20,070)	-	-
Capital Project Funds	(176,000)	-	(721,283)
<b>Net Other Financing Sources (Uses)</b>	<u>(195,929)</u>	<u>20,070</u>	<u>175,859</u>
<b>Net Changes in Fund Balances</b>	200,238	124,385	(1,375,991)
<b>Fund Balances - January 1</b>	<u>876,583</u>	<u>1,908,038</u>	<u>7,462,895</u>
<b>Fund Balances - December 31</b>	<u>\$ 1,076,821</u>	<u>\$ 2,032,423</u>	<u>\$ 6,086,904</u>

Adjustment to reflect the consolidation of internal service fund activities related to component unit  
Adjustment to reflect the change in other long-term assets not available to pay current  
period expenditures  
Change in net assets of component unit activities

<b>Totals</b>	
<b>2010</b>	<b>2009</b>
<b>\$ 6,364,989</b>	<b>\$ 6,876,261</b>
<b>2,103,313</b>	<b>1,711,624</b>
<b>79,856</b>	<b>102,764</b>
<b>280,086</b>	<b>467,293</b>
<b>8,828,244</b>	<b>9,157,942</b>
<b>726,320</b>	<b>743,451</b>
<b>6,930,325</b>	<b>6,017,788</b>
<b>2,222,967</b>	<b>1,795,064</b>
<b>9,879,612</b>	<b>8,556,303</b>
<b>(1,051,368)</b>	<b>601,639</b>
<b>196,070</b>	<b>99,380</b>
<b>721,424</b>	<b>-</b>
<b>(141)</b>	<b>-</b>
<b>(20,070)</b>	<b>(21,648)</b>
<b>(897,283)</b>	<b>(77,732)</b>
<b>-</b>	<b>-</b>
<b>(1,051,368)</b>	<b>601,639</b>
	<b>9,645,877</b>
	<b>\$ 10,247,516</b>
<b>(10,308)</b>	
<b>1,118,408</b>	
<b>56,732</b>	

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### **III. STATISTICAL SECTION (UNAUDITED)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

**These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.**

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

**These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.**

Schedule 1  
City of Richfield  
Net Assets by Components  
Last Eight Fiscal Years  
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 34,597,753	\$ 35,311,302	\$ 39,237,919	\$ 40,677,677	\$ 39,483,470	\$ 46,038,420	\$ 45,358,789	\$ 45,717,964
Restricted	26,632,465	22,847,004	24,930,877	19,434,664	24,474,914	17,736,711	18,955,821	18,729,736
Unrestricted	(7,248,172)	(4,550,885)	(2,946,445)	1,443,595	2,539,476	3,302,508	3,825,158	4,861,701
<b>Total governmental activities net assets</b>	<b>\$ 53,982,046</b>	<b>\$ 53,607,421</b>	<b>\$ 61,222,351</b>	<b>\$ 61,555,936</b>	<b>\$ 66,497,860</b>	<b>\$ 67,077,639</b>	<b>\$ 68,139,768</b>	<b>\$ 69,309,401</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 18,593,755	\$ 18,234,785	\$ 19,643,267	\$ 12,963,574	\$ 16,564,444	\$ 21,045,188	\$ 21,000,169	\$ 20,297,510
Restricted	491,907	499,007	495,707	502,007	272,507	272,507	272,507	272,507
Unrestricted	8,803,981	9,230,565	8,102,894	13,331,181	8,656,011	3,820,994	3,147,419	3,380,134
<b>Total business-type activities net assets</b>	<b>\$ 27,889,643</b>	<b>\$ 27,964,357</b>	<b>\$ 28,241,868</b>	<b>\$ 26,796,762</b>	<b>\$ 25,492,962</b>	<b>\$ 25,138,689</b>	<b>\$ 24,420,095</b>	<b>\$ 23,950,151</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$ 53,191,508	\$ 53,546,087	\$ 58,881,186	\$ 53,641,251	\$ 56,047,914	\$ 67,083,608	\$ 66,358,958	\$ 66,015,474
Restricted	27,124,372	23,346,011	25,426,584	19,936,671	24,747,421	18,009,218	19,228,328	19,002,243
Unrestricted	1,555,809	4,679,680	5,156,449	14,774,776	11,195,487	7,123,502	6,972,577	8,241,835
<b>Total primary government net assets</b>	<b>\$ 81,871,689</b>	<b>\$ 81,571,778</b>	<b>\$ 89,464,219</b>	<b>\$ 88,352,698</b>	<b>\$ 91,990,822</b>	<b>\$ 92,216,328</b>	<b>\$ 92,559,863</b>	<b>\$ 93,259,552</b>

Note: The City has chosen to report financial trend information beginning in the year of conversion to GASB 34 in 2003.

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Schedule 2  
City of Richfield  
Changes in Net Assets  
Last Eight Fiscal Years  
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
<b>Governmental activities:</b>								
General government	\$ 1,957,066	\$ 2,212,584	\$ 2,105,734	\$ 2,349,513	\$ 2,116,388	\$ 2,352,600	\$ 2,435,317	\$ 2,241,131
Public safety	6,916,099	6,973,840	7,296,922	7,857,315	8,006,189	8,779,156	9,220,252	7,956,850
Fire	2,673,441	2,638,080	2,812,351	2,394,664	2,924,032	3,111,442	2,849,347	3,375,222
Community development	6,361,679	6,187,922	257,379	343,623	310,792	322,428	143,142	1,118,218
Public Works	5,417,775	6,595,059	6,161,659	11,207,016	13,050,226	16,834,546	30,589,925	7,310,898
Parks and recreation	1,844,228	1,805,061	1,872,779	2,032,037	2,053,366	2,063,866	2,260,043	1,943,071
Interest on long-term debt	947,301	1,025,966	973,620	780,748	941,738	1,182,413	1,684,937	1,569,436
<b>Total governmental activities expenses</b>	<b>\$ 26,117,589</b>	<b>\$ 21,873,382</b>	<b>\$ 21,480,444</b>	<b>\$ 26,964,916</b>	<b>\$ 29,402,731</b>	<b>\$ 34,646,451</b>	<b>\$ 49,182,963</b>	<b>\$ 25,514,826</b>
<b>Business-type activities</b>								
Liquor	\$ 8,548,366	\$ 8,775,304	\$ 9,442,967	\$ 9,710,787	\$ 10,167,674	\$ 10,439,862	\$ 10,454,379	\$ 10,231,138
Water and sewer utility	4,513,758	4,731,518	5,098,869	6,002,913	5,813,949	6,359,038	6,402,596	6,543,019
Storm sewer utility	690,241	731,219	785,120	856,748	1,041,955	1,103,688	1,158,998	1,099,575
Recreation Fund	1,359,342	1,464,411	1,480,406	1,581,368	1,608,789	1,716,063	1,701,676	1,671,877
Street Light utility	-	-	-	-	-	-	1,640	-
<b>Total business-type activities expenses</b>	<b>\$ 15,111,707</b>	<b>\$ 15,702,452</b>	<b>\$ 16,807,362</b>	<b>\$ 18,151,816</b>	<b>\$ 18,632,367</b>	<b>\$ 19,618,651</b>	<b>\$ 19,719,289</b>	<b>\$ 19,545,609</b>
<b>Total primary government expenses</b>	<b>\$ 41,229,296</b>	<b>\$ 37,575,834</b>	<b>\$ 38,287,806</b>	<b>\$ 45,116,732</b>	<b>\$ 48,035,098</b>	<b>\$ 54,265,102</b>	<b>\$ 68,902,252</b>	<b>\$ 45,060,435</b>
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Charges for services:								
General government	\$ 448,615	\$ 475,766	\$ 489,429	\$ 555,757	\$ 534,039	\$ 441,704	\$ 404,782	\$ 398,787
Public safety	1,601,851	1,338,387	1,536,082	1,481,780	1,546,321	1,448,515	1,484,728	689,767
Fire	4,905	5,295	4,410	4,035	6,150	3,400	21,150	15,589
Community development	7,187	8,124	9,475	38,313	20,359	18,775	10,325	1,038,020
Public Works	18,134	16,292	14,197	20,194	29,978	30,352	19,698	15,205
Parks and recreation	282,557	326,585	352,489	335,259	342,479	345,259	326,746	381,511
Other activities	-	85,228	2,216,737	895,763	-	-	-	-
<b>Total Charges for services</b>	<b>2,363,049</b>	<b>2,257,677</b>	<b>4,622,819</b>	<b>3,331,101</b>	<b>2,479,326</b>	<b>2,288,005</b>	<b>2,267,429</b>	<b>2,538,879</b>
<b>Operating grants and contributions:</b>								
Public safety	715,984	705,562	621,833	691,482	743,298	914,722	787,410	1,003,961
Fire	170,855	445,223	371,590	220,441	196,114	162,580	138,196	129,055
Public Works	620,872	653,492	265,631	273,829	262,325	250,784	257,775	268,305
Parks and recreation	-	-	15,152	17,533	22,294	28,802	34,938	3,494
<b>Total Operating grants and contributions</b>	<b>1,507,711</b>	<b>1,807,277</b>	<b>1,274,206</b>	<b>1,203,285</b>	<b>1,224,031</b>	<b>1,356,888</b>	<b>1,218,319</b>	<b>1,404,815</b>
<b>Capital grants and contributions:</b>								
Community development	630,798	718,733	1,252,676	1,418,264	1,509,465	1,549,344	1,546,075	1,549,542
Public Works	3,973,311	1,475,894	6,646,261	4,146,965	8,362,186	11,463,338	26,141,406	2,012,957
Parks and recreation	-	-	-	-	-	-	200,248	116,030
<b>Total Capital grants and contributions</b>	<b>4,604,109</b>	<b>2,194,627</b>	<b>7,898,937</b>	<b>5,565,229</b>	<b>9,871,651</b>	<b>13,012,682</b>	<b>27,887,729</b>	<b>3,678,529</b>
<b>Total governmental activities program revenues</b>	<b>\$ 8,474,869</b>	<b>\$ 6,259,581</b>	<b>\$ 13,795,962</b>	<b>\$ 10,099,615</b>	<b>\$ 13,575,008</b>	<b>\$ 16,657,575</b>	<b>\$ 31,373,477</b>	<b>\$ 7,622,223</b>

Note: The City has chosen to report financial trend information beginning in the year of conversion to GASB 34 in 2003.



Schedule 2 (cont.)  
City of Richfield  
Changes in Net Assets  
Last Eight Fiscal Years  
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Business-type activities</b>								
Charges for services:								
Liquor	\$ 9,001,739	\$ 9,264,724	\$ 10,016,562	\$ 10,271,839	\$ 10,775,419	\$ 11,302,384	\$ 11,349,563	\$ 11,117,676
Water & Sewer	5,164,478	5,111,912	5,186,333	5,416,744	5,617,234	5,503,808	5,703,187	6,099,325
Storm Sewer	795,331	823,804	843,828	847,726	884,562	941,542	936,509	980,077
Recreation Activities	920,725	978,173	1,117,407	1,173,230	1,178,264	1,239,389	1,293,946	1,248,111
Street Light utility	-	-	-	-	-	-	82,832	274,182
Capital Grants & Contributions	-	-	-	-	-	1,123,416	-	-
<b>Total business-type activities program revenues</b>	<b>15,882,273</b>	<b>16,178,613</b>	<b>17,164,130</b>	<b>17,709,539</b>	<b>18,455,479</b>	<b>20,110,539</b>	<b>19,366,037</b>	<b>19,719,371</b>
<b>Total primary government program revenues</b>	<b>24,357,142</b>	<b>22,438,194</b>	<b>30,960,092</b>	<b>27,809,154</b>	<b>32,030,487</b>	<b>36,768,114</b>	<b>50,739,514</b>	<b>27,341,594</b>
<b>Net (Expense) Revenue</b>	<b>(17,642,720)</b>	<b>(15,613,801)</b>	<b>(7,684,482)</b>	<b>(16,865,301)</b>	<b>(15,827,723)</b>	<b>(17,988,876)</b>	<b>(17,809,486)</b>	<b>(17,892,603)</b>
Governmental activities	770,566	476,161	356,768	(442,277)	(176,888)	491,888	(353,252)	173,762
<b>Business-type activities</b>	<b>(16,872,154)</b>	<b>(15,137,640)</b>	<b>(7,327,714)</b>	<b>(17,307,578)</b>	<b>(16,004,611)</b>	<b>(17,496,988)</b>	<b>(18,162,738)</b>	<b>(17,718,841)</b>
<b>General Revenues and other changes in Net Assets</b>								
Governmental activities	\$ 8,779,581	\$ 9,448,671	\$ 10,233,097	\$ 11,193,859	\$ 11,368,203	\$ 12,417,269	\$ 13,631,513	\$ 14,522,676
Property taxes	256,965	855,972	959,701	989,857	1,017,826	1,033,940	1,055,073	1,161,200
Franchise taxes	3,510,372	3,431,938	2,321,758	1,527,012	2,602,147	2,144,629	2,719,211	1,320,480
Unrestricted grants and contributions	909,996	820,025	1,384,196	1,878,328	2,308,539	1,719,487	836,787	1,214,910
Others	335,675	682,570	400,660	1,609,830	1,859,180	1,253,330	629,031	842,970
<b>Total governmental activities</b>	<b>13,792,589</b>	<b>15,239,176</b>	<b>15,299,412</b>	<b>17,196,886</b>	<b>19,155,895</b>	<b>18,568,655</b>	<b>18,871,615</b>	<b>19,062,236</b>
<b>Business-type activities</b>								
Others	284,474	281,123	321,403	607,001	732,268	407,169	263,689	199,264
Transfers	(335,675)	(682,570)	(400,660)	(1,609,830)	(1,859,180)	(1,253,330)	(629,031)	(842,970)
<b>Total business-type activities</b>	<b>(51,201)</b>	<b>(401,447)</b>	<b>(79,257)</b>	<b>(1,002,829)</b>	<b>(1,126,912)</b>	<b>(846,161)</b>	<b>(365,342)</b>	<b>(643,706)</b>
<b>Total primary government</b>	<b>\$ 13,741,388</b>	<b>\$ 14,837,729</b>	<b>\$ 15,220,155</b>	<b>\$ 16,196,057</b>	<b>\$ 18,028,983</b>	<b>\$ 17,722,494</b>	<b>\$ 18,506,273</b>	<b>\$ 18,418,530</b>
<b>Changes in Net Assets</b>								
Governmental activities	\$ (3,850,131)	\$ (374,625)	\$ 7,614,930	\$ 333,585	\$ 3,328,172	\$ 579,779	\$ 1,062,129	\$ 1,169,633
Business-type activities	719,365	74,714	277,511	(1,445,106)	(1,303,800)	(354,273)	(718,594)	(469,944)
<b>Total primary government</b>	<b>\$ (3,130,766)</b>	<b>\$ (299,911)</b>	<b>\$ 7,892,441</b>	<b>\$ (1,111,521)</b>	<b>\$ 2,024,372</b>	<b>\$ 225,506</b>	<b>\$ 343,535</b>	<b>\$ 699,689</b>

Note: The City has chosen to report financial trend information beginning in the year of conversion to GASB 34 in 2003.

Schedule 3  
City of Richfield  
Fund Balance, Governmental Funds  
Last Eight Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>								
Reserved	\$ 66,021	\$ 69,370	\$ 73,873	\$ 71,288	\$ 87,315	\$ 92,303	\$ 91,326	\$ 73,146
Unreserved	5,869,424	6,237,683	6,389,218	6,593,944	6,649,555	6,657,999	6,683,584	6,756,678
<b>Total general fund</b>	<b>\$ 5,935,445</b>	<b>\$ 6,307,053</b>	<b>\$ 6,463,091</b>	<b>\$ 6,665,232</b>	<b>\$ 6,736,870</b>	<b>\$ 6,750,302</b>	<b>\$ 6,774,910</b>	<b>\$ 6,829,824</b>
<b>All Other Governmental Funds</b>								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,750
Advances to other funds	7,330	7,330	7,330	7,330	7,330	7,330	20,275	20,275
Prepaid items	6,225,583	3,359,586	5,085,604	2,649,533	3,194,219	3,240,201	3,860,116	10,850,982
Unreserved, reported in								
Special revenue funds	9,627,516	9,933,924	10,196,768	10,286,305	10,447,959	10,529,219	10,603,383	3,195,982
Capital project funds	9,136,295	8,171,594	8,306,684	7,230,999	11,379,192	14,683,130	17,748,413	12,261,522
<b>Total all other government funds</b>	<b>\$ 24,996,724</b>	<b>\$ 21,472,434</b>	<b>\$ 23,596,386</b>	<b>\$ 20,174,167</b>	<b>\$ 25,028,700</b>	<b>\$ 28,459,880</b>	<b>\$ 32,232,187</b>	<b>\$ 27,237,511</b>

Note: The City has chosen to report financial trend information beginning in the year of conversion to GASB 34 in 2003.

Schedule 4  
City of Richfield  
Changes in Fund Balance, Governmental Funds  
Last Eight Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>								
Property taxes	\$ 8,791,541	\$ 9,418,811	\$ 10,182,438	\$ 11,166,844	\$ 11,310,180	\$ 12,373,968	\$ 13,614,364	\$ 14,583,414
Franchise taxes	256,965	855,972	959,701	989,857	1,017,826	1,033,940	1,055,073	1,161,200
Special assessments	293,329	266,907	259,892	245,001	504,234	333,854	386,977	356,068
Fees and fines	251,609	226,820	451,887	365,268	379,605	349,481	389,819	415,624
License and permits	988,676	839,588	830,749	801,932	872,135	794,272	733,326	901,746
Intergovernmental	9,046,135	6,848,827	11,209,189	8,101,173	12,300,664	16,235,985	31,506,661	6,088,027
Charges for services	1,122,764	1,106,041	1,123,446	1,268,138	1,218,194	1,144,252	1,144,284	1,221,509
Investment earnings	370,167	301,369	602,725	1,121,437	1,377,540	915,215	240,971	178,949
Miscellaneous	425,912	505,283	2,818,225	1,291,600	830,468	499,675	535,604	997,545
<b>Total revenues</b>	<b>21,547,098</b>	<b>20,369,618</b>	<b>28,438,252</b>	<b>25,351,250</b>	<b>29,810,846</b>	<b>33,680,642</b>	<b>49,607,079</b>	<b>25,904,082</b>
<b>Expenditures</b>								
General government	1,888,548	2,101,156	2,046,449	2,173,914	2,085,409	2,182,970	2,075,721	2,055,395
Police	6,722,313	6,870,032	7,117,548	7,458,059	7,799,254	8,228,342	8,320,110	7,607,999
Fire	2,565,551	2,622,440	2,727,831	2,722,801	2,876,983	3,097,345	3,153,679	3,230,065
Community Development	6,257,759	641,900	235,668	293,300	312,098	251,917	220,912	1,075,950
Public Works	4,001,025	5,155,473	4,777,169	7,817,577	11,669,379	15,443,128	29,253,543	5,313,266
Recreation services	1,617,993	1,537,975	1,620,113	1,716,331	1,837,126	1,854,522	1,712,717	1,725,477
Capital outlay	58,168	62,593	97,627	68,387	330,102	183,858	113,155	73,903
Construction/acquisition cost	699,351	1,447,976	310,228	268,690	7,367,951	7,502,583	2,879,275	14,801,527
Debt service:								
Principal	3,645,000	3,070,146	5,805,185	6,159,669	950,000	1,000,000	1,285,000	1,600,000
Interest and other charges	924,297	981,295	1,027,793	836,723	779,093	1,146,342	1,424,744	1,726,989
<b>Total expenditures</b>	<b>28,380,005</b>	<b>24,490,986</b>	<b>25,765,611</b>	<b>29,515,451</b>	<b>36,007,395</b>	<b>40,891,007</b>	<b>50,438,856</b>	<b>39,210,571</b>
Excess of revenues over (under) expenditures	(6,832,907)	(4,121,368)	2,672,641	(4,164,201)	(6,196,549)	(7,210,365)	(831,777)	(13,306,489)
<b>Other Financing Sources(Uses)</b>								
Bonds issued	9,176,310	-	93,689	-	8,955,000	9,995,000	4,550,000	7,855,000
Premium (Discounts) on debt issued	(89,249)	-	-	-	(1,910)	(72,303)	(22,339)	146,587
Transfers in	1,287,790	3,357,989	2,128,879	3,273,530	16,974,442	13,724,429	6,579,328	11,890,481
Transfers out	(2,763,183)	(2,389,303)	(2,615,219)	(2,329,407)	(14,804,812)	(12,992,149)	(6,478,297)	(11,525,341)
<b>Total other financing sources(uses)</b>	<b>7,611,668</b>	<b>968,686</b>	<b>(392,651)</b>	<b>944,123</b>	<b>11,122,720</b>	<b>10,654,977</b>	<b>4,628,692</b>	<b>8,366,727</b>
<b>Net change in fund balances</b>	<b>\$ 778,761</b>	<b>\$ (3,152,682)</b>	<b>\$ 2,279,990</b>	<b>\$ (3,220,078)</b>	<b>\$ 4,926,171</b>	<b>\$ 3,444,612</b>	<b>\$ 3,796,915</b>	<b>\$ (4,939,762)</b>
Debt service as a percentage of noncapital expenditures	16.5%	17.6%	26.9%	24.0%	6.1%	6.5%	5.7%	13.7%

Note: The City has chosen to report financial trend information beginning in the year of conversion to GASB 34 in 2003.

Schedule 5  
City of Richfield  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousand of dollars)

Year Ended December 31	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)
2001	1,663,825	267,768	4,684	1,936,277	26.48%
2002	1,884,188	307,204	4,914	2,196,306	53.07%
2003	2,112,703	387,453	4,732	2,504,888	40.12%
2004	2,285,391	434,280	5,858	2,725,529	41.85%
2005	2,467,499	461,702	5,605	2,934,806	40.22%
2006	2,630,701	528,289	5,954	3,164,944	40.50%
2007	2,683,917	593,360	5,702	3,282,979	37.01%
2008	2,564,008	632,433	5,779	3,202,220	39.31%
2009	2,387,793	584,442	5,655	2,977,890	44.33%
2010	2,198,407	508,244	4,985	2,711,636	49.79%

(1) Includes both City and Housing and Redevelopment Authority Rates.

Source: Hennepin County Finance Department

Schedule 6  
City of Richfield  
Property Tax Rates-Direct and Overlapping Governments  
Per \$1,000 of Assessed Value or Tax Capacity

<b>Fiscal Year</b>	<b>City (1)</b>	<b>School District</b>	<b>Hennepin County</b>	<b>Metropolitan Agencies</b>	<b>Total</b>
<b>2001</b>	<b>26.48%</b>	<b>47.00%</b>	<b>37.62%</b>	<b>8.13%</b>	<b>119.23%</b>
<b>2002</b>	<b>53.07%</b>	<b>22.68%</b>	<b>50.41%</b>	<b>7.39%</b>	<b>133.55%</b>
<b>2003</b>	<b>40.12%</b>	<b>19.20%</b>	<b>50.61%</b>	<b>7.76%</b>	<b>117.69%</b>
<b>2004</b>	<b>41.85%</b>	<b>19.58%</b>	<b>47.32%</b>	<b>7.49%</b>	<b>116.24%</b>
<b>2005</b>	<b>40.22%</b>	<b>20.63%</b>	<b>44.17%</b>	<b>7.38%</b>	<b>112.41%</b>
<b>2006</b>	<b>40.50%</b>	<b>19.20%</b>	<b>41.02%</b>	<b>7.00%</b>	<b>107.72%</b>
<b>2007</b>	<b>37.01%</b>	<b>21.47%</b>	<b>39.11%</b>	<b>7.31%</b>	<b>104.90%</b>
<b>2008</b>	<b>39.31%</b>	<b>21.87%</b>	<b>38.57%</b>	<b>7.39%</b>	<b>107.14%</b>
<b>2009</b>	<b>44.33%</b>	<b>23.08%</b>	<b>40.41%</b>	<b>7.15%</b>	<b>114.98%</b>
<b>2010</b>	<b>49.79%</b>	<b>23.60%</b>	<b>42.64%</b>	<b>8.14%</b>	<b>124.16%</b>

(1) Includes Housing and Redevelopment Authority of Richfield.

Source: Hennepin County Assessing Office

Schedule 7  
City of Richfield  
Principal Property Tax Payers

		2010		
Tax payer	Assessed Value/ Tax Capacity	Rank	Percentage of Total City Tax Capacity Value	
Best Buy	\$ 3,175,560	1	11.81%	
Ohio Teacher Retirement System	1,078,820	2	4.01%	
CSM Corporation	517,890	3	1.93%	
CSM Shops, Inc.	375,600	4	1.40%	
Centro Bradley SPE 1 LLC	367,750	5	1.37%	
Crossroads at Penn LLC	357,900	6	1.33%	
Target Corporation	335,050	7	1.25%	
Wood Lake-Vef IV LLC	309,070	8	1.15%	
Northmarq RE Services	249,530	9	0.93%	
Richfield GLHD LLC	226,210	10	0.84%	
<b>Total</b>	<b>\$ 6,993,380</b>		<b>26.01%</b>	

		2001		
Tax payer	Assessed Value/ Tax Capacity	Rank	Percentage of Total City Tax Capacity Value	
Ohio Teacher Retirement System	\$ 1,012,750	1	4.61%	
Bradley Real Estate, Inc.	327,950	2	1.49%	
Richfield Housing Associates, Inc.	284,182	3	1.29%	
The Oaks	234,000	4	1.06%	
CP Gal Richfield LLC	219,250	5	1.00%	
Richfield State Agency, Inc.	217,910	6	0.99%	
Principal Life Insurance Co.	209,250	7	0.95%	
Twin City Christian Homes	187,974	8	0.86%	
Silver Crest Properties, LLC	179,280	9	0.82%	
ROP Investment Co. LLP	157,266	10	0.72%	
<b>Total</b>	<b>\$ 3,029,812</b>		<b>13.78%</b>	

Source: Hennepin County Assessing Office

Schedule 8  
City of Richfield  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Net Total Property Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2001	6,507,219	6,481,426	99.6%	25,793	6,507,219	100.0%	-	0.0%
2002	9,277,088	9,202,524	99.2%	74,564	9,277,088	100.0%	-	0.0%
2003	8,765,391	8,731,706	99.6%	15,827	8,747,533	100.0%	-	0.0%
2004	9,444,001	9,386,473	99.4%	38,344	9,424,817	99.7%	19,184	0.2%
2005	10,264,357	10,153,220	98.9%	100,661	10,253,881	99.2%	10,476	0.1%
2006	11,222,250	11,113,317	99.0%	-	11,113,317	99.5%	-	0.0%
2007	11,398,318	11,219,146	98.4%	150,501	11,369,647	99.7%	28,671	0.3%
2008	12,441,451	12,247,426	98.4%	153,964	12,401,390	99.7%	40,061	0.3%
2009	13,664,697	13,502,685	98.8%	116,126	13,618,811	99.7%	45,886	0.3%
2010	14,575,518	14,464,099	99.2%	-	14,464,099	99.2%	111,419	0.8%

Notes: (1) Net amount certified to County after credits and adjustments.

Schedule 9  
City of Richfield  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Year	Government Activities				Business Type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
	G.O.										
	Redevelopment Bonds	Improvement Bonds	Capital Notes	TRLF Loan	Storm Sewer Bonds	Ice Arena Bonds	Water & Sewer Bonds				
2001	15,040,000	1,635,000	-	-	1,165,000	1,610,000	-	-	19,450,000	-	558
2002	15,880,000	965,000	1,460,000	6,450,000	1,010,000	1,555,000	-	-	27,320,000	-	790
2003	21,375,000	855,000	1,450,000	6,606,310	830,000	1,500,000	-	-	32,616,310	-	945
2004	19,165,000	745,000	710,000	6,596,164	640,000	1,445,000	-	-	29,301,164	-	849
2005	18,495,000	650,000	360,000	1,999,668	435,000	1,385,000	-	-	23,324,668	-	676
2006	14,795,000	550,000	-	-	2,725,000	1,320,000	6,080,000	-	25,470,000	-	738
2007	13,945,000	9,405,000	-	-	2,500,000	1,255,000	6,080,000	-	33,185,000	-	962
2008	13,050,000	18,780,000	515,000.00	-	2,435,000	1,185,000	5,875,000	-	41,840,000	-	1,264
2009	12,120,000	22,975,000	515,000	-	2,350,000	1,110,000	5,660,000	-	44,730,000	-	1,328
2010	17,500,000	24,105,000	260,000	-	2,260,000	1,035,000	5,440,000	-	50,600,000	-	1,494

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

Note: Information on personal income is not available.



Schedule 10  
City of Richfield  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2001	1,635,000	15,040,000	16,675,000	4,541,331	12,133,669	0.86%	478
2002	8,875,000	15,880,000	24,755,000	7,201,732	17,553,268	1.13%	716
2003	8,911,310	21,375,000	30,286,310	6,225,583	24,060,727	1.21%	878
2004	8,051,164	19,165,000	27,216,164	3,359,586	23,856,578	1.00%	789
2005	3,009,668	18,495,000	21,504,668	5,085,604	16,419,064	0.73%	623
2006	550,000	14,795,000	15,345,000	2,649,533	12,695,467	0.48%	445
2007	9,405,000	13,945,000	23,350,000	3,194,219	20,155,781	0.71%	677
2008	19,295,000	13,050,000	32,345,000	3,240,201	29,104,799	1.01%	977
2009	23,490,000	12,120,000	35,610,000	3,860,116	31,749,884	1.20%	1,057
2010	24,365,000	17,500,000	41,865,000	10,850,982	31,014,018	1.54%	1,236

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

(1) Total Taxable Assessed Value can be found in Schedule 5 on page 116.

(2) Population data can be found in Schedule 14 on page 125.

Schedule 11  
City of Richfield  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2010

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to City of Richfield (2)	Amount Applicable to City of Richfield
City of Richfield	\$ 41,865,000	100.00%	\$ 41,865,000
Hennepin County	\$ 683,934,500	1.88%	\$ 12,857,969
Independent School District #280, Richfield, MN	28,475,818	76.93%	21,906,447
Hennepin Suburb Park District	67,630,065	2.52%	1,704,278
Hennepin Regional RR Authority	39,570,778	1.88%	743,931
Metropolitan Council	181,078,903	0.79%	1,430,523
	\$ 1,000,690,064		\$ 38,643,147
<b>Total</b>	<b>\$ 1,042,555,064</b>		<b>\$ 80,508,147</b>

Source: Hennepin County Property Tax

Note: (1) Excludes Revenue bonds

(2) The percentage applicable to the City of Richfield was determined by dividing the portion of the tax capacity within the City by the total tax capacity of the taxing jurisdiction.

Schedule 12  
City of Richfield  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(in thousand dollars)

Legal Debt Margin Calculation for Fiscal Year 2010

Market Value of taxable property	\$	2,711,636
Debt Limit (3% of market value of taxable property)		81,349
Total debt applicable to debt limit		<u>23,167</u>
Legal debt margin		<u>58,182</u>

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 38,920	\$ 36,650	\$ 40,738	\$ 54,778	\$ 58,939	\$ 63,299	\$ 65,660	\$ 96,067	\$ 83,337	\$ 81,349
Total debt applicable to limit	-	1,460	1,450	710	360	-	8,105	18,100	22,383	23,167
Legal debt margin	\$ 38,920	\$ 35,190	\$ 39,288	\$ 54,068	\$ 58,579	\$ 63,299	\$ 57,555	\$ 77,967	\$ 60,954	\$ 58,182

Total net debt applicable to the limit as a percentage of debt limit	-	3.98%	3.56%	1.30%	0.61%	-	12.34%	18.84%	26.86%	28.48%
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Schedule 13  
City of Richfield  
Revenue Bond Coverage  
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)		Coverage
				Principal	Interest	
2001	1,341,871 (3)	1,008,785	333,086	205,000	148,473	0.94
2002	1,351,053 (3)	1,015,640	335,413	210,000	134,011	0.98
2003	1,424,134 (3)	1,014,446	409,688	235,000	113,390	1.18
2004	1,510,199 (3)	1,049,424	460,775	245,000	99,253	1.34
2005	1,566,906 (3)	1,171,276	395,630	265,000	88,363	1.12
2006	7,031,041 (4)	6,555,873	475,168	275,000	233,315	0.93
2007	7,279,005 (4)	6,407,429	871,576	290,000	413,917	1.24
2008	7,302,918 (4)	6,696,608	606,310	340,000	405,516	0.81
2009	7,579,089 (4)	6,448,574	1,130,515	375,000	385,598	1.49
2010	7,967,431 (4)	7,389,315	578,116	385,000	395,350	0.74

Notes: (1) Total operating expenses exclude depreciation

(2) Include principal and interest of revenue bonds only

(3) Storm sewer and Ice Arena bonds

(4) Storm sewer, Ice Arena, Water and Sewer revenue bonds

Schedule 14  
City of Richfield  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2001	34,876					4,269	3.3%
2002	34,575					4,329	4.3%
2003	34,502					4,202	4.7%
2004	34,496					4,143	4.3%
2005	33,667					4,149	3.9%
2006	33,099					4,037	3.8%
2007	33,107					4,057	4.3%
2008	33,676					4,053	5.1%
2009	33,859					3,995	6.4%
2010	35,228					3,980	6.5%

Information not Available

Sources: Minnesota Department of Employment and Economic Development, Metropolitan Council, and Richfield School District #280.

Note: Information on personal income, median age, and education levels is not available.

Schedule 15  
City of Richfield  
Principal Employers

	2010			2001			
	<u>Employer</u>	<u>No. of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>No. of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Best Buy Corporate office	5,200	1	28.75%	GMAC-RFC	752	1	3.67%
US Bank	1,600	2	8.85%	Independent School District 280	594	2	2.90%
Independent School District 280	667	3	3.69%	Decision One	500	3	2.44%
Target at Cedar Point Commons	375	4	2.07%	City of Richfield	487	4	2.38%
City of Richfield	245	5	1.35%	Academy of Holy Angels	325	5	1.59%
Metro Sales Inc.	243	6	1.34%	Richfield Bank & Trust Co.	286	6	1.40%
Best Buy Store at Shops at Lyndale	200	7	1.11%	Fourth Shift Corp.	285	7	1.39%
Home Depot at Cedar Point Commons	163	8	0.90%	Metro Sales Inc.	245	8	1.20%
Richfield Health Center	122	9	0.67%	Galyan's Trading Co.	170	9	0.83%
Richfield Bloomington Honda	80	10	0.44%	Fraser School	165	10	0.81%
<b>Total</b>	<b>8,895</b>		<b>49.17%</b>	<b>Total</b>	<b>3,809</b>		<b>18.59%</b>

Sources: Minnesota State Business Directory, Richfield Chamber of Commerce, and the Minnesota Manufacturers Register.

Note: Employee totals include only employees with full time status.

Schedule 16  
City of Richfield  
Full-Time Equivalent City Employees by Function/Program

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General government</b>										
Management services	6	6	6	6	6	6	6	6	4	3
Finance	6	6	6	6	6	6	6	6	5	6
City Clerk	10	11	11	12	11	12	12	9	8	7
Assessing	1	1	1	1	1	1	1	1	1	1
Others	13	13	13	12	12	12	12	10	9	11
<b>Public Safety</b>										
Police officers	43	43	44	44	44	44	44	45	45	46
Dispatchers	10	10	10	9	8	8	8	8	8	7
Others	32	30	25	23	19	19	19	19	12	13
<b>Fire</b>										
Fire fighters and officers	26	26	26	24	26	26	26	26	24	26
<b>Community Development</b>										
Planning/Zoning	2	2	2	2	2	2	2	2	2	2
Inspections	6	6	5	5	4	4	4	7	7	7
Others	19	19	15	12	12	12	12	12	12	10
<b>Public Works</b>										
Engineering	6	6	6	5	5	4	4	4	5	4
Street and park maintenance	27	26	24	25	21	21	21	19	18	23
Forester	1	1	1	1	1	1	1	1	3	4
Others	14	14	13	10	12	12	12	11	8	5
<b>Parks and recreation</b>										
Liquor	27	25	25	22	24	24	23	20	18	18
Water and Wastewater	24	24	25	26	26	26	26	24	24	26
Storm Water	23	23	19	19	19	19	19	15	14	18
Recreation funds	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>
	<b>313</b>	<b>309</b>	<b>295</b>	<b>282</b>	<b>277</b>	<b>278</b>	<b>276</b>	<b>263</b>	<b>244</b>	<b>254</b>

Full Time Equivalent - includes intermittent, seasonal, and part-time employees adjusted to full time equivalent status.

Source: City Administration Services office

Schedule 17  
City of Richfield  
Operating Indications by Function/Program  
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrest	175	195	189	204	371	486	358	470	493	571
Total Offenses Cited	3,081	4,250	4,449	6,095	6,708	7,310	7,406	6,672	6,859	6,171
Fire										
Emergency responses	3,410	3,281	3,477	3,323	3,655	3,816	3,812	3,602	3,634	3,773
Fires extinguished	85	101	123	68	87	68	94	62	110	117
Other public works										
Streets resurfacing (miles)	1.43	1.37	-	0.29	2.18	1.64	3.77	3.91	3.21	3.68
Potholes repaired (tons of asphalt used)	945.37	861.45	225.67	548.87	988.47	368.45	174.26	174.26	475.14	367.72
Parks and recreation										
Athletic field permit issued	50	50	50	50	50	50	50	50	87	89
Water										
New connections	-	-	-	21	66	5	5	-	-	-
Water main breaks	8	7	11	11	8	4	14	11	8	13
Average daily consumption (million of gallons)	3.60	3.15	3.97	3.56	3.41	3.60	3.73	3.35	3.24	3.03
Peak daily consumption (million of gallons)	9.97	5.66	9.23	7.23	8.84	8.61	8.49	7.41	6.75	5.63
Waste Water										
Average daily sewage treatment (million of gallons)	3.24	3.18	3.54	3.20	3.25	3.38	2.83	3.01	2.90	2.72

Sources: Various city departments  
Note: Indicators are not available for the general government function



Schedule 18  
City of Richfield  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol office	1	1	1	1	1	-	-	-	-	-
Fire stations	2	2	2	2	2	2	2	2	2	2
<b>Other public works</b>										
Street (miles)	126.23	126.23	125.36	125.36	125.32	125.19	125.19	125.19	125.19	125.19
Highway (miles)	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64
Street lights	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,183	3,183	3,184
Traffic signals	51	51	51	51	51	51	51	50	50	49
<b>Parks and recreation</b>										
Acreage	461	461	461	461	461	461	461	461	461	461
Playgrounds	21	21	21	21	21	21	21	21	21	21
Baseball/softball diamonds	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Hockey Rink - indoor	2	2	2	2	2	2	2	2	2	2
Community Center	1	1	1	1	1	1	1	1	1	1
Nature Center	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	121	121	121	121	121	121	121	121	121	121
Fire hydrants	1,035	1,035	1,035	1,035	1,035	1,043	1,043	1,043	1,043	1,043
Storage capacity (millions of gallon:	5	5	5	5	5	5	5	5	5	5
<b>Wastewater</b>										
Sanitary sewers (miles)	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4
Storm sewers (miles)	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9

Sources: Various city departments  
Note: No capital asset indicators are available for the general government.

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