

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF LINO LAKES, MINNESOTA

FOR THE YEAR ENDED

DECEMBER 31, 2010

Prepared By: Finance Department

Alan Rolek, Director of Finance

Paula Schloer, Accountant

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I.
INTRODUCTORY
SECTION

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Elected Officials

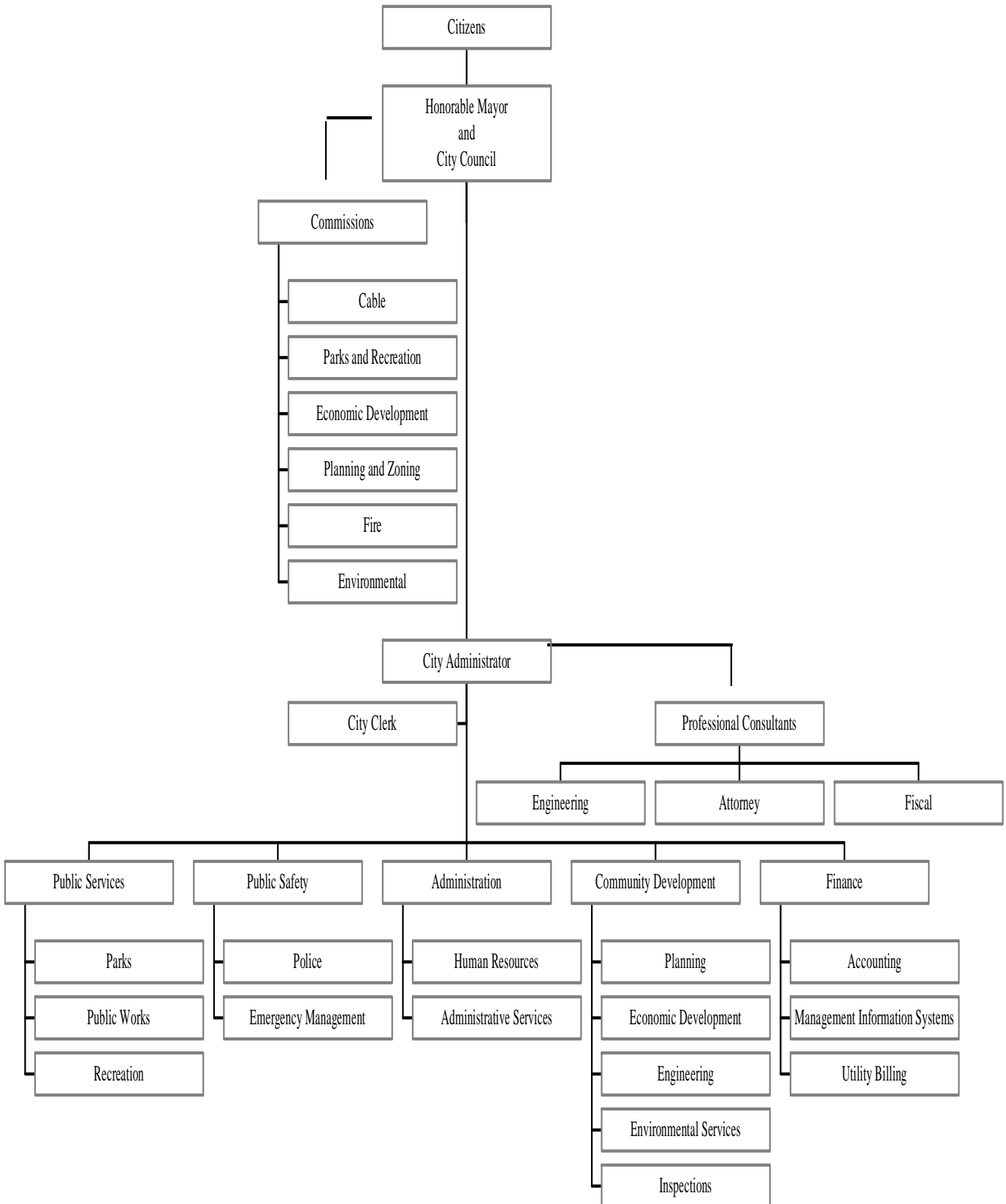
	<u>Term Expires</u>
Mayor: Jeff Reinert	December 31, 2011
Council Members: Kathi Gallup	December 31, 2011
Rob Rafferty	December 31, 2013
Jeff O'Donnell	December 31, 2013
Dave Roeser	December 31, 2011

Appointed Personnel

City Administrator	Jeff Karlson
Director of Administration	Daniel Tesch
Director of Finance	Alan Rolek
Director of Public Safety	Kent Strege
Director of Community Development	Michael Grochala
Director of Public Service	Rick DeGardner

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City of Lino Lakes Organizational Chart



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May 31, 2011

Honorable Mayor
Members of the City Council
Citizens of the City of Lino Lakes, Minnesota

Minnesota State law requires that cities over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the state auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Lino Lakes, Minnesota for the fiscal year ended December 31, 2010.

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

The City of Lino Lakes' financial statements have been audited by LarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 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'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.

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 Lino Lakes' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Lino Lakes, incorporated in 1955, is a growing community in the southeast corner of the County of Anoka. It covers an area of 33 square miles and has a population of approximately 20,400. The population has more than doubled from the 1990 census figure of 8,807 and has grown by 21% since 2000. Within the City's borders lies the 2,550 acre Rice Creek Chain of Lakes Regional Park. Access to St. Paul and Minneapolis is provided by I-35W and I-35E.

The City Charter, as amended, establishes a mayor-council form of government and grants the city council full policy-making and legislative authority to the mayor and four council members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a city administrator. The city administrator has the responsibility of carrying out the policies and ordinances of the city council, for overseeing the day-to-day operation of the city. The city council is elected at-large on a non-partisan basis, with council members serving four-year terms and the mayor serving a two-year term. Elections are held every two years with two council seats and the mayor being up for election each election cycle.

The City provides a full range of municipal services. These services include: general government, public safety (police & fire), public works (streets & fleet), parks and recreation, conservation of natural resources (environmental & solid waste abatement), public improvements, providing and maintaining sanitary and storm sewer, water infrastructure, and two enterprise funds, the water and sewer funds.

The annual budget is the foundation for the City of Lino Lakes' financial planning and control. All divisions are required to submit appropriations requests to the city administrator for review and consolidation into a proposed budget. The city administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The city council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 28. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Division directors may make transfers of appropriations within a department, but transfers of appropriations between departments require council approval. Budget-to-actual comparisons for the general fund and the recreation program fund, the only funds for which an annual budget has been adopted, are provided in this report beginning on pages 57 and 78, respectively.

Factors Affecting Financial Condition

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

Local economy. The economic development effort established by the City Council in 1993 increased the commercial/industrial tax base in the City from 3% of the total tax base to 10% in 2010. Development of three industrial parks - Apollo Business Park on 35W, Lakes Industrial Park on Lake Drive, and the Clearwater Creek Development Center on 35E, provided excellent opportunities for manufacturing and distribution businesses to move their headquarters to Lino Lakes. Before the recession began in late 2007 the Lino Lakes Town Center, comprising approximately 200 acres surrounding the 35W/Lake Drive interchange, was developing at a rapid pace. SuperTarget and Kohl's anchor the shopping center quadrant, while Apollo Business Park brought approximately 1,000 new employees to the area. Land was purchased by Anoka County on a third quadrant for future development of a regional library.

Factors Affecting Financial Condition (Continued)

In 2006, the City placed a major focus on reconstruction of the 35W/Lake Drive interchange and completion of public improvements in the Legacy at Woods Edge mixed use development to accommodate planned development. Within Legacy at Woods Edge, the Lino Lakes Civic Complex and Chain of Lakes YMCA provide a civic and community focus as part of the vision for Town Center. A workforce family housing project and assisted living facility provide diversity in housing to underserved populations within the City.

The deep recession has had negative impacts on the Legacy development. Both the master developer and lender defaulted, sending the remaining 22 acres intended for townhomes and commercial uses into tax forfeit. However, the solid foundation that was built and strong interest by developers prior to the recession ensures that better economic times will once again bring the interest in residential and commercial growth needed to complete the vision.

Building activity and development continued to be soft in 2010, reflecting the nationwide market. Building permits for new homes in 2010 numbered 31, compared to 28 in 2009. This represents about 1/3 of the new home permits issued in 2007 and is down by approximately 85% from 2005.

In anticipation of a strengthening economy, the City took the lead on developing the infrastructure needed to service future growth on the 35E/County Road 14 interchange area. A major reconstruction of the interchange completes a multi-year improvement of County Road 14 from Highway 61 in Hugo, through Centerville, to 35W in Lino Lakes. The City portion of the cost for this bridge reconstruction project is being financed through Anoka County, with the City issuing a \$4.26 million General Obligation Note to the County. The interchange will be completed in the summer of 2011.

With both major interstate interchanges complete, the City is preparing for development of several hundred acres in the northeast quadrant of 35E/14. Interest in the commercial interchange has spurred planning for an extension of Otter Lake Road North, which will leave the City well poised to accommodate significant future industrial, commercial and residential development.

Long-term financial planning. The sagging economic conditions since 2008 continue to provide challenges in our long-term outlook. In 2004, the city entered into an agreement with a master developer to develop 40 acres in the southeast quadrant of I-35W and Lake Drive. This mixed-use development is intended to include diverse opportunities for housing, retail and office uses. To date, the development includes the Lino Lakes Civic Complex (which houses the city hall, police station and school district early childhood center), the Chain of Lakes YMCA, a 60-unit workforce housing project, 13,000 square feet of leasable commercial space, and a former hotel, which is planned to be converted into an assisted living facility. Anoka County has plans to build a new regional library across the street from the development site, which is scheduled for 2012. However, the deep economic recession has stalled housing and commercial plans in the development and has forced the remaining 26 acres into foreclosure and tax forfeiture. The City continues to look for ways to resurrect the project and strives to be prepared to market the property when the economy recovers.

Factors Affecting Financial Condition (Continued)

Street, streetscape, water, sewer, and storm water improvements, as well as a small community park, have been installed within the development area and assessed to the development. Improvements to the existing Lake Drive and the construction of a new interchange at I-35W and Lake Drive were completed in 2008. This \$11.1 million improvement was financed through the joint efforts of MNDOT, Anoka County and the City of Lino Lakes. The City has issued \$4,215,000 in G.O. Tax Increment bonds and will use tax increment financing and Minnesota State Aid funds to finance its portion of the project cost. It is acknowledged that this development will result in additional ongoing costs involved in servicing and maintaining the streets and public areas, which will be addressed in future operating budgets.

The city's current five-year financial plan, adopted in January, 2008, identifies street and utility improvements totaling \$23,287,990 over the period of 2008 through 2012. These improvements are anticipated to be funded through a number of funding sources, including special assessments, municipal state aid road funds, the area and unit trunk fund, the stormwater management fund and voter-approved tax levies. Also included in the final year of the plan is a feasibility study for a new public works facility. Scheduled capital equipment and office equipment needs and the financing for those needs are also included in the plan. The five-year plan also includes funding projections for operations and operating impacts for the period of 2008-2012. This plan is in the process of being revised to reflect the anticipated activity through the year 2015.

Cash management policies and practices. The City's policy is to invest all available moneys at competitive rates in accordance with Minnesota law. Investments are made by minimizing credit and market risks while maintaining a competitive yield. Funds are invested in certificates of deposit, commercial paper and U.S. government agencies. Cash is pooled in one account to provide maximum return. The City Council reviews the investment policy annually.

The City's investment policy's primary objective is safety of principal. Therefore, all deposits were either insured by Federal depository insurance or were collateralized as required by State Statute. Due to the weakened economy, a historically low interest rate environment has persisted over the last few years and has had a dramatic impact on the city's investment earnings. The average yield on investments for 2010 was 1.74%. Investment income includes positive or negative changes in the fair value of investments. Changes in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments the city intends to hold to maturity.

Risk management. The City's general property, liability and worker's compensation coverage is provided through the League of Minnesota Cities Trust (LMCIT).

At the beginning of the insurance year, the city deposits with LMCIT a premium determined by calculating estimated payroll and applying experience modification ratios. An audit is performed at the end of the insurance year, which may produce a refund or an adjustment due. LMCIT's reserves and rates are reviewed annually by an actuary to assure that the program remains financially strong.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for excellence in financial reporting to cities that meet certain criteria. The City of Lino Lakes received this award for its comprehensive annual financial report for the year ended December 31, 2009. This marks the tenth consecutive year that the city has received this prestigious award. A governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program requirements. 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. The City is submitting the 2010 report to GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. We believe our current report continues to conform to the high standards of the Certificate program.

The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors and other city staff. I also want to express my appreciation to the Mayor and City Council for their support for maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alan J. Rolek". The signature is fluid and cursive, with the first name "Alan" and last name "Rolek" clearly distinguishable.

Alan J. Rolek
Director of Finance

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lino Lakes
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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II.
FINANCIAL
SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 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.

Honorable Mayor and
Members of the City Council
City of Lino Lakes

The management's discussion and analysis, budgetary comparison information and schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, including the introductory section, combining fund financial statements, supplementary financial information and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the introductory and statistical sections on which we express no opinion, has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Larson Allen LLP
LarsonAllen LLP

Minneapolis, Minnesota
May 31, 2011

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

As management of the City of Lino Lakes, Minnesota, we offer readers of the City of Lino Lakes' financial statements this narrative overview and analysis of the financial activities of the City of Lino Lakes 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 3-7 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lino Lakes exceeded its liabilities at the close of the most recent fiscal year by \$88,106,214 (*net assets*). Of this amount \$27,467,511 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets decreased by \$819,082, reflecting the depreciation of existing infrastructure assets under the full accrual basis of accounting.
- As of the close of the current fiscal year, the City of Lino Lakes' governmental funds reported combined ending fund balance of \$21,166,347, an increase of \$93,914 in comparison with the prior year primarily due to the receipt of excess tax increment revenue in the general fund. Approximately 80% of this total amount, or \$17,012,557, is *available for spending* at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,445,334, or 65% of total general fund expenditures.
- The City's total bonded debt decreased by \$2,036,000 (7.7%) during the current fiscal period. In addition, the City carried a note to Anoka County for \$4,260,000 during the year for the the City's portion I35E/County Road 14 interchange project cost. The City issued a refunding bond in the amount \$1,000,000 to refinance its G.O. Improvement and Utility Revenue bonds of 2004. Principal in the amount of \$3,206,000 was retired during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Lino Lakes' basic financial statements. The City of Lino Lakes' basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
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 Lino Lakes' finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City of Lino Lakes' 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 Lino Lakes is improving or deteriorating.

The *statement of activities* presents information showing how the City'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 compensated absences and OPEB liabilities).

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide financial statements (Continued) Both of the government-wide financial statements distinguish functions of the City of Lino Lakes 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 Lino Lakes include general government, public safety, public services, parks, recreation and forestry, conservation of natural resources and community development. The business-type activities of the City of Lino Lakes include a water utility and sewer utility.

The government-wide financial statements can be found on pages 21-23 of this report.

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lino Lakes, 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 Lino Lakes 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 functions* and *governmental activities*.

The City of Lino Lakes maintains thirty-seven 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, G.O. Improvement Bonds 2005A fund, I-35E Interchange fund and Area and Units Charge fund, all of which are considered to be major funds. Data from the other thirty-three governmental funds are combined into a single, aggregate 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 Lino Lakes adopts an annual appropriated budget for its general and program recreation special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24 through 29 of this report.

Proprietary funds The City of Lino Lakes maintains two proprietary type funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lino Lakes uses enterprise funds to account for its sewer and water utilities.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer fund and the water fund, which are considered to be major funds of the City of Lino Lakes. The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-56 of this report.

Other information The combining statements and schedules referred to earlier in conjunction with nonmajor governmental funds can be found on pages 67-80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Lino Lakes' assets exceeded liabilities by \$88,106,214 at the close of the most recent fiscal year, an decrease of \$819,082 from the previous year. This decrease is primarily due to the depreciation of capital assets under the full accrual basis of accounting.

By far the largest portion of the City of Lino Lakes' net assets (59%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Lino Lakes uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Lino Lakes' 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.

Condensed versions of the statements of net assets at December 31, 2010 and 2009 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 31,085,069	\$ 31,111,757	\$ 10,830,886	\$ 10,258,440	\$ 41,915,955	\$ 41,370,197
Capital Assets	41,950,227	44,441,064	30,442,635	31,240,252	72,392,862	75,681,316
Total Assets	73,035,296	75,552,821	41,273,521	41,498,692	114,308,817	117,051,513
Noncurrent Liabilities Outstanding	24,336,418	25,984,244	835,278	1,204,232	25,171,696	27,188,476
Other Liabilities	969,751	827,328	61,156	110,413	1,030,907	937,741
Total Liabilities	25,306,169	26,811,572	896,434	1,314,645	26,202,603	28,126,217
Net Assets:						
Invested in Capital Assets, Net						
of Related Debt	22,562,217	23,400,453	29,648,461	30,071,840	52,210,678	53,472,293
Restricted	8,428,025	9,414,474	-	-	8,428,025	9,414,474
Unrestricted	16,738,885	15,926,322	10,728,626	10,112,207	27,467,511	26,038,529
Total Net Assets	\$ 47,729,127	\$ 48,741,249	\$ 40,377,087	\$ 40,184,047	\$ 88,106,214	\$ 88,925,296

Of the remaining balance of the City of Lino Lakes' net assets, restricted net assets (10%) are to be used for debt service requirements and a nonexpendable environmental fund. Unrestricted net assets (31%) may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

At the end of the current fiscal year, the City of Lino Lakes is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities Governmental activities decreased the City of Lino Lakes' net assets by \$1,012,112. Transfers to Business-Type activities and depreciation of capital assets under the full accrual basis of accounting were the primary reasons for this decrease.

Business-type activities Business-type activities increased the City of Lino Lakes' net assets by \$193,040. Operating income, investment earnings and transfers from governmental activities to the water and sewer funds accounted for a significant portion of that increase.

Condensed statements of revenues, expenses, and changes in net assets highlights are as follows for the years ended December 31, 2010 and 2009:

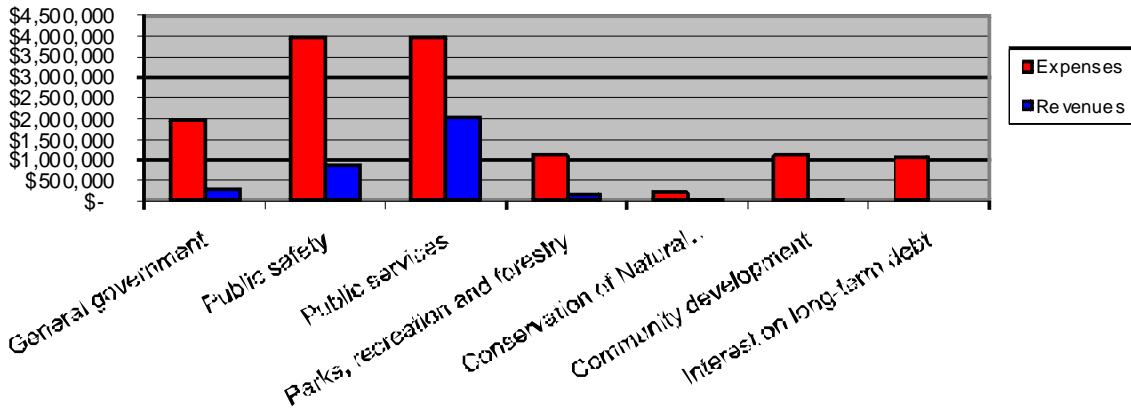
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,412,916	\$ 1,434,181	\$ 2,585,231	\$ 2,867,981	\$ 3,998,147	\$ 4,302,162
Operating Grants and Contributions	617,450	682,797	-	62,710	617,450	745,507
Capital Grants and Contributions	1,388,984	1,357,015	8,709	8,769	1,397,693	1,365,784
General Revenues:						
Property Taxes	8,568,236	9,673,693	-	-	8,568,236	9,673,693
Franchise Taxes	150,924	133,892	-	-	150,924	133,892
Other Taxes	45,023	739	-	-	45,023	739
Contributions Not Restricted to Specific Programs	4,389	11,321	-	-	4,389	11,321
Unrestricted Investment Earnings	225,677	429,325	104,770	228,747	330,447	658,072
Gain on Disposal of Capital Assets	-	12,644	-	-	-	12,644
Total Revenues	12,413,599	13,735,607	2,698,710	3,168,207	15,112,309	16,903,814
EXPENSES						
General Government	1,987,415	2,201,439	-	-	1,987,415	2,201,439
Public Safety	3,971,261	4,299,366	-	-	3,971,261	4,299,366
Public Service	3,968,063	4,027,553	-	-	3,968,063	4,027,553
Parks, Recreation and Forestry	1,124,907	1,313,560	-	-	1,124,907	1,313,560
Conservation of Natural Resources	197,571	215,607	-	-	197,571	215,607
Community Development	1,105,254	1,005,997	-	-	1,105,254	1,005,997
Interest on Long-Term Debt	1,064,172	928,668	-	-	1,064,172	928,668
Water	-	-	1,045,901	1,089,569	1,045,901	1,089,569
Sewer	-	-	1,466,847	1,432,107	1,466,847	1,432,107
Total Expenses	13,418,643	13,992,190	2,512,748	2,521,676	15,931,391	16,513,866
CHANGE IN NET ASSETS						
BEFORE TRANSFERS	(1,005,044)	(256,583)	185,962	646,531	(819,082)	389,948
Transfers	(7,078)	(136,068)	7,078	136,068	-	-
CHANGE IN NET ASSETS	(1,012,122)	(392,651)	193,040	782,599	(819,082)	389,948
Net Assets - Beginning of Year	48,741,249	49,133,900	40,184,047	39,401,448	88,925,296	88,535,348
NET ASSETS - END OF YEAR	\$ 47,729,127	\$ 48,741,249	\$ 40,377,087	\$ 40,184,047	\$ 88,106,214	\$ 88,925,296

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
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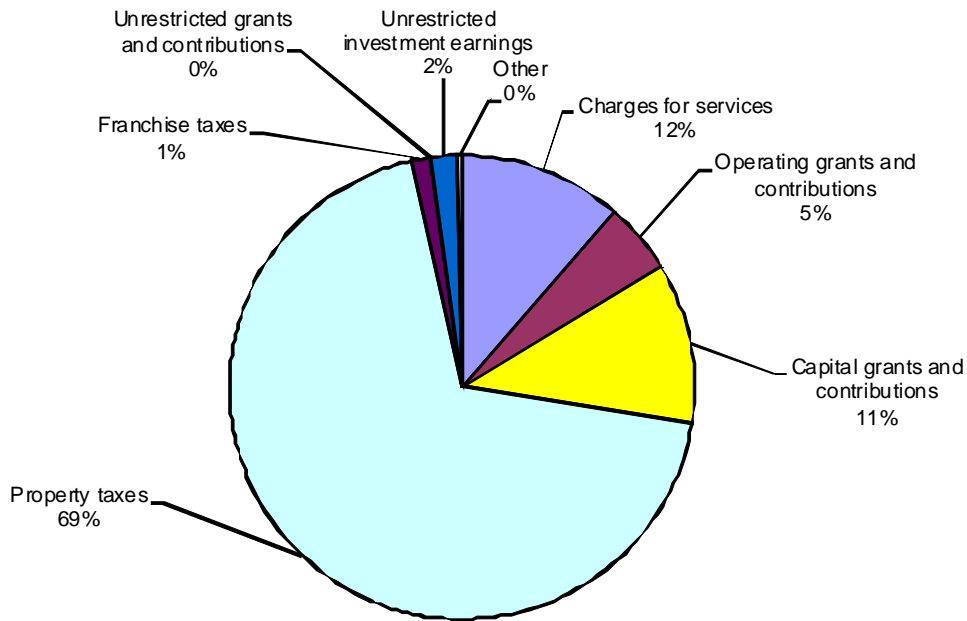
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Below are specific graphs that provide comparisons of the government activities' direct program revenues with their expenditures. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

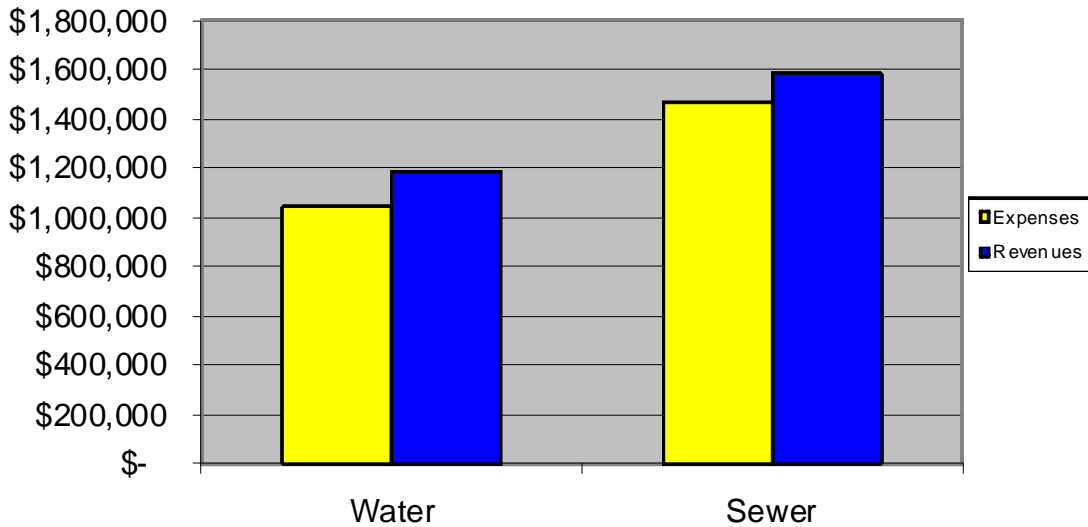


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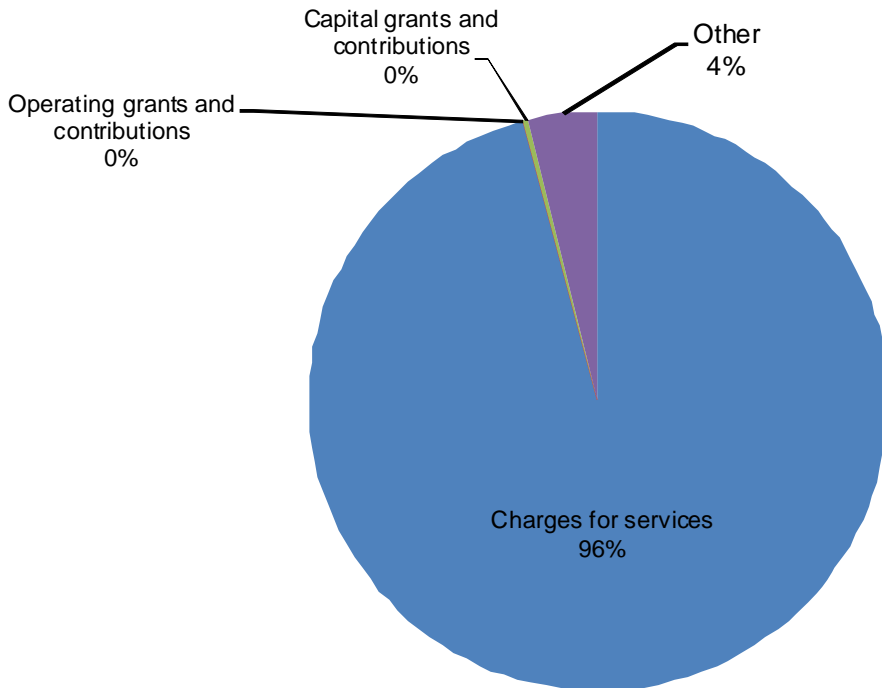
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Below are specific graphs that provide comparisons of the business-type activities' direct program revenues with their expenditures. Excess revenues are retained within each fund until such time that capital replacement is needed.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



**City of Lino Lakes, Minnesota
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds The focus of the City of Lino Lakes' *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 Lino Lakes' 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 Lino Lakes' governmental funds reported combined ending fund balances of \$21,166,347, an increase of \$93,914, or 0.4%, over the previous year, primarily due to the receipt of excess tax increment revenue in the general fund. Approximately 80% of this total amount, or \$17,012,557, constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$183,813), 2) to pay debt service (\$2,986,102), 3) to fund interfund advances (\$658,875), 4) to fund environmental improvements (\$100,000), or for long-term notes receivable (\$225,000).

The general fund is the primary operating fund of the City of Lino Lakes. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,445,334, while the total fund balance was \$5,626,805. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 65% of total general fund expenditures, while total fund balance represents 67% of that same amount.

The fund balance of the City of Lino Lakes' general fund increased by \$238,841 during the current fiscal year. A soft real estate market and the onset of an economic recession in December 2007, reduced building activities again this year which decreased permit revenue. Even as signs of economic recovery were being seen, the remaining effects of the recession also had an impact on property tax delinquencies, and interest rates, which made a significant impact on budgeted investment earnings. However, the City received unanticipated revenue in the form of excess tax increment revenue which helped to somewhat offset reduced revenue in other budget areas. In addition, reduced expenditures, primarily for personal services through vacant positions, and contractual services offset the reduced revenues. Overall, the general fund's revenues were within approximately 2% of the amended budget, while expenditures and transfers were 4% below budgeted levels.

The G.O. improvement bonds 2005A fund has a total fund deficit of (\$1,093,765). This fund is related to the bonds issued for the Legacy Woods Edge improvement project. The payment of debt service and delinquency in the collection of special assessments dedicated to this issue caused a significant decrease in this fund. An interfund loan from the Sewer fund has aided in the payment of debt service for this issue.

The I35E Interchange fund has a total fund balance at year-end of \$4,194,759, primarily due to the issuance of debt for construction financing. This balance will be reduced throughout 2011 as the interchange project progresses.

The area and unit charge fund has a total fund balance of \$3,578,910, of which \$658,875 is reserved for advances to other funds, and \$2,920,035 is unreserved and available for financing capital improvements. The fund balance during the current year increased by \$680,748, due in large part to the reduction in the advances to other funds and to lower expenditures in 2010.

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

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

The water fund has total net assets at year-end of \$17,722,683, of which \$3,737,394 are unrestricted. The increase in net assets of \$107,716 was primarily due to operating income, contributions from the private sources and the primary government, and investment earnings.

Total net assets in the sewer fund at the end of 2010 were \$22,654,404, of which \$6,991,232 was unrestricted. Net assets increased \$85,324 during the current year resulting primarily from operating income and investment income.

The water rates, which reflect water conservation efforts through a tiered rate structure, and sewer Rates were unchanged in 2010.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended several times during the year reflecting donations and grants received primarily for police personnel and equipment, a reduction in expected state aid, and reallocating resources within the original budget.

Revenues were \$123,063 under budget for the year. This is due to a few major factors. Property taxes were lower due to higher delinquencies in tax payments. Investment earnings, due to historically low interest rates were also significantly under budget. Lower building activity due to the recessed economy and, therefore, fewer new construction building permits being issued was also a factor. State intergovernmental revenues for police PERA aid were below budgeted levels for the year due to position vacancies. Local government grants were slightly under budget due to lower grant funds allocated by the granting entity. Public safety charges for service were also well over budget due to higher than expected traffic control contracts. Fines and forfeitures were under budgeted amounts due to reduced funding for patrolling for vehicular violations and the success of the city's Achieving Compliance through Education (ACE) program. Expenditures came in under the budgeted revenues by \$362,103 due mainly to lower than expected personal services costs from vacant positions and reduced benefit costs. Energy costs for fuels and electricity were lower than budgeted amounts, and supplies costs were generally lower than anticipated. There were also net transfers from the general fund of \$612,699. This resulted in a net fund balance increase of \$238,841 for the fiscal year.

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Management's Discussion and Analysis
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets The City of Lino Lakes' investment in capital assets for its governmental and business-type activities as of December 31, 2010, is \$72,392,862 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office equipment and furniture, vehicles, machinery and equipment, other capital assets, and infrastructure. This represents a decrease in the City of Lino Lakes' investment in capital assets (net of accumulated depreciation) of 4.35%. Due to the economic downturn, no new infrastructure projects were undertaken by the City, and therefore, the only additions were from projects in progress. The decrease within the governmental activities and is attributable to the depreciation of constructed streets, underground infrastructure and vehicles. Within the business-type activities decreases were also attributable to depreciation of existing of the water and sewer funds.

	Capital Assets at Year-End (Net of Accumulated Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,809,059	\$ 2,809,059	\$ -	\$ -	\$ 2,809,059	\$ 2,809,059
Construction in Progress	-	-	-	13,054	-	13,054
Buildings	3,728,690	3,945,724	-	-	3,728,690	3,945,724
Office Equipment and Furniture	360,674	408,514	-	-	360,674	408,514
Vehicles	1,223,361	1,364,599	-	-	1,223,361	1,364,599
Machinery and Shop Equipment	232,749	184,434	182,348	213,894	415,097	398,328
Other Equipment	271,875	311,081	-	-	271,875	311,081
Infrastructure	33,323,819	35,417,653	30,260,287	31,013,304	63,584,106	66,430,957
Capital Assets, Net	<u>\$ 41,950,227</u>	<u>\$ 44,441,064</u>	<u>\$ 30,442,635</u>	<u>\$ 31,240,252</u>	<u>\$ 72,392,862</u>	<u>\$ 75,681,316</u>

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 34-56.

Long-term debt At the end of the current fiscal year, the City of Lino Lakes had total bonded debt outstanding of \$20,111,000. Of this amount \$10,141,000 comprises tax supported debt, \$9,175,000 is special assessment debt and \$795,000 is revenue supported debt. All outstanding debt carries the general obligation backing for which the city is liable in the event of default by the property owners subject to the specific taxes, special assessments or revenues pledged to the retirement of the debt. In addition, the City carries a note to Anoka County for its share of the cost of the I-35E/County Road 14 Interchange project in the amount of \$4,260,000.

	Outstanding Debt at Year-End					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
G.O. Bonds	\$ 10,141,000	\$ 10,712,000	\$ -	\$ -	\$ 10,141,000	\$ 10,712,000
G.O. Special Assessment Bonds	9,175,000	10,265,000	-	-	9,175,000	10,265,000
G.O. Revenue Bonds	-	-	795,000	1,170,000	795,000	1,170,000
Total Outstanding Debt	<u>\$ 19,316,000</u>	<u>\$ 20,977,000</u>	<u>\$ 795,000</u>	<u>\$ 1,170,000</u>	<u>\$ 20,111,000</u>	<u>\$ 22,147,000</u>

The City of Lino Lakes' total bonded debt decreased by \$2,036,000 (7.7%) during the current fiscal year. The key factors for the change include the issuance of \$170,000 in 2010A Equipment Certificates and \$1,000,000 in 2010A G.O. Improvement and Utility Revenue Refunding Bonds, and retirement of principal in the amount of \$3,206,000 during the year.

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 34-56.

**City of Lino Lakes, Minnesota
Management's Discussion and Analysis
December 31, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the City of Lino Lakes at year-end is 7.1%, which is a significant decrease from a rate of 7.8% a year ago. This is slightly higher than the state's average unemployment rate of 6.8% and significantly lower than the national average of 9.1% at the end of 2010.
- Residential growth in the City has slowed significantly over the last three years due to the general residential real estate market downturn and current economic recession, with about one-third the number of new home permits issued in 2010 as in 2007, and less than 85% of new home permits issued in 2005. This is expected to level off in 2011, with hopes of the beginning of a recovery of the housing market in 2012. This, as well as falling property values of the existing tax base, will have a significant impact on the City's tax base for 2012 and beyond.
- Energy costs, while relatively stable in recent months, are expected to continue to increase over the coming months. This will have an impact on the City's budget for the coming year and thereafter.
- Property tax reforms and State budget deficits have significantly impacted local government aid payments the City of Lino Lakes receives. Local government aid and market value homestead credit was reduced to zero for 2003 and 2004-2010. While the City is exempted from local government aid, no market value homestead credit is expected to be received in 2011.
- The Federal Reserve Board has decreased the federal funds rates significantly, currently to between 0.00% – 0.25%, which is expected to result in sizable decreases in the City's investment earnings.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lino Lakes' finances for all of 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 Director of Finance, City of Lino Lakes, 600 Town Center Parkway, Lino Lakes, Minnesota, 55014.

BASIC FINANCIAL STATEMENTS

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CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2010

Statement 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 16,900,487	\$ 9,792,728	\$ 26,693,215
Cash and investments with escrow agent	4,271,142	-	4,271,142
Accrued interest receivable	54,444	-	54,444
Accounts receivable	142,875	384,017	526,892
Due from other governments	140,549	1,590	142,139
Internal Balances	(559,111)	559,111	-
Taxes receivable	538,764	-	538,764
Special assessments receivable	8,857,806	40,408	8,898,214
Long-term notes receivable	225,000	-	225,000
Prepaid items	183,813	20,988	204,801
Inventory	-	27,576	27,576
Unamortized bond issue costs	229,300	4,468	233,768
Permanently restricted cash and investments	100,000	-	100,000
Capital assets:			
Land	2,809,059	-	2,809,059
Other capital assets, net of depreciation	39,141,168	30,442,635	69,583,803
Total assets	<u>73,035,296</u>	<u>41,273,521</u>	<u>114,308,817</u>
LIABILITIES			
Accounts payable	266,618	37,644	304,262
Salaries payable	221,625	11,363	232,988
Contracts and retainage payable	17,561	-	17,561
Accrued interest payable	411,113	11,941	423,054
Due to other governments	52,834	-	52,834
Other accrued liabilities	-	208	208
Non-current liabilities:			
Due within one year	2,429,475	418,632	2,848,107
Due in more than one year	21,906,943	416,646	22,323,589
Total liabilities	<u>25,306,169</u>	<u>896,434</u>	<u>26,202,603</u>
NET ASSETS			
Invested in capital assets, net of related debt	22,562,217	29,648,461	52,210,678
Restricted for:			
Debt service - expendable	8,328,025	-	8,328,025
Environmental improvements - nonexpendable	100,000	-	100,000
Unrestricted	16,738,885	10,728,626	27,467,511
Total net assets	<u>\$ 47,729,127</u>	<u>\$ 40,377,087</u>	<u>\$ 88,106,214</u>

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,987,415	\$ 98,403	\$ 188,273	\$ -
Public safety	3,971,261	691,005	179,108	-
Public services	3,968,063	427,223	184,652	1,388,984
Parks, recreation and forestry	1,124,907	177,984	-	-
Conservation of natural resources	197,571	4,153	65,417	-
Community development	1,105,254	14,148	-	-
Interest on long-term debt	1,064,172	-	-	-
Total governmental activities	<u>13,418,643</u>	<u>1,412,916</u>	<u>617,450</u>	<u>1,388,984</u>
Business-type activities:				
Water	1,045,901	1,087,013	-	6,216
Sewer	1,466,847	1,498,218	-	2,493
Total business-type activities	<u>2,512,748</u>	<u>2,585,231</u>	<u>-</u>	<u>8,709</u>
Total	<u>\$ 15,931,391</u>	<u>\$ 3,998,147</u>	<u>\$ 617,450</u>	<u>\$ 1,397,693</u>

General revenues:

Taxes:

 Property taxes, levied for general purpose

 Franchise taxes

 Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

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 basic financial statements.

Statement 2

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (1,700,739)	\$ -	\$ (1,700,739)
(3,101,148)	-	(3,101,148)
(1,967,204)	-	(1,967,204)
(946,923)	-	(946,923)
(128,001)	-	(128,001)
(1,091,106)	-	(1,091,106)
(1,064,172)	-	(1,064,172)
<u>(9,999,293)</u>	<u>-</u>	<u>(9,999,293)</u>
-	47,328	47,328
-	33,864	33,864
<u>-</u>	<u>81,192</u>	<u>81,192</u>
<u>(9,999,293)</u>	<u>81,192</u>	<u>(9,918,101)</u>
8,568,236	-	8,568,236
150,924	-	150,924
45,023	-	45,023
4,389	-	4,389
225,677	104,770	330,447
(7,078)	7,078	-
<u>8,987,171</u>	<u>111,848</u>	<u>9,099,019</u>
(1,012,122)	193,040	(819,082)
48,741,249	40,184,047	88,925,296
<u>\$ 47,729,127</u>	<u>\$ 40,377,087</u>	<u>\$ 88,106,214</u>

CITY OF LINO LAKES, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2010

Assets	General	G.O. Improvement Bonds 2005A	I35E Interchange	Area and Unit Charge
Cash and investments	\$ 5,459,582	\$ -	\$ -	\$ 2,778,231
Cash and investments with escrow agent	-	-	4,271,142	-
Accrued interest receivable	54,444	-	-	-
Accounts receivable	103,253	-	-	23,828
Due from other governmental units	139,049	-	-	-
Interfund receivable	-	-	-	-
Taxes receivable:				
Delinquent	378,504	-	-	-
Due from county	105,627	-	-	-
Special assessments receivable:				
Delinquent	-	-	-	128,946
Deferred	1,177	5,851,618	-	1,344,766
Due from county	-	-	-	117,976
Long-term notes receivable	-	-	-	-
Prepaid items	181,471	-	-	-
Permanently restricted cash and investments	-	-	-	-
Advances to other funds	-	-	-	658,875
Total assets	<u>\$ 6,423,107</u>	<u>\$ 5,851,618</u>	<u>\$ 4,271,142</u>	<u>\$ 5,052,622</u>
Liabilities and equity				
Liabilities:				
Interfund payable	\$ -	\$ 1,093,765	\$ 76,250	\$ -
Accounts payable	190,073	-	133	-
Salaries payable	221,394	-	-	-
Contracts and retainage payable	4,268	-	-	-
Due to other governmental units	886	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	379,681	5,851,618	-	1,473,712
Total liabilities	<u>796,302</u>	<u>6,945,383</u>	<u>76,383</u>	<u>1,473,712</u>
Fund balances:				
Reserved :				
Reserved for prepaid items	181,471	-	-	-
Reserved for debt retirement	-	-	-	-
Reserved for advances to other funds	-	-	-	658,875
Reserved for environmental improvements	-	-	-	-
Reserved for long-term notes receivable	-	-	-	-
Unreserved:				
Designated:				
General fund	5,445,334	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	4,194,759	2,920,035
Undesignated reported in:				
Debt service funds	-	(1,093,765)	-	-
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
Total fund balances	<u>5,626,805</u>	<u>(1,093,765)</u>	<u>4,194,759</u>	<u>3,578,910</u>
Total liabilities and fund balances	<u>\$ 6,423,107</u>	<u>\$ 5,851,618</u>	<u>\$ 4,271,142</u>	<u>\$ 5,052,622</u>

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

Statement 3

Other Governmental Funds	Total Governmental Funds
\$ 8,662,674	\$ 16,900,487
-	4,271,142
-	54,444
15,794	142,875
1,500	140,549
1,376,681	1,376,681
42,685	421,189
11,948	117,575
51,799	180,745
1,331,289	8,528,850
30,235	148,211
225,000	225,000
2,342	183,813
100,000	100,000
-	658,875
<u>\$ 11,851,947</u>	<u>\$ 33,450,436</u>
\$ 765,777	\$ 1,935,792
76,412	266,618
231	221,625
13,293	17,561
51,948	52,834
658,875	658,875
1,425,773	9,130,784
<u>2,992,309</u>	<u>12,284,089</u>
2,342	183,813
2,986,102	2,986,102
-	658,875
100,000	100,000
225,000	225,000
-	5,445,334
110,471	110,471
5,651,180	12,765,974
-	(1,093,765)
(228,133)	(228,133)
12,676	12,676
<u>8,859,638</u>	<u>21,166,347</u>
<u>\$ 11,851,947</u>	<u>\$ 33,450,436</u>

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CITY OF LINO LAKES, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
December 31, 2010

Statement 4

Total Fund Balances for Governmental Funds \$ 21,166,347

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 2,809,059	
Buildings, Net of Accumulated Depreciation	3,728,690	
Office Equipment and Furniture, Net of Accumulated Depreciation	360,674	
Vehicles, Net of Accumulated Depreciation	1,223,361	
Machinery and Shop Equipment, Net of Accumulated Depreciation	232,749	
Other Equipment, Net of Accumulated Depreciation	271,875	
Infrastructure, Net of Accumulated Depreciation	<u>33,323,819</u>	41,950,227

Some of the City's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. 9,130,784

Bond issuance costs are reported as expenditures in the governmental funds and are shown net of accumulated amortization on the statement of net assets. 229,300

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net assets. (411,113)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

Bonds Payable	(19,316,000)	
Unamortized Premiums	(102,101)	
Unamortized Discounts	30,091	
Notes Payable	(4,260,000)	
Other Post Employment Benefits	(63,287)	
Compensated Absence Payable	<u>(625,121)</u>	<u>(24,336,418)</u>

Total Net Assets of Governmental Activities \$ 47,729,127

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	General	G.O. Improvement Bonds 2005A	I35E Interchange	Area and Unit Charge
Revenue:				
General property taxes	\$ 7,566,099	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Licenses and permits	330,138	-	-	-
Intergovernmental	609,781	-	-	-
Special assessments	10,172	-	-	457,351
Charges for services	364,605	-	-	239,954
Fines and forfeits	127,203	-	-	-
Investment earnings	45,811	-	100	66,444
Refunds	26,841	-	-	-
Miscellaneous	152,842	-	-	-
Total revenue	<u>9,233,492</u>	<u>-</u>	<u>100</u>	<u>763,749</u>
Expenditures:				
Current:				
General government	1,725,871	-	-	-
Public safety	3,798,106	-	-	-
Public works	1,284,519	-	9,364	3,420
Parks, recreation and forestry	785,462	-	-	-
Conservation of natural resources	175,062	-	-	-
Community development	602,891	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	7,890	-	-	-
Public works	-	-	-	-
Conservation of natural resources	2,151	-	-	-
Debt service:				
Principal	-	300,000	-	-
Interest and fiscal charges	-	235,322	-	-
Total expenditures	<u>8,381,952</u>	<u>535,322</u>	<u>9,364</u>	<u>3,420</u>
Revenue over (under) expenditures	<u>851,540</u>	<u>(535,322)</u>	<u>(9,264)</u>	<u>760,329</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	(612,699)	-	(100,000)	(79,581)
Sale of property	-	-	-	-
Issuance of debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(612,699)</u>	<u>-</u>	<u>(100,000)</u>	<u>(79,581)</u>
Net increase (decrease) in fund balance	238,841	(535,322)	(109,264)	680,748
Fund balance -				
Beginning of year	<u>5,387,964</u>	<u>(558,443)</u>	<u>4,304,023</u>	<u>2,898,162</u>
Fund balance - December 31	<u>\$ 5,626,805</u>	<u>\$ (1,093,765)</u>	<u>\$ 4,194,759</u>	<u>\$ 3,578,910</u>

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

Statement 5

Other Governmental Funds	Total Governmental Funds
\$ 837,444	\$ 8,403,543
243,945	243,945
-	330,138
567,082	1,176,863
383,747	851,270
175,485	780,044
-	127,203
113,322	225,677
-	26,841
323,309	476,151
<u>2,644,334</u>	<u>12,641,675</u>
4,519	1,730,390
-	3,798,106
605,108	1,902,411
160,359	945,821
10,170	185,232
495,791	1,098,682
215	215
94,277	102,167
178,405	178,405
-	2,151
1,566,000	1,866,000
807,561	1,042,883
<u>3,922,405</u>	<u>12,852,463</u>
<u>(1,278,071)</u>	<u>(210,788)</u>
1,195,747	1,195,747
(335,345)	(1,127,625)
20,600	20,600
1,170,000	1,170,000
10,980	10,980
(965,000)	(965,000)
<u>1,096,982</u>	<u>304,702</u>
(181,089)	93,914
<u>9,040,727</u>	<u>21,072,433</u>
<u>\$ 8,859,638</u>	<u>\$ 21,166,347</u>

CITY OF LINO LAKES, MINNESOTA

Statement 6

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2010

Net Change in Fund Balances-Total Governmental Funds \$ 93,914

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, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 580,075	
Capital contributions to business-type funds	(75,200)	
Loss on disposal of capital assets	(21,332)	
Proceeds from sales of capital assets	(20,600)	
Depreciation expense	<u>(2,953,780)</u>	(2,490,837)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Issuance of note payable	(1,000,000)	
Issuance of equipment certificates	(170,000)	
Bond premium	(10,980)	
Bond issuance costs	26,265	
Repayment of bond principal	2,831,000	
Change in accrued interest expense for general obligation bonds	(22,067)	
Amortization of bond issuance costs	(39,083)	
Amortization of bond premium	20,065	
Amortization of bond discount	<u>(6,469)</u>	1,628,731

Delinquent and deferred property taxes and special assessments receivable will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.

Deferred revenue - December 31, 2009	9,358,924	
Deferred revenue - December 31, 2010	<u>9,130,784</u>	(228,140)

In the statement of activities, compensated absences and other post employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During fiscal year 2010, compensated absence payable and other post employment benefits payable increased.

Change in Net Assets of Governmental Activities		<u>(15,790)</u>
		<u>\$ (1,012,122)</u>

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2010

Statement 7

Assets	Water	Sewer	Total 2010
Current assets:			
Cash and cash equivalents	\$ 3,555,128	\$ 6,237,600	\$ 9,792,728
Accounts receivable	168,343	215,674	384,017
Due from other governmental units	-	1,590	1,590
Interfund receivable	-	559,111	559,111
Special assessments receivable	7,798	-	7,798
Due from county - special assessments	2,081	2,081	4,162
Prepaid items	9,421	11,567	20,988
Total current assets	<u>3,742,771</u>	<u>7,027,623</u>	<u>10,770,394</u>
Non-current assets:			
Special assessments, long term	28,448	-	28,448
Inventory	27,576	-	27,576
Unamortized bond issue costs	4,468	-	4,468
Capital assets being depreciated:			
Buildings	48,690	-	48,690
Equipment	122,811	341,392	464,203
Water and sewer systems	19,784,263	21,258,093	41,042,356
Total capital assets	<u>19,955,764</u>	<u>21,599,485</u>	<u>41,555,249</u>
Less: allowance for depreciation	<u>(5,176,301)</u>	<u>(5,936,313)</u>	<u>(11,112,614)</u>
Net capital assets	<u>14,779,463</u>	<u>15,663,172</u>	<u>30,442,635</u>
Total noncurrent assets	<u>14,839,955</u>	<u>15,663,172</u>	<u>30,503,127</u>
Total assets	<u>18,582,726</u>	<u>22,690,795</u>	<u>41,273,521</u>
Liabilities			
Current liabilities:			
Accounts payable	27,488	10,156	37,644
Salaries payable	5,680	5,683	11,363
Deferred Revenue	208	-	208
Accrued interest payable	11,941	-	11,941
Bonds payable - current portion	390,000	-	390,000
Compensated absences payable - current portion	14,316	14,316	28,632
Total current liabilities	<u>449,633</u>	<u>30,155</u>	<u>479,788</u>
Non-current liabilities:			
Bonds payable - long term	404,174	-	404,174
Compensated absences payable - long term	6,236	6,236	12,472
Total noncurrent liabilities	<u>410,410</u>	<u>6,236</u>	<u>416,646</u>
Total liabilities	<u>860,043</u>	<u>36,391</u>	<u>896,434</u>
Net assets			
Invested in capital assets, net of related debt	13,985,289	15,663,172	29,648,461
Unrestricted	3,737,394	6,991,232	10,728,626
Total net assets	<u>\$ 17,722,683</u>	<u>\$ 22,654,404</u>	<u>\$ 40,377,087</u>

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS

Year Ended December 31, 2010

	Water	Sewer	Total 2010
Operating revenue:			
Charges for services	\$ 1,059,994	\$ 1,491,728	\$ 2,551,722
Hook-up charges	8,000	6,490	14,490
Water meter sales	8,698	-	8,698
Other operating revenue	10,321	-	10,321
Total operating revenue	<u>1,087,013</u>	<u>1,498,218</u>	<u>2,585,231</u>
Operating expenses:			
Personal services	172,095	173,937	346,032
Materials and supplies	208,872	43,252	252,124
Contractual services	76,755	70,464	147,219
MCES sewer charges	-	681,591	681,591
Depreciation	426,861	445,956	872,817
Utilities	97,060	34,047	131,107
Other	28,640	17,600	46,240
Total operating expenses	<u>1,010,283</u>	<u>1,466,847</u>	<u>2,477,130</u>
Net income from operations	<u>76,730</u>	<u>31,371</u>	<u>108,101</u>
Other income (expense):			
Investment earnings	37,249	67,521	104,770
Special assessments	6,216	2,493	8,709
Bond interest	(29,858)	-	(29,858)
Paying agent fees	(5,760)	-	(5,760)
Total other income (expense)	<u>7,847</u>	<u>70,014</u>	<u>77,861</u>
Net income before contributions and transfers	84,577	101,385	185,962
Contributions and transfers:			
Capital contributions from primary government	57,200	18,000	75,200
Transfer out	(34,061)	(34,061)	(68,122)
Total contributions and transfers	<u>23,139</u>	<u>(16,061)</u>	<u>7,078</u>
Change in Net Assets	107,716	85,324	193,040
Net Assets - January 1	<u>17,614,967</u>	<u>22,569,080</u>	<u>40,184,047</u>
Net Assets - December 31	<u>\$ 17,722,683</u>	<u>\$ 22,654,404</u>	<u>\$ 40,377,087</u>

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

CITY OF LINO LAKES, MINNESOTA

Statement 9

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended December 31, 2010

	Water	Sewer	Total 2010
Cash flows from operating activities:			
Cash receipts from customers	\$ 1,104,291	\$ 1,490,913	\$ 2,595,204
Cash paid to suppliers	(419,725)	(863,689)	(1,283,414)
Cash paid to employees	(171,142)	(172,792)	(343,934)
Net cash flows from operating activities	<u>513,424</u>	<u>454,432</u>	<u>967,856</u>
Cash flows from noncapital financing activities:			
Net transfers	(34,061)	(34,061)	(68,122)
Net cash flows from noncapital financing activities	<u>(34,061)</u>	<u>(34,061)</u>	<u>(68,122)</u>
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds	(375,000)	-	(375,000)
Collection of special assessments	17,164	(694)	16,470
Interest and paying agent fees on revenue bonds	(36,344)	-	(36,344)
Net cash flows from (used) by capital and related financing activities	<u>(394,180)</u>	<u>(694)</u>	<u>(394,874)</u>
Cash flows from investing activities:			
Interest on investments	37,249	67,521	104,770
Net increase (decrease) in cash and cash equivalents	122,432	487,198	609,630
Cash and cash equivalents - January 1	3,432,696	5,750,402	9,183,098
Cash and cash equivalents - December 31	<u>\$ 3,555,128</u>	<u>\$ 6,237,600</u>	<u>\$ 9,792,728</u>
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ 76,730	\$ 31,371	\$ 108,101
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	426,861	445,956	872,817
Change in assets and liabilities:			
Decrease (increase) in receivables	17,070	(7,306)	9,764
Decrease (increase) in prepaid items	233	2	235
Decrease (increase) in inventory	15,299	-	15,299
Increase (decrease) in payables	(22,769)	(15,591)	(38,360)
Net cash flows from operating activities	<u>\$ 513,424</u>	<u>\$ 454,432</u>	<u>\$ 967,856</u>
Noncash investing, capital, and financing activities:			
Capital asset contributions from government	\$ 57,200	\$ 18,000	\$ 75,200

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

CITY OF LINO LAKES, MINNESOTA

Statement 10

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS - AGENCY FUNDS

December 31, 2010

	<u>2010</u>
Assets	
Cash and investments	\$ 753,507
Deposits receivable	<u>750</u>
Total assets	<u>\$ 754,257</u>
Liabilities	
Accounts payable	\$ 13,054
Deposits payable	<u>741,203</u>
Total liabilities	<u>\$ 754,257</u>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lino Lakes is a public corporation formed under Minnesota Statute 410. As such, the City is under home rule charter regulations and applicable statutory guidelines.

The basic financial statements of the City of Lino Lakes have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. FINANCIAL REPORTING ENTITY

As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Lino Lakes and its component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

COMPONENT UNITS

In conformity with U.S. generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended Component Units

The Economic Development Authority (EDA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City's operations because the members of the City Council serve as commission members. The EDA does not issue separate financial statements. The Housing and Redevelopment Authority (HRA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as commission members. The HRA has not yet incurred any financial activity.

B. BASIC FINANCIAL STATEMENTS

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

1. Government-Wide Statements (Continued)

In the government-wide statement of net assets, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and different business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

General Fund

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

General Obligation Improvement Bonds 2005A Fund

The general obligation improvement bonds 2005A fund accounts for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt.

I35E Interchange Fund

The I35E interchange fund accounts for the activity related to the I35E/CSAH 14 Interchange Reconstruction Project.

Area and Unit Charge Fund

The area and unit charge fund accounts for the collection of water and sewer unit charges to be used for debt payments and construction of infrastructure.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

Water Fund

The water fund accounts for customer water service charges that are used to finance water operating expenses.

Sewer Fund

The sewer fund accounts for customer water service charges that are used to finance water operating expenses.

Additionally, the City reports the following fiduciary funds:

Agency Funds - to account for assets held as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's agency fund accounts for pass-through contractor's deposits relating to prospective developments.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds, which are included in the Fiduciary Funds, do not have a measurement focus. 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.

Private-sector standards of accounting and financial reporting issued on or before November 30, 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 City has elected not to follow subsequent private-sector guidance.

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. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

D. BUDGETS

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and the Program Recreation Special Revenue Fund. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is not presently considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

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

1. The City Administrator submits to the City Council a proposed operating budget (including the General Fund and Program Recreation Special Revenue Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The City Administrator is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

7. A capital improvement program is reviewed periodically by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the department level unless approved by the City Council. Therefore, the legal level of budgetary control is at the department level (i.e. administration, community development, public safety, public services, and other).
9. The City Council may authorize transfers of budgeted amounts between City funds.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in investments authorized by Minnesota Statutes. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund in the governmental fund financial statements, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund payables are eliminated for statement of net assets presentation.

Investments are stated at fair value and interest earnings are accrued at year-end.

For purposes of the statement of cash flows the Proprietary Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types is considered cash equivalents.

Permanently restricted cash and investments represents the principal portion of resources received that must be retained in a permanent fund. Only earnings from these funds may be used for purposes that support environmental maintenance and improvements.

G. PROPERTY TAX CREDITS

Property taxes on homestead property (as defined by State Statutes) are partially reduced by property tax credits. These credits are paid to the City by the State in lieu of taxes levied against homestead property. The State remits these credits through installments each year. These credits are recognized as revenue by the City at the time of collection.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 15 and December 15 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.

Within the 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 the following January are recognized as revenue for the current year. 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 is fully offset by deferred revenue because it is not available to finance current expenditures. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per State Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2010 totaled \$1,072,396. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

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.

Within the fund financial statements, the 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 are collected by the County and remitted 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 funds are completely offset by deferred revenues. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. SPECIAL ASSESSMENT REVENUE RECOGNITION (CONTINUED)

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 and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. 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.

J. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures/expenses at the time of purchase in both the Governmental and Proprietary Funds. These funds do not maintain material amounts of materials and supplies.

K. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The year-end balances are classified as interfund receivables and payables on the governmental fund balance sheets. The non-current portion of interfund loans are reported as "advances to/from other funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable from available financial resources.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets exceeding the City's capitalization threshold of \$2,500 are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All existing City infrastructure has been capitalized regardless of date placed in service.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 30 years for Buildings, Office Furniture and Equipment, Vehicles, Machine Shop and Equipment and Other assets, and 25 to 50 years for Infrastructure. Capital assets not being depreciated include land and construction in progress.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and the portion of sick pay allowable as severance pay is accrued as incurred in the government-wide and proprietary fund financial statements. The current portion is calculated based on historical trends.

N. LONG-TERM OBLIGATIONS

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issue costs, if material, are amortized over the term of the related debt using the straight-line method.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issue costs are recognized during the current period. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issue costs are reported as debt service expenditures.

O. FUND EQUITY

In the governmental fund financial statements, reservations of fund balance represent those portions of fund equity not appropriable for expenditure or legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

P. 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 or expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

All Interfund transactions are eliminated except for activity between governmental activities and business-type activities for presentation in the entity-wide statements of net assets and statements of activities.

Note 2 DEPOSITS AND INVESTMENTS

Components of Cash and Investments

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

Deposits	\$ 5,217,160
Investments	22,228,742
Cash with Fiscal Agent	4,271,142
Cash on Hand	820
Total	<u>\$ 31,717,864</u>

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

Cash and Investments - Statement of Net Assets	\$ 26,693,215
Cash and Investments with Escrow Agent - Statement of Net Assets	4,271,142
Cash and Investments - Statement of Net Assets - Fiduciary Funds	753,507
Total	<u>\$ 31,717,864</u>

A. Deposits

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes the City maintains deposits at financial institutions which are authorized by the City Council.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a specific deposit policy for custodial credit risk but rather follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

The carrying value and bank balance of the City's deposits in banks at December 31, 2010 is \$5,217,160 and \$5,260,793, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota statutes.

Cash with Fiscal Agent – Unspent proceeds from the Note Payable to Anoka County of \$4,271,142 are presented as cash with fiscal agent and held by Anoka County. See Note 4.

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The City may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rated “A” or better
- Banker’s acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreements and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

Investments Held with Broker –

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City’s policy to minimize interest rate risk includes investing primarily in short-term securities and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Information about the sensitivity of the fair values of the City’s investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Minnesota Municipal Money					
Market Trust Fund	\$ 2,563,407	\$ 2,563,407	\$ -	\$ -	\$ -
Federal Farm Credit Banks	100,426	-	-	100,426	-
Federal Home Loan Bank	3,129,816	-	-	1,498,114	1,631,702
Federal Home Loan Mortgage Corp.	2,001,358	-	-	1,249,991	751,367
Federal National Mortgage Assn.	2,600,771	-	-	2,152,758	448,013
Negotiable CDs	8,399,720	8,399,720	-	-	-
Municipal Bonds	3,158,829	200,000	1,536,246	828,291	594,292
Mutual Fund	274,415	274,415	-	-	-
Total	<u>\$ 22,228,742</u>	<u>\$ 11,437,542</u>	<u>\$ 1,536,246</u>	<u>\$ 5,829,580</u>	<u>\$ 3,425,374</u>

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy to minimize credit risk includes limiting investing funds to those allowable under Minnesota Statute 118A, annually appointing all financial institutions where investments are held, and diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the City's investments as rated by Moody's Investors Service:

Type	Credit Quality Rating	Amount
Minnesota Municipal Money Market Trust Fund	Aa2	\$ 2,563,407
Federal Farm Credit Banks	Aaa	100,426
Federal Home Loan Bank	Aaa	3,129,815
Federal Home Loan Mortgage Corp.	Aaa	2,001,358
Federal National Mortgage Assn.	Aaa	2,600,772
Negotiable CDs	Not Rated	8,399,720
Municipal Bonds	A-Aaa	3,158,829
Mutual Fund	Not Rated	274,415
Total		\$ 22,228,742

The Minnesota Municipal Money Market Fund Trust is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota statutes as described on the previous page. Its investments are valued at amortized cost, which approximates market value in accordance with Rule 2a-7 of the Investment Company Act of 1940. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the fair value of instruments.

The Minnesota Municipal Money Market Trust Fund does not have its own credit rating. MBIA, Inc., who administers the Minnesota Municipal Money Market Fund Trust holds an organization credit rating of Aa2.

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy doesn't specifically address custodial credit risk.

Concentration of Credit Risk

The City places no limit on the amount that it may invest in any one issuer. The following is a list of investments which individually comprise more than 5% of the City's total investments:

Type	Amount	Percentage
Federal Home Loan Bank	\$ 3,129,815	22.63%
Federal Home Loan Mortgage Corporation	2,001,358	14.47%
Federal National Mortgage Association	2,600,772	18.81%
Minnesota Municipal Money Market Trust Fund	2,563,407	18.54%

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,809,059	\$ -	\$ -	\$ 2,809,059
Total Capital Assets, Not Being Depreciated	2,809,059	-	-	2,809,059
Capital Assets, Being Depreciated:				
Buildings	6,499,752	-	-	6,499,752
Office Equipment and Furniture	1,133,717	29,855	(2,683)	1,160,889
Vehicles	2,348,963	118,588	(119,440)	2,348,111
Machinery and Shop Equipment	639,702	116,532	(62,669)	693,565
Other Equipment	980,308	-	-	980,308
Infrastructure	75,473,297	239,900	-	75,713,197
Total Capital Assets, Being Depreciated	87,075,739	504,875	(184,792)	87,395,822
Accumulated Depreciation for:				
Buildings	(2,554,028)	(217,034)	-	(2,771,062)
Office Equipment and Furniture	(725,203)	(77,696)	2,684	(800,215)
Vehicles	(984,364)	(255,494)	115,108	(1,124,750)
Machinery and Shop Equipment	(455,268)	(30,616)	25,068	(460,816)
Other Equipment	(669,227)	(39,206)	-	(708,433)
Infrastructure	(40,055,644)	(2,333,734)	-	(42,389,378)
Total Accumulated Depreciation	(45,443,734)	(2,953,780)	142,860	(48,254,654)
Total Capital Assets, Being Depreciated, Net	41,632,005	(2,448,905)	(41,932)	39,141,168
Governmental Activities Capital Assets, Net	\$ 44,441,064	\$ (2,448,905)	\$ (41,932)	\$ 41,950,227

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 249,191
Public Safety	123,222
Public Services	2,410,348
Parks, Recreation and Forestry	170,169
Conservation of Natural Resources	350
Community Development	500
Total Depreciation Expense, Governmental Activities	\$ 2,953,780

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 13,054	\$ -	\$ (13,054)	\$ -
Total capital assets, not being depreciated	13,054	-	(13,054)	-
Capital Assets, Being Depreciated:				
Buildings	48,690	-	-	48,690
Machinery and Shop Equipment	464,203	-	-	464,203
Water and Sewer Lines	40,954,102	88,254	-	41,042,356
Total Capital Assets, Being Depreciated	41,466,995	88,254	-	41,555,249
Accumulated Depreciation for:				
Buildings	(48,690)	-	-	(48,690)
Machinery and Shop Equipment	(250,309)	(31,546)	-	(281,855)
Water and Sewer Lines	(9,940,798)	(841,271)	-	(10,782,069)
Total Accumulated Depreciation	(10,239,797)	(872,817)	-	(11,112,614)
Total Capital Assets, Being Depreciated, Net	31,227,198	(784,563)	-	30,442,635
Business-Type Capital Assets, Net	\$ 31,240,252	\$ (784,563)	\$ (13,054)	\$ 30,442,635

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 4 CITY INDEBTEDNESS

City indebtedness at December 31, 2010 is composed of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Payable 12/31/2010
Governmental Activities:					
General Obligation Bonds:					
2008A Equipment Certificates	2/1/2008	12/31/2011	4.00%	\$ 209,000	\$ 74,000
2009A Equipment Certificates	4/1/2009	12/31/2012	3.00%	336,000	232,000
2010A Equipment Certificates	4/1/2010	12/31/2013	2.00%-3.00%	170,000	170,000
G.O. Tax Abatement Bonds, Series 2006C	8/15/2006	2/1/2023	4.00%-4.30%	2,460,000	2,460,000
G.O. Utility Revenue Bonds, Series 2006D	8/15/2006	2/1/2017	4.00%-4.15%	570,000	420,000
G.O. CIP Refunding Bonds, Series 2006E	11/1/2006	2/1/2018	4.00%	2,990,000	2,910,000
G.O. Tax Increment Financing Bonds, Series 2007A	7/15/2007	2/1/2024	4.00%-4.125%	4,215,000	3,875,000
Total General Obligation Bonds				<u>10,950,000</u>	<u>10,141,000</u>
Special Assessment Bonds:					
G.O. Improvement Bonds, Series 2002A	8/1/2002	2/1/2013	3.00%-4.10%	645,000	85,000
G.O. Improvement Bonds, Series 2002B	8/1/2002	2/1/2013	3.20%-5.55%	2,110,000	750,000
G.O. Improvement Refunding Bonds, Series 2003A	12/1/2003	2/1/2019	2.00%-4.25%	2,090,000	605,000
G.O. Improvement Bonds, Series 2003B	12/1/2003	2/1/2014	3.20%-5.60%	250,000	125,000
G.O. Improvement Bonds, Series 2005A	11/1/2005	2/1/2021	4.35%-5.15%	5,550,000	4,495,000
G.O. Improvement Refunding Bonds, Series 2005B	11/1/2005	2/1/2015	3.75%-5.00%	3,755,000	2,115,000
G.O. Improvement & Utility Revenue Refunding Bonds, Series 2010A	7/9/2010	2/1/2020	2.00%-3.00%	1,000,000	1,000,000
Total Special Assessment Bonds				<u>15,400,000</u>	<u>9,175,000</u>
Total Bonds				<u>26,350,000</u>	<u>19,316,000</u>
Note Payable - Anoka County	8/1/2009	8/1/2024	4.00%-3.70%	4,260,000	4,260,000
Unamortized Bond Discounts				(45,490)	(30,091)
Unamortized Bond Premiums				202,370	102,101
Compensated Absences Payable				N/A	625,121
Other Post Employment Benefit Plan				N/A	63,287
Total Governmental Activities				<u>\$ 30,766,880</u>	<u>\$ 24,336,418</u>
Business-Type Activities:					
Revenue Bonds:					
G.O. Water Revenue Refunding Bonds, Series 2006F	11/1/2006	2/1/2012	3.55%-3.625%	\$ 1,740,000	\$ 795,000
Total Revenue Bonds				<u>1,740,000</u>	<u>795,000</u>
Unamortized Bond Discounts				(4,002)	(826)
Compensated Absences Payable				N/A	41,104
Total Business-Type Activities				<u>\$ 1,735,998</u>	<u>\$ 835,278</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 4 CITY INDEBTEDNESS (CONTINUED)

The following is a schedule of changes in City indebtedness for the year ended December 31, 2010:

	Payable 12/31/2009	Issues	Payments	Payable 12/31/2010	Due Within One Year
Governmental activities:					
Bonded debt:					
General Obligation	\$ 10,712,000	\$ 170,000	\$ 741,000	\$ 10,141,000	\$ 840,000
Special Assessment	10,265,000	1,000,000	2,090,000	9,175,000	1,190,000
Unamortized Bond Discounts	(36,560)	-	(6,469)	(30,091)	-
Unamortized Bond Premiums	111,186	10,980	20,065	102,101	-
Note Payable - Anoka County	4,260,000	-	-	4,260,000	-
Compensated Absences Payable	627,884	547,346	550,109	625,121	399,475
Other Post Employment Benefit Plan	44,734	40,404	21,851	63,287	-
Total Governmental Activities	<u>25,984,244</u>	<u>1,768,730</u>	<u>3,416,556</u>	<u>24,336,418</u>	<u>2,429,475</u>
Business-Type Activities:					
Revenue Bonds	1,170,000	-	375,000	795,000	390,000
Unamortized Bond Discounts	(1,588)	-	(762)	(826)	-
Compensated Absences Payable	35,820	37,050	31,766	41,104	28,632
Total Business-Type Activities	<u>1,204,232</u>	<u>37,050</u>	<u>406,004</u>	<u>835,278</u>	<u>418,632</u>
Total	<u>\$ 27,188,476</u>	<u>\$ 1,805,780</u>	<u>\$ 3,822,560</u>	<u>\$ 25,171,696</u>	<u>\$ 2,848,107</u>

All long-term bonded indebtedness outstanding at December 31, 2010 is backed by the full faith and credit of the City, including special assessment bond issues. For the governmental activities, compensated absences are generally liquidated by the general fund.

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows.

Years ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2011	\$ 2,030,000	\$ 955,755	\$ 390,000	\$ 21,701	\$ 3,397,456
2012	2,106,000	860,771	405,000	7,341	3,379,112
2013	2,135,000	768,348	-	-	2,903,348
2014	1,890,000	678,901	-	-	2,568,901
2015	2,260,000	599,184	-	-	2,859,184
2016-2020	8,845,000	1,853,139	-	-	10,698,139
2021-2024	4,310,000	562,898	-	-	4,872,898
Total	<u>\$ 23,576,000</u>	<u>\$ 6,278,996</u>	<u>\$ 795,000</u>	<u>\$ 29,042</u>	<u>\$ 30,679,038</u>

Description and Restrictions of Long-Term Debt

General Obligation Bonds – The bonds were issued for improvements or projects which benefited the City as a whole and are, therefore, repaid from ad valorem levies.

Special Assessment Bonds – These bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 4 CITY INDEBTEDNESS (CONTINUED)

In December 2009, the City of Lino Lakes entered into a joint powers agreement for a note payable with Anoka County for \$4,260,000. The note payable with Anoka county is for the reconstruction of County State Aid Highway 14 (Main Street) and I-35E Interchange County Project.

In June 2010, the City issued \$1,000,000 in General Obligation Improvement and Utility Revenue Refunding Bonds for a net interest cost of 2.65% to complete a current refunding of the outstanding 2004A General Obligation Improvement and Utility Revenue Bonds totaling \$965,000. The \$1,000,000 is being funded by special assessments related to the improvement project that the City has collected. The current refunding resulted in a cash flow savings of \$34,805 with a net present value of \$31,415. The original bonds had been issued to fund various assessable public projects from 2004, and were called on June 1, 2010.

Liability for Compensated Absences – This liability represents vested benefits earned by governmental fund employees through the end of the year which will be paid or used in future periods. For the governmental activities, compensated absences are generally liquidated by the general fund. The liability for Proprietary Fund employees is included in the accrued liabilities of those funds.

Note 5 LEGAL DEBT MARGIN

The City is subject to a statutory limitation by the State of Minnesota for bonded indebtedness payable principally from property taxes. The City of Lino Lakes' legal debt margin for 2010 is computed as follows:

	<u>12/31/10</u>
Market value	\$ 2,001,889,600
Applicable percentage	<u>3.0%</u>
Debt Limit	<u>60,056,688</u>
Amount of debt applicable to debt limit:	
Total bonded debt	20,111,000
Less: Special assessment bonds	(9,175,000)
Tax abatement bonds	(2,460,000)
Utility revenue bonds	(420,000)
Tax increment financing bonds	(3,875,000)
Revenue bonds	<u>(795,000)</u>
Total debt applicable to debt limit	<u>3,386,000</u>
Legal debt margin	<u>\$ 56,670,688</u>

Note 6 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

All full-time and certain part-time employees of the City of Lino Lakes are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes*, Chapter 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.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service.

For GERF and PEPFF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

Note 6 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. FUNDING POLICY

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.0% respectively, of their annual covered salary. PEPFF members were required to contribute 9.4% of their annual covered salary in 2010. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.00% for Coordinated Plan members, and 14.1% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ended December 31, 2010, 2009, and 2008 were \$177,081, \$186,454, and \$183,456, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2010, 2009, and 2008 were \$280,046, \$303,949, and \$268,569, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

Note 7 METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES

During 1971, the Metropolitan Waste Control Commission (MWCC) was organized to provide for consolidation of the sanitary sewer collection, treatment and disposal in the seven county metropolitan area surrounding Minneapolis and St. Paul. Previously, these operations were maintained by the city governments on an individual or collective basis. The MWCC merged with the Metropolitan Council during 1994 to form Metropolitan Council Wastewater Services (MCWS) and is now called the Metropolitan Council Environmental Services (MCES). The MCES bills the City annually based upon estimated volume and budgeted costs. The City follows the accounting policy of recognizing these charges as an expense of the sewer utility operation in the year for which they are billed.

Note 8 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

The City has deficit fund balances at December 31, 2010 as follows:

	Fund Balance Deficit
Dedicated Parks	\$ (591,912)
Tax Increment Financing 1-11	(764,646)
G.O. Improvement Bonds 2005A	(1,093,765)
Traffic Control	(5,838)

The City intends to fund these deficits through future tax levies, special assessment levies, tax increments, transfers from other funds, and various other sources.

B. Expenditures in Excess of Budget

The following is a listing of expenditure categories that exceed budget appropriations for non-major funds:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Program Recreation Special Revenue Fund:			
Supplies	\$ 44,230	\$ 66,336	\$ (22,106)

Note 9 CONTINGENCIES

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

Litigation – The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

Federal and State Funds – The City receives 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.

Note 10 DEFERRED AD VALOREM TAX LEVIES - BONDED DEBT

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

These future scheduled tax levies are not shown as assets in the accompanying financial statements at December 31, 2010.

Future scheduled tax levies for all bonds outstanding at December 31, 2010 totaled \$21,386,182.

Note 11 DESIGNATIONS AND RESERVATIONS OF FUND EQUITY

At December 31, 2010, the City had designated and reserved portions of its various fund equities through legal restriction and City Council authorization. Major fund equity appropriations at December 31, 2010 are shown on the various balance sheets as segregations of the fund equity. A summary of such designations and reservations at December 31, 2010 is as follows:

Governmental Activity:

General Fund:

Reserved for Prepaid Items	\$ 181,471
Designated for Cash Flow Reserve	5,445,334

I35E Interchange :

Designated for Capital Improvements	4,194,759
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Area and Unit Charge:

Reserved for Advance to Other Funds	658,875
Designated for Capital Improvements	2,920,035

Other Nonmajor Governmental Funds:

Reserved for Prepaid Items	2,342
Reserved for Debt Retirement	2,986,102
Reserved for Environmental Improvements	100,000
Reserved for Long-Term Notes Receivable	225,000
Designated for Recreation Purposes	110,471
Designated for Capital Improvements	5,651,180

Note 12 SHARE IN GAS FRANCHISE PROFITS

The City receives a share of the gross billing for natural gas sales by a neighboring City, which provides service within the City of Lino Lakes. The amount reported as revenue in the General Fund during fiscal year 2010 was \$93,991.

Note 13 INTERFUND RECEIVABLE AND PAYABLES

The purpose of the interfund receivable and payable balances is for the elimination of negative cash between funds and at December 31, 2010 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activity:		
G.O. Improvement Bonds 2005A	\$ -	\$ 1,093,765
I35E Interchange	-	76,250
Other Nonmajor Governmental Funds	1,376,681	765,777
Business-Type Activity:		
Sewer Fund	559,111	-
	<u>\$ 1,935,792</u>	<u>\$ 1,935,792</u>

Interfund receivable and payable balances not expected to be repaid within one year are reported as advances to and from other fund and at December 31, 2010 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activity:		
Area and Unit Charge	\$ 658,875	\$ -
Other Nonmajor Governmental Funds	-	658,875
	<u>\$ 658,875</u>	<u>\$ 658,875</u>

The purpose of the advance from the Area and Unit Charge Fund is to temporarily finance projects in the Dedicated Parks Fund.

Note 14 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2010 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activity:		
General Fund	\$ -	\$ (612,699)
Area and Unit Charge	-	(79,581)
I35E Interchange	-	(100,000)
Other Nonmajor Governmental Funds	1,195,747	(335,345)
Total Governmental Activity	<u>1,195,747</u>	<u>(1,127,625)</u>
Business-Type Activity:		
Water Fund	-	(34,061)
Sewer Fund	-	(34,061)
Total Business-Type Activity	<u>-</u>	<u>(68,122)</u>
Total	<u>\$ 1,195,747</u>	<u>\$ (1,195,747)</u>

Note 14 INTERFUND TRANSFERS (CONTINUED)

Interfund transfers are other financing sources and uses within the fund financial statements. The purpose of the transfers is to provide funding for capital improvement projects, capital outlay, and debt service as well as to open and close funds.

In addition to the above transfers, the governmental activities contributed \$75,200 of capital assets to the Water and Sewer funds. These are presented as transfers in the government-wide financial statements and as capital contributions in the Water and Sewer funds.

Note 15 RISK MANAGEMENT

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

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

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 16 CONDUIT DEBT OBLIGATIONS

The City has issued Industrial Development Revenue Bonds and Commercial Revenue Notes to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities which are deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments 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 issue. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2010, two series of Industrial Revenue Bonds were outstanding with aggregate remaining principal balances of \$875,000 and \$800,000, respectively, and one series of Commercial Revenue Notes was outstanding with an aggregate remaining principal balance of \$2,824,585.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 17 LEASE COMMITMENT

The City of Lino Lakes entered into an agreement dated December 8, 1997 to lease space within the City Hall complex to the Independent School District No. 12 (ISD 12). The lease term has been renewed as of July 1, 2009 and continues through June 30, 2011 and requires payments of \$110 per square foot over the lease term for a total of \$300,000. The schedule of remaining payments is as follows:

	<u>Amount</u>
2011	\$ 60,000

The prorated carrying value of the building being leased is as follows:

Building	\$ 929,970
Less: Accumulated Depreciation	<u>(340,989)</u>
Net	<u><u>\$ 588,981</u></u>

Note 18 JOINT VENTURES

Fire

The Centennial Fire District (the District) was established under a joint powers agreement between the City of Lino Lakes and two other cities. The general purpose of the District is to provide fire protection services including, but not limited to, fire prevention, firefighting and rescue service. Each member city is entitled to appoint two commissioners to the District's Board.

Each calendar year, participating cities are to pay the District its share of the total operating and capital budget in accordance with a funding formula contained in Section VII of the joint powers agreement. The funding formula takes into account each city's average number of calls, population, and total market value.

During 2010, the City of Lino Lakes' contributions to the District were as follows:

Operating	\$ 516,044
Capital	69,600
Total	<u><u>\$ 585,644</u></u>

Separate financial statements of the District can be obtained by contacting the Centennial Fire District.

The audited condensed financial statements of the District as of December 31, 2010 are as follows:

Total Assets	\$ 1,397,901
Total Liabilities	110,738
Total Net Assets	1,287,163
Total Operating Revenue	883,195
Total Operating Expenses	804,603

Anoka County

The City of Lino Lakes has a joint powers agreement with Anoka County for the reconstruction of County State Aid Highway 14 (Main Street) and I-35E Interchange County Project.

Note 19 OTHER POSTEMPLOYMENT BENEFIT PLAN

At December 31, 2008, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City engaged an actuary to determine the City's liability for postemployment healthcare benefits other than pensions as of January 1, 2008.

A. Plan Description

The City provides benefits for retirees as required by *Minnesota Statute* §471.61 subdivision 2b. Active employees, who retire from the City when over age 50 and with 20 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program until age 65. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost. As of December 31, 2010 there were approximately 52 active participants and 5 retired participants receiving benefits from the City's health plans.

B. Funding Policy

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2010, the City contributed \$21,851 to the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 41,152
Interest on Net OPEB Obligation	1,789
Adjustment to Annual Required Contribution	<u>(2,537)</u>
Annual OPEB Cost (Expense)	40,404
Contributions Made	<u>(21,851)</u>
Increase in Net OPEB Obligation	18,553
Net OPEB Obligation- Beginning of Year	<u>44,734</u>
Net OPEB Obligation- End of Year	<u><u>\$ 63,287</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 41,152	45.4%	\$ 22,481
12/31/2009	41,152	45.9%	44,734
12/31/2010	40,404	54.1%	63,287

Note 19 OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$329,191. The annual payroll for active employees covered by the plan in the actuarial valuation was \$4,859,980 for a ratio of UAAL to covered payroll of 6.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear 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 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, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 9%, reduced by decrements to an ultimate rate of 5% after nine years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2010 was 27 years.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

Statement 11
Page 1 of 7

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
General property taxes:				
Current and delinquent	\$ 7,675,232	\$ 6,621,032	\$ 6,478,929	\$ (142,103)
Fiscal disparities	-	965,000	963,968	(1,032)
Excess tax increments	-	123,000	123,202	202
Total general property taxes	<u>7,675,232</u>	<u>7,709,032</u>	<u>7,566,099</u>	<u>(142,933)</u>
Licenses and permits:				
Business	43,600	83,600	89,523	5,923
Non-business	354,150	242,150	240,615	(1,535)
Total licenses and permits	<u>397,750</u>	<u>325,750</u>	<u>330,138</u>	<u>4,388</u>
Intergovernmental:				
Federal:				
Other	-	-	-	-
State:				
Market Value Credit	-	-	3,907	3,907
Police state aid	185,000	185,000	181,398	(3,602)
MSA maintenance	167,000	167,000	184,652	17,652
Other	183,323	183,323	202,030	18,707
County/Regional:				
Solid waste	35,000	35,000	33,641	(1,359)
Other	5,000	5,000	4,153	(847)
Total intergovernmental	<u>575,323</u>	<u>575,323</u>	<u>609,781</u>	<u>34,458</u>
Special Assessments:				
Penalties and Interest	5,000	5,000	10,172	5,172
Charges for services:				
General government	22,450	22,450	18,778	(3,672)
Planning/engineering	10,000	10,000	14,148	4,148
Fees retained from collection for other governments - SAC/surcharge	3,000	3,000	977	(2,023)
Administrative charge - other funds	50,000	50,000	50,000	-
Aerial map charge - other funds	4,000	4,000	-	(4,000)
Public safety	251,000	264,000	280,702	16,702
Total charges for services	<u>340,450</u>	<u>353,450</u>	<u>364,605</u>	<u>11,155</u>
Fines and forfeits	130,000	130,000	127,203	(2,797)
Investment earnings	93,000	53,000	45,811	(7,189)
Refunds	15,000	25,000	26,841	1,841
Miscellaneous:				
Gas franchise fees	120,000	120,000	93,991	(26,009)
Cable TV	55,000	55,000	56,934	1,934
Donations	5,000	5,000	176	(4,824)
Other	-	-	1,741	1,741
Total miscellaneous	<u>180,000</u>	<u>180,000</u>	<u>152,842</u>	<u>(27,158)</u>
Total Revenue	<u>9,411,755</u>	<u>9,356,555</u>	<u>9,233,492</u>	<u>(123,063)</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures:				
General government:				
Mayor and council:				
Current:				
Personal services	\$ 40,719	\$ 40,719	\$ 33,342	\$ 7,377
Other services and charges	30,800	43,800	41,340	2,460
Contractual Services	14,792	14,792	14,373	419
Total mayor and council	<u>86,311</u>	<u>99,311</u>	<u>89,055</u>	<u>10,256</u>
Elections:				
Current:				
Personal services	19,605	19,605	17,192	2,413
Supplies	250	250	625	(375)
Other services and charges	3,250	3,250	1,396	1,854
Contractual Services	500	500	-	500
Total elections	<u>23,605</u>	<u>23,605</u>	<u>19,213</u>	<u>4,392</u>
Administration:				
Current:				
Personal services	440,638	345,438	337,769	7,669
Supplies	-	-	86	(86)
Other services and charges	22,420	22,420	9,848	12,572
Contractual Services	3,400	3,400	4,698	(1,298)
Total administration	<u>466,458</u>	<u>371,258</u>	<u>352,401</u>	<u>18,857</u>
Finance:				
Current:				
Personal services	296,907	296,907	275,476	21,431
Supplies	1,500	1,500	1,148	352
Other services and charges	103,325	103,325	94,323	9,002
Contractual Services	85,900	85,900	102,018	(16,118)
Total finance	<u>487,632</u>	<u>487,632</u>	<u>472,965</u>	<u>14,667</u>
Cable TV:				
Current:				
Personal services	2,530	2,530	1,639	891
Supplies	50	50	-	50
Total cable TV	<u>2,580</u>	<u>2,580</u>	<u>1,639</u>	<u>941</u>
Consultants:				
Current:				
Legal	<u>160,000</u>	<u>170,000</u>	<u>170,206</u>	<u>(206)</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
General government (continued):				
Engineering/planning:				
Current:				
Contractual services	\$ 216,500	\$ 166,500	\$ 174,470	\$ (7,970)
Total engineering/planning	<u>216,500</u>	<u>166,500</u>	<u>174,470</u>	<u>(7,970)</u>
Senior Service:				
Current:				
Personal services	33,354	33,354	33,420	(66)
Other services and charges	1,600	1,600	2,107	(507)
Capital outlay:	500	500	-	500
Total senior service	<u>35,454</u>	<u>35,454</u>	<u>35,527</u>	<u>(73)</u>
Charter commission:				
Current:				
Other services and charges	1,500	1,500	1,475	25
Total charter commission	<u>1,500</u>	<u>1,500</u>	<u>1,475</u>	<u>25</u>
General government buildings:				
Current:				
Personal services	90,766	90,766	81,509	9,257
Supplies	42,500	42,500	33,822	8,678
Other services and charges	340,880	340,880	273,979	66,901
Contractual services	25,000	25,000	19,610	5,390
Total general government buildings	<u>499,146</u>	<u>499,146</u>	<u>408,920</u>	<u>90,226</u>
Total general government	<u>1,979,186</u>	<u>1,856,986</u>	<u>1,725,871</u>	<u>131,115</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

Statement 11
Page 4 of 7

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Public safety:				
Police:				
Current:				
Personal services	\$ 3,069,357	\$ 2,979,357	\$ 2,943,059	\$ 36,298
Supplies	28,500	32,500	31,335	1,165
Other services and charges	80,000	83,000	88,441	(5,441)
Contractual services	37,000	37,000	34,443	2,557
Capital outlay	9,500	9,500	7,890	1,610
Total police	<u>3,224,357</u>	<u>3,141,357</u>	<u>3,105,168</u>	<u>36,189</u>
Fire protection:				
Current:				
Contractual services	516,045	516,045	516,044	1
Building inspection:				
Current:				
Personal services	191,780	191,780	173,910	17,870
Supplies	1,130	1,130	324	806
Other services and charges	13,500	13,500	10,250	3,250
Contractual services	1,150	1,150	300	850
Total building inspection	<u>207,560</u>	<u>207,560</u>	<u>184,784</u>	<u>22,776</u>
Total public safety	<u>3,947,962</u>	<u>3,864,962</u>	<u>3,805,996</u>	<u>58,966</u>
Public works:				
Streets:				
Current:				
Personal services	533,349	538,349	553,818	(15,469)
Supplies	105,500	105,500	93,406	12,094
Other services and charges	87,900	97,900	101,016	(3,116)
Contractual services	172,500	172,500	177,371	(4,871)
Total streets	<u>899,249</u>	<u>914,249</u>	<u>925,611</u>	<u>(11,362)</u>
Fleet:				
Current:				
Personal services	100,608	110,608	115,687	(5,079)
Supplies	264,000	214,000	204,439	9,561
Other services and charges	56,070	56,070	36,893	19,177
Contractual services	2,700	2,700	1,889	811
Total fleet	<u>423,378</u>	<u>383,378</u>	<u>358,908</u>	<u>24,470</u>
Total public works	<u>1,322,627</u>	<u>1,297,627</u>	<u>1,284,519</u>	<u>13,108</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

Statement 11
Page 5 of 7

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Parks and recreation:				
Parks:				
Current:				
Personal services	\$ 431,263	\$ 441,263	\$ 439,193	\$ 2,070
Supplies	27,000	27,000	19,601	7,399
Other services and charges	52,700	52,700	45,965	6,735
Contractual services	30,950	30,950	7,070	23,880
Total parks	<u>541,913</u>	<u>551,913</u>	<u>511,829</u>	<u>40,084</u>
Recreation:				
Current:				
Personal services	263,421	273,421	256,734	16,687
Supplies	2,500	2,500	2,991	(491)
Other services and charges	16,600	16,600	12,338	4,262
Contractual services	800	800	1,570	(770)
Total recreation	<u>283,321</u>	<u>293,321</u>	<u>273,633</u>	<u>19,688</u>
Total parks and recreation	<u>825,234</u>	<u>845,234</u>	<u>785,462</u>	<u>59,772</u>
Conservation of natural resources:				
Forestry:				
Current:				
Personal services	50,515	50,515	49,456	1,059
Supplies	1,250	1,250	906	344
Other services and charges	800	800	735	65
Contractual services	7,500	7,500	1,078	6,422
Capital outlay	5,000	5,000	2,151	2,849
Total forestry	<u>65,065</u>	<u>65,065</u>	<u>54,326</u>	<u>10,739</u>
Environmental:				
Current:				
Personal services	85,105	85,105	81,988	3,117
Supplies	1,500	1,500	623	877
Other services and charges	9,480	9,480	5,681	3,799
Contractual services	1,050	1,050	47	1,003
Total environmental	<u>97,135</u>	<u>97,135</u>	<u>88,339</u>	<u>8,796</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Conservation of natural resources (continued):				
Solid waste abatement:				
Current:				
Personal services	\$ 29,925	\$ 29,925	\$ 28,638	\$ 1,287
Other services and charges	550	550	-	550
Contractual services	6,000	6,000	5,910	90
Total solid waste abatement	<u>36,475</u>	<u>36,475</u>	<u>34,548</u>	<u>1,927</u>
Total conservation of natural resources	<u>198,675</u>	<u>198,675</u>	<u>177,213</u>	<u>21,462</u>
Community Development:				
Community Development:				
Current:				
Personal services	215,100	215,100	214,284	816
Supplies	100	100	-	100
Other services and charges	9,030	19,030	14,576	4,454
Contractual Services	1,300	1,300	1,399	(99)
Total community development	<u>225,530</u>	<u>235,530</u>	<u>230,259</u>	<u>5,271</u>
Economic Development:				
Current:				
Personal services	87,651	87,651	86,451	1,200
Supplies	150	150	13	137
Other services and charges	11,200	51,200	45,569	5,631
Contractual services	400	400	535	(135)
Total economic development	<u>99,401</u>	<u>139,401</u>	<u>132,568</u>	<u>6,833</u>
Planning and zoning commission:				
Current:				
Personal services	166,289	166,289	167,713	(1,424)
Supplies	250	250	-	250
Other services and charges	18,400	18,400	10,220	8,180
Contractual services	46,350	46,350	62,131	(15,781)
Total planning and zoning commission	<u>231,289</u>	<u>231,289</u>	<u>240,064</u>	<u>(8,775)</u>
Total community development	<u>556,220</u>	<u>606,220</u>	<u>602,891</u>	<u>3,329</u>
Other :				
Contingency	<u>74,351</u>	<u>74,351</u>	-	<u>74,351</u>
Total Expenditures	<u>8,904,255</u>	<u>8,744,055</u>	<u>8,381,952</u>	<u>362,103</u>
Revenue over Expenditures	<u>507,500</u>	<u>612,500</u>	<u>851,540</u>	<u>239,040</u>

CITY OF LINO LAKES, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other financing sources (uses):				
Transfer out	\$ (557,500)	\$ (612,500)	\$ (612,699)	\$ (199)
Net increase (decrease) in fund balance	\$ -	\$ -	238,841	\$ 238,841
Fund Balance - January 1			5,387,964	
Fund balance - December 31			\$ 5,626,805	

CITY OF LINO LAKES, MINNESOTA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

Note 1 BUDGETS

The General Fund budget is legally adopted on a basis consistent with U.S. Generally Accepted Accounting Principles. The legal level of budgetary control is at the department level. The following is a listing of expenditures that exceeded budget appropriations.

	Final Budget	Actual	Actual in Excess of Budget
	<u> </u>	<u> </u>	<u> </u>
General Fund:			
General government:			
Legal	\$ 170,000	\$ 170,206	\$ (206)
Engineering/planning	166,500	174,470	(7,970)
Senior service	35,454	35,527	(73)
Public works:			
Streets	914,249	925,611	(11,362)
Community development:			
Planning and zoning commission	231,289	240,064	(8,775)

CITY OF LINO LAKES, MINNESOTA**Statement 12****SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$ -	\$ 329,191	\$ 329,191	-	\$ 4,859,980	6.8%

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following nonmajor Special Revenue Funds during the year.

Economic Development Authority - established to account for the receipt and uses of funds for economic purposes.

Program Recreation - established to account for various self-supporting recreational programs.

Debt Service Funds

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

The City's Debt Service Funds account for three types of bonded indebtedness:

General Debt Bonds - are repaid primarily from property taxes.

Improvement Bonds - are repaid primarily from special assessments.

Public Facility Lease Revenue Bonds - are repaid primarily from lease revenues received from the EDA leasing the buildings to the City of Lino Lakes and other tenants.

Capital Project Funds

Capital Project Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds. The City maintained the following nonmajor Capital Project Funds during the year:

Capital Improvement Projects - to account for the proceeds from Equipment Certificates.

Capital Equipment Revolving Fund - to account for funds held to purchase capital equipment.

Closed Bond Fund - to account for excess funds from matured bond issues.

Street Reconstruction - to account for the financing of future reconstruction of City streets.

Sealcoating - to account for money received from assessments and developer deposits for future street sealcoating projects.

Surface Water Management - to account for the financing of surface water management and storm water improvements.

Legacy Woods Edge Improvement Fund - the Legacy Woods Edge Improvement fund accounts for construction costs related to infrastructure improvements in the Legacy Woods Edge development.

Tax Increment Funds - to account for development projects financed with tax increments.

Capital Project Funds (Continued)

Birch Street Hodgson Road Improvement Fund - to account for costs to improve the intersection at Birch Street and Hodgson Road.

Dedicated Parks - to account for the receipts and use of monies collected from dedicated parks fees.

Municipal State Aid - to account for the collection of assessments on municipal state aid projects.

Office Equipment Revolving Fund - to account for the receipt and use of funds for office equipment purchases.

Traffic Signal – to account for costs associated with construction of traffic signals in the City.

Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The City maintained the following nonmajor Permanent Fund during the year.

Foxborough Environment Fund - established to account for the use of funds received for environmental maintenance and improvements in the Foxborough area.

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue			Debt Service		
	Economic Development Authority	Program Recreation	Special Revenue Subtotal	Certificates of Indebtedness	Lease Revenue Bonds of 1998A	Public Project Refunding Bonds of 1999C
Assets						
Cash and investments	\$ -	\$ 124,494	\$ 124,494	\$ 121,716	\$ 486,798	\$ 270,684
Accounts receivable	-	1,147	1,147	-	-	-
Due from other governmental units	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Taxes receivable:						
Delinquent	-	-	-	10,126	3,950	2,666
Due from county	-	-	-	3,532	726	488
Special assessments receivable:						
Delinquent	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Due from county	-	-	-	-	-	-
Long-term notes receivable	225,000	-	225,000	-	-	-
Prepaid items	-	2,342	2,342	-	-	-
Total assets	\$ 225,000	\$ 127,983	\$ 352,983	\$ 135,374	\$ 491,474	\$ 273,838
Liabilities and Fund Balance						
Liabilities:						
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	14,939	14,939	-	-	-
Salaries payable	-	231	231	-	-	-
Contracts and retainage payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	10,126	3,950	2,666
Total liabilities	-	15,170	15,170	10,126	3,950	2,666
Fund balance (deficit):						
Reserved for prepaid items	-	2,342	2,342	-	-	-
Reserved for debt retirement	-	-	-	125,248	487,524	271,172
Reserved for environmental improvement	-	-	-	-	-	-
Reserved for long-term notes receivable	225,000	-	225,000	-	-	-
Unreserved:						
Designated:						
Recreation programs	-	110,471	110,471	-	-	-
Capital improvements	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Total fund balance (deficit)	225,000	112,813	337,813	125,248	487,524	271,172
Total liabilities and fund balance	\$ 225,000	\$ 127,983	\$ 352,983	\$ 135,374	\$ 491,474	\$ 273,838

Debt Service (Continued)						
Improvement Bonds of 2002A	Improvement Bonds of 2002B	Improvement Refunding Bonds of 2003A	Improvement Bonds of 2003B	Improvement and Utility Revenue Bonds of 2004A	Improvement Bonds of 2005B	Tax Abatement Bonds 2006C
\$ 243,523	\$ 647,720	\$ 122,469	\$ 63,541	\$ 215,188	\$ 262,158	\$ 83,127
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,115	-	6,058	6,138
-	-	-	298	-	1,607	1,696
-	-	-	11,737	5,933	2,892	-
62,986	206,249	139,173	35,041	132,356	215,336	-
-	-	87	-	-	927	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 306,509</u>	<u>\$ 853,969</u>	<u>\$ 261,729</u>	<u>\$ 111,732</u>	<u>\$ 353,477</u>	<u>\$ 488,978</u>	<u>\$ 90,961</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
62,986	206,249	139,173	47,893	138,289	224,286	6,138
<u>62,986</u>	<u>206,249</u>	<u>139,173</u>	<u>47,893</u>	<u>138,289</u>	<u>224,286</u>	<u>6,138</u>
-	-	-	-	-	-	-
243,523	647,720	122,556	63,839	215,188	264,692	84,823
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>243,523</u>	<u>647,720</u>	<u>122,556</u>	<u>63,839</u>	<u>215,188</u>	<u>264,692</u>	<u>84,823</u>
<u>\$ 306,509</u>	<u>\$ 853,969</u>	<u>\$ 261,729</u>	<u>\$ 111,732</u>	<u>\$ 353,477</u>	<u>\$ 488,978</u>	<u>\$ 90,961</u>

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Debt Service (continued)					
	Utility Revenue Bonds 2006D	CIP Refunding Bonds 2006E	TIF Bonds 2007A	Improvement Bonds 2009A	Improvement and Utility Revenue Refunding Bonds 2010	Debt Service Subtotal
Assets						
Cash and investments	\$ 50,974	\$ 244,784	\$ 155,088	\$ 425	\$ 4,945	\$ 2,973,140
Accounts receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Taxes receivable:						
Delinquent	-	12,632	-	-	-	42,685
Due from county	-	3,601	-	-	-	11,948
Special assessments receivable:						
Delinquent	2,694	-	-	-	-	23,256
Deferred	138,103	-	-	-	-	929,244
Due from county	-	-	-	-	-	1,014
Long-term notes receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 191,771	\$ 261,017	\$ 155,088	\$ 425	\$ 4,945	\$ 3,981,287
Liabilities and Fund Balance						
Liabilities:						
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Salaries payable	-	-	-	-	-	-
Contracts and retainage payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	140,797	12,632	-	-	-	995,185
Total liabilities	140,797	12,632	-	-	-	995,185
Fund balance (deficit):						
Reserved for prepaid items	-	-	-	-	-	-
Reserved for debt retirement	50,974	248,385	155,088	425	4,945	2,986,102
Reserved for environmental improvement	-	-	-	-	-	-
Reserved for long-term notes receivable	-	-	-	-	-	-
Unreserved:						
Designated:						
Recreation programs	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Total fund balance (deficit)	50,974	248,385	155,088	425	4,945	2,986,102
Total liabilities and fund balance	\$ 191,771	\$ 261,017	\$ 155,088	\$ 425	\$ 4,945	\$ 3,981,287

Capital Projects						
Capital Improvement Projects	Capital Equipment Revolving Fund	Closed Bond Fund	Street Reconstruction	Sealcoating	Surface Water Management	Birch Street Hodgson Road Improvement
\$ 1,416,151	\$ 286,637	\$ 292,067	\$ 538,252	\$ 445,003	\$ 276,610	\$ 15,383
14,647	-	-	-	-	-	-
-	-	-	-	-	1,500	-
534,485	-	842,196	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,729	-	-	26,814	-
-	-	8,037	145,412	-	248,596	-
-	-	-	-	-	29,221	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,965,283</u>	<u>\$ 286,637</u>	<u>\$ 1,144,029</u>	<u>\$ 683,664</u>	<u>\$ 445,003</u>	<u>\$ 582,741</u>	<u>\$ 15,383</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,536	46,182	-	474	1,002	58	-
-	-	-	-	-	-	-
-	-	-	-	13,293	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	9,766	145,412	-	275,410	-
<u>11,536</u>	<u>46,182</u>	<u>9,766</u>	<u>145,886</u>	<u>14,295</u>	<u>275,468</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,953,747	240,455	-	537,778	430,708	307,273	15,383
-	-	1,134,263	-	-	-	-
<u>1,953,747</u>	<u>240,455</u>	<u>1,134,263</u>	<u>537,778</u>	<u>430,708</u>	<u>307,273</u>	<u>15,383</u>
<u>\$ 1,965,283</u>	<u>\$ 286,637</u>	<u>\$ 1,144,029</u>	<u>\$ 683,664</u>	<u>\$ 445,003</u>	<u>\$ 582,741</u>	<u>\$ 15,383</u>

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Capital Projects (continued)					
	Tax	Tax	Tax	Tax	Dedicated Parks	Municipal State Aid
	Increment Financing 1-5	Increment Financing 1-9	Increment Financing 1-10	Increment Financing 1-11		
Assets						
Cash and investments	\$ 55,668	\$ -	\$ 135,900	\$ -	\$ 66,963	\$ 1,251,484
Accounts receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Taxes receivable:						
Delinquent	-	-	-	-	-	-
Due from county	-	-	-	-	-	-
Special assessments receivable:						
Delinquent	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Due from county	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 55,668	\$ -	\$ 135,900	\$ -	\$ 66,963	\$ 1,251,484
Liabilities and Fund Balance						
Liabilities:						
Interfund payable	\$ -	\$ -	\$ -	\$ 761,593	\$ -	\$ -
Accounts payable	-	-	-	567	-	-
Salaries payable	-	-	-	-	-	-
Contracts and retainage payable	-	-	-	-	-	-
Due to other governments	-	-	49,462	2,486	-	-
Advances from other funds	-	-	-	-	658,875	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	49,462	764,646	658,875	-
Fund balance (deficit):						
Reserved for prepaid items	-	-	-	-	-	-
Reserved for debt retirement	-	-	-	-	-	-
Reserved for environmental improvement	-	-	-	-	-	-
Reserved for long-term notes receivable	-	-	-	-	-	-
Unreserved:						
Designated:						
Recreation programs	-	-	-	-	-	-
Capital improvements	55,668	-	86,438	-	-	1,251,484
Undesignated	-	-	-	(764,646)	(591,912)	-
Total fund balance (deficit)	55,668	-	86,438	(764,646)	(591,912)	1,251,484
Total liabilities and fund balance	\$ 55,668	\$ -	\$ 135,900	\$ -	\$ 66,963	\$ 1,251,484

Capital Projects (Continued)				Permanent Fund	
Office Equipment Revolving Fund	Legacy Woods Edge Improvement	Traffic Signal	Capital Projects Subtotal	Foxborough Environment Fund	Total 2010
\$ 250,142	\$ 522,104	\$ -	\$ 5,552,364	\$ 112,676	\$ 8,762,674
-	-	-	14,647	-	15,794
-	-	-	1,500	-	1,500
-	-	-	1,376,681	-	1,376,681
-	-	-	-	-	42,685
-	-	-	-	-	11,948
-	-	-	28,543	-	51,799
-	-	-	402,045	-	1,331,289
-	-	-	29,221	-	30,235
-	-	-	-	-	225,000
-	-	-	-	-	2,342
<u>\$ 250,142</u>	<u>\$ 522,104</u>	<u>\$ -</u>	<u>\$ 7,405,001</u>	<u>\$ 112,676</u>	<u>\$ 11,851,947</u>
\$ -	\$ -	\$ 4,184	\$ 765,777	\$ -	\$ 765,777
-	-	1,654	61,473	-	76,412
-	-	-	-	-	231
-	-	-	13,293	-	13,293
-	-	-	51,948	-	51,948
-	-	-	658,875	-	658,875
-	-	-	430,588	-	1,425,773
-	-	5,838	1,981,954	-	2,992,309
-	-	-	-	-	2,342
-	-	-	-	-	2,986,102
-	-	-	-	100,000	100,000
-	-	-	-	-	225,000
-	-	-	-	-	110,471
250,142	522,104	-	5,651,180	-	5,651,180
-	-	(5,838)	(228,133)	12,676	(215,457)
<u>250,142</u>	<u>522,104</u>	<u>(5,838)</u>	<u>5,423,047</u>	<u>112,676</u>	<u>8,859,638</u>
<u>\$ 250,142</u>	<u>\$ 522,104</u>	<u>\$ -</u>	<u>\$ 7,405,001</u>	<u>\$ 112,676</u>	<u>\$ 11,851,947</u>

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue			Debt Service		
	Economic Development Authority	Program Recreation	Special Revenue Subtotal	Certificates of Indebtedness	Lease Revenue Bonds of 1998A	Public Project Refunding Bonds of 1999C
Revenue:						
General property taxes	\$ -	\$ -	\$ -	\$ 255,805	\$ 2,393	\$ 1,607
Tax increments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Special assessments	-	-	-	259	134	88
Charges for services	-	175,485	175,485	-	-	-
Investment earnings	-	1,555	1,555	1,948	4,293	3,281
Miscellaneous	-	-	-	-	120,000	-
Total revenue	-	177,040	177,040	258,012	126,820	4,976
Expenditures:						
Current:						
General government	198	-	198	-	-	-
Public works	-	-	-	-	-	-
Parks, recreation and forestry	-	160,359	160,359	-	-	-
Conservation of natural resources	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	231,000	115,000	90,000
Interest and fiscal charges	-	-	-	25,117	4,600	2,733
Total expenditures	198	160,359	160,557	256,117	119,600	92,733
Revenue over (under) expenditures	(198)	16,681	16,483	1,895	7,220	(87,757)
Other financing sources (uses):						
Transfer in	198	-	198	-	-	-
Transfer out	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Payment made to refunding bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	198	-	198	-	-	-
Net increase (decrease) in fund balance	-	16,681	16,681	1,895	7,220	(87,757)
Fund balance (deficit)						
Beginning of year	225,000	96,132	321,132	123,353	480,304	358,929
Fund balance (deficit) - December 31	\$ 225,000	\$ 112,813	\$ 337,813	\$ 125,248	\$ 487,524	\$ 271,172

Debt Service (Continued)						
Improvement Bonds of 2002A	Improvement Bonds of 2002B	Improvement Refunding Bonds of 2003A	Improvement Bonds of 2003B	Improvement and Utility Revenue Bonds of 2004A	Improvement Bonds of 2005B	Tax Abatement Bonds 2006C
\$ -	\$ -	\$ -	\$ 22,336	\$ -	\$ 118,014	\$ 132,713
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,915	114,075	26,645	24	19,454	67,038	120
-	-	-	-	-	-	-
2,732	7,025	537	610	4,103	2,695	248
-	-	-	-	-	-	-
<u>22,647</u>	<u>121,100</u>	<u>27,182</u>	<u>22,970</u>	<u>23,557</u>	<u>187,747</u>	<u>133,081</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25,000	225,000	55,000	25,000	75,000	420,000	-
4,800	47,258	25,451	7,754	35,555	103,903	104,291
<u>29,800</u>	<u>272,258</u>	<u>80,451</u>	<u>32,754</u>	<u>110,555</u>	<u>523,903</u>	<u>104,291</u>
<u>(7,153)</u>	<u>(151,158)</u>	<u>(53,269)</u>	<u>(9,784)</u>	<u>(86,998)</u>	<u>(336,156)</u>	<u>28,790</u>
-	-	79,581	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	980,307	-	-
-	-	-	-	-	-	-
-	-	-	-	(965,000)	-	-
-	-	79,581	-	15,307	-	-
<u>(7,153)</u>	<u>(151,158)</u>	<u>26,312</u>	<u>(9,784)</u>	<u>(71,691)</u>	<u>(336,156)</u>	<u>28,790</u>
<u>250,676</u>	<u>798,878</u>	<u>96,244</u>	<u>73,623</u>	<u>286,879</u>	<u>600,848</u>	<u>56,033</u>
<u>\$ 243,523</u>	<u>\$ 647,720</u>	<u>\$ 122,556</u>	<u>\$ 63,839</u>	<u>\$ 215,188</u>	<u>\$ 264,692</u>	<u>\$ 84,823</u>

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Debt Service (Continued)					
	Utility	CIP	TIF	Improvement	Improvement and	Debt
	Revenue	Refunding	TIF	Improvement	Utility Revenue	Service
	Bonds	Bonds	Bonds	Bonds	Refunding Bonds	Subtotal
	2006D	2006E	2007A	2009A	2010	
Revenue:						
General property taxes	\$ -	\$ 304,576	\$ -	\$ -	\$ -	\$ 837,444
Tax increments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Special assessments	17,008	232	-	-	-	264,992
Charges for services	-	-	-	-	-	-
Investment earnings	-	738	-	-	536	28,746
Miscellaneous	-	-	-	-	-	120,000
Total revenue	<u>17,008</u>	<u>305,546</u>	<u>-</u>	<u>-</u>	<u>536</u>	<u>1,251,182</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks, recreation and forestry	-	-	-	-	-	-
Conservation of natural resources	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Debt service:						
Principal	50,000	80,000	175,000	-	-	1,566,000
Interest and fiscal charges	18,992	118,869	160,296	99,575	26,264	785,458
Total expenditures	<u>68,992</u>	<u>198,869</u>	<u>335,296</u>	<u>99,575</u>	<u>26,264</u>	<u>2,351,458</u>
Revenue over (under) expenditures	<u>(51,984)</u>	<u>106,677</u>	<u>(335,296)</u>	<u>(99,575)</u>	<u>(25,728)</u>	<u>(1,100,276)</u>
Other financing sources (uses):						
Transfer in	68,122	-	335,346	100,000	-	583,049
Transfer out	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Issuance of debt	-	-	-	-	19,693	1,000,000
Discount on bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	10,980	10,980
Payment made to refunding bond escrow agent	-	-	-	-	-	(965,000)
Total other financing sources (uses)	<u>68,122</u>	<u>-</u>	<u>335,346</u>	<u>100,000</u>	<u>30,673</u>	<u>629,029</u>
Net increase (decrease) in fund balance	16,138	106,677	50	425	4,945	(471,247)
Fund balance (deficit)						
Beginning of year	34,836	141,708	155,038	-	-	3,457,349
Fund balance (deficit) - December 31	<u>\$ 50,974</u>	<u>\$ 248,385</u>	<u>\$ 155,088</u>	<u>\$ 425</u>	<u>\$ 4,945</u>	<u>\$ 2,986,102</u>

Capital Projects						
Capital Improvement Projects	Capital Equipment Revolving Fund	Closed Bond Fund	Street Reconstruction	Sealcoating	Surface Water Management	Birch Street Hodgson Road Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,892	24,235	231	91,397	-
-	-	-	-	-	-	-
20,936	3,833	12,085	7,329	7,000	2,749	176
192,522	2,651	-	-	-	-	-
<u>213,458</u>	<u>6,484</u>	<u>14,977</u>	<u>31,564</u>	<u>7,231</u>	<u>94,146</u>	<u>176</u>
2,324	-	1,997	-	-	-	-
22,549	-	-	155,716	386,982	29,695	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	94,277	-	-	-	-	-
-	178,405	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>24,873</u>	<u>272,682</u>	<u>1,997</u>	<u>155,716</u>	<u>386,982</u>	<u>29,695</u>	<u>-</u>
<u>188,585</u>	<u>(266,198)</u>	<u>12,980</u>	<u>(124,152)</u>	<u>(379,751)</u>	<u>64,451</u>	<u>176</u>
-	110,000	-	-	422,500	-	-
-	-	-	-	-	-	-
-	20,600	-	-	-	-	-
-	170,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	300,600	-	-	422,500	-	-
<u>188,585</u>	<u>34,402</u>	<u>12,980</u>	<u>(124,152)</u>	<u>42,749</u>	<u>64,451</u>	<u>176</u>
<u>1,765,162</u>	<u>206,053</u>	<u>1,121,283</u>	<u>661,930</u>	<u>387,959</u>	<u>242,822</u>	<u>15,207</u>
<u>\$ 1,953,747</u>	<u>\$ 240,455</u>	<u>\$ 1,134,263</u>	<u>\$ 537,778</u>	<u>\$ 430,708</u>	<u>\$ 307,273</u>	<u>\$ 15,383</u>

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Capital Projects (Continued)					
	Tax Increment Financing 1-5	Tax Increment Financing 1-9	Tax Increment Financing 1-10	Tax Increment Financing 1-11	Dedicated Parks	Municipal State Aid
Revenue:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increments	40,970	-	137,975	65,000	-	-
Intergovernmental	-	-	-	-	-	567,082
Special assessments	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	619	-	1,117	-	1,243	15,810
Miscellaneous	-	-	-	-	2,436	-
Total revenue	<u>41,589</u>	<u>-</u>	<u>139,092</u>	<u>65,000</u>	<u>3,679</u>	<u>582,892</u>
Expenditures:						
Current:						
General government:	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks, recreation and forestry	-	-	-	-	-	-
Conservation of natural resources	-	-	-	-	-	-
Community development	36,905	351,910	99,143	7,833	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	22,103	-
Total expenditures	<u>36,905</u>	<u>351,910</u>	<u>99,143</u>	<u>7,833</u>	<u>22,103</u>	<u>-</u>
Revenue over (under) expenditures	<u>4,684</u>	<u>(351,910)</u>	<u>39,949</u>	<u>57,167</u>	<u>(18,424)</u>	<u>582,892</u>
Other financing sources (uses):						
Transfer in	-	-	-	-	55,000	-
Transfer out	-	-	(38,178)	(55,167)	-	(242,000)
Sale of property	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Payment made to refunding bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(38,178)</u>	<u>(55,167)</u>	<u>55,000</u>	<u>(242,000)</u>
Net increase (decrease) in fund balance	4,684	(351,910)	1,771	2,000	36,576	340,892
Fund balance (deficit)						
Beginning of year	<u>50,984</u>	<u>351,910</u>	<u>84,667</u>	<u>(766,646)</u>	<u>(628,488)</u>	<u>910,592</u>
Fund balance (deficit) - December 31	<u>\$ 55,668</u>	<u>\$ -</u>	<u>\$ 86,438</u>	<u>\$ (764,646)</u>	<u>\$ (591,912)</u>	<u>\$ 1,251,484</u>

Capital Projects (Continued)				Permanent Fund	
Office Equipment Revolving Fund	Legacy Woods Edge Improvement	Traffic Signal	Capital Projects Subtotal	Foxborough Environment Fund	Total 2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 837,444
-	-	-	243,945	-	243,945
-	-	-	567,082	-	567,082
-	-	-	118,755	-	383,747
-	-	-	-	-	175,485
2,807	5,995	-	81,699	1,322	113,322
-	-	-	197,609	5,700	323,309
<u>2,807</u>	<u>5,995</u>	<u>-</u>	<u>1,209,090</u>	<u>7,022</u>	<u>2,644,334</u>
-	-	-	4,321	-	4,519
-	4,328	5,838	605,108	-	605,108
-	-	-	-	-	160,359
-	-	-	-	10,170	10,170
-	-	-	495,791	-	495,791
215	-	-	215	-	215
-	-	-	94,277	-	94,277
-	-	-	178,405	-	178,405
-	-	-	-	-	1,566,000
-	-	-	22,103	-	807,561
<u>215</u>	<u>4,328</u>	<u>5,838</u>	<u>1,400,220</u>	<u>10,170</u>	<u>3,922,405</u>
<u>2,592</u>	<u>1,667</u>	<u>(5,838)</u>	<u>(191,130)</u>	<u>(3,148)</u>	<u>(1,278,071)</u>
25,000	-	-	612,500	-	1,195,747
-	-	-	(335,345)	-	(335,345)
-	-	-	20,600	-	20,600
-	-	-	170,000	-	1,170,000
-	-	-	-	-	10,980
-	-	-	-	-	(965,000)
<u>25,000</u>	<u>-</u>	<u>-</u>	<u>467,755</u>	<u>-</u>	<u>1,096,982</u>
27,592	1,667	(5,838)	276,625	(3,148)	(181,089)
<u>222,550</u>	<u>520,437</u>	<u>-</u>	<u>5,146,422</u>	<u>115,824</u>	<u>9,040,727</u>
<u>\$ 250,142</u>	<u>\$ 522,104</u>	<u>\$ (5,838)</u>	<u>\$ 5,423,047</u>	<u>\$ 112,676</u>	<u>\$ 8,859,638</u>

CITY OF LINO LAKES, MINNESOTA

Statement 15

SPECIAL REVENUE FUND - PROGRAM RECREATION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Year Ended December 31, 2010

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Charges for services:				
Recreation Fees	\$ 156,105	\$ 156,105	\$ 175,485	\$ 19,380
Investment earnings	-	-	1,555	1,555
Total revenue	<u>156,105</u>	<u>156,105</u>	<u>177,040</u>	<u>20,935</u>
Expenditures:				
Current:				
Personal services	90,800	90,800	89,485	1,315
Supplies	44,230	44,230	66,336	(22,106)
Other services and charges	6,000	6,000	831	5,169
Contractual services	12,050	12,050	3,707	8,343
Capital outlay	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
Total expenditures	<u>156,080</u>	<u>156,080</u>	<u>160,359</u>	<u>(4,279)</u>
Net increase (decrease) in fund balance	<u>\$ 25</u>	<u>\$ 25</u>	16,681	<u>\$ 16,656</u>
Fund balance - January 1			<u>96,132</u>	
Fund balance - December 31			<u>\$ 112,813</u>	

Fiduciary Funds

Agency Fund

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governments. The City maintained the following Agency fund during the year:

Contractor's Deposits – to account for pass-through costs relating to prospective developers.

CITY OF LINO LAKES, MINNESOTA

Statement 16

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUNDS - AGENCY FUNDS

Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and investments	\$ 773,845	\$ 131,724	\$ 152,062	\$ 753,507
Deposits receivable	10,520	750	10,520	750
Total assets	<u><u>\$ 784,365</u></u>	<u><u>\$ 132,474</u></u>	<u><u>\$ 162,582</u></u>	<u><u>\$ 754,257</u></u>
Liabilities				
Accounts payable	\$ 3,700	\$ 140,314	\$ 130,960	\$ 13,054
Deposits payable	780,665	94,082	133,544	741,203
Total Liabilities	<u><u>\$ 784,365</u></u>	<u><u>\$ 234,396</u></u>	<u><u>\$ 264,504</u></u>	<u><u>\$ 754,257</u></u>

SUPPLEMENTARY FINANCIAL INFORMATION

CITY OF LINO LAKES, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
 December 31, 2010

Exhibit 1

	Interest Rates	Dated	Final Maturity Date
General Obligation Bonds:			
2007A Equipment Certificates	4.00%	2/1/07	12/31/2010
2008A Equipment Certificates	4.00%	2/1/08	12/31/2011
2009A Equipment Certificates	3.00%	4/1/2009	12/31/2012
2010A Equipment Certificates	2.00%-3.00%	4/1/10	12/31/2013
Civic Complex Lease Revenue Bonds, Series 1998A	4.20%-5.35%	8/1/98	2/1/19
Public Project Revenue Refunding Bonds, Series 1999C	4.75%-5.10%	9/1/99	2/1/10
G.O. Tax Abatement Bonds, Series 2006C	4.00%-4.30%	8/15/06	2/1/23
G.O. Utility Revenue Bonds, Series 2006D	4.00%-4.15%	8/15/06	2/1/17
G.O. CIP Refunding Bonds, Series 2006E	4.00%	11/1/06	2/1/18
G.O. Tax Increment Bonds, Series 2007A	4.00%-4.125%	7/15/2007	2/1/2024
Total General Obligation Bonds			
Special Assessment Bonds:			
G. O. Improvement Bonds of 2002A	3.00%-4.10%	8/1/02	2/1/13
G. O. Improvement Bonds of 2002B	3.20%-5.55%	8/1/02	2/1/13
G. O. Improvement Refunding Bonds of 2003A	2.00%-4.25%	12/1/03	2/1/19
G. O. Improvement Bonds of 2003B	3.20%-5.60%	12/1/03	2/1/14
G. O. Improvement and Utility Bonds of 2004A	1.90%-4.45%	11/15/04	2/1/20
G. O. Improvement Bonds of 2005A	4.35%-5.15%	11/1/05	2/1/21
G. O. Improvement Refunding Bonds of 2005B	3.75%-5.00%	11/1/05	2/1/15
G.O. Improvement & Utility Revenue Refunding Bonds, Series 2010A	2.00%-3.00%	7/9/10	2/1/20
Total General Improvement Bonds with special assessments pledged			
Revenue Bonds:			
G. O. Water Utility Revenue Refunding Bonds of 2006F	3.55%-3.625%	11/1/06	2/1/12
Total Revenue Bonds			
Other Long-Term Debt:			
Note Payable - Anoka County	4.00%-3.70%	8/01/09	8/1/24
Total City indebtedness			

Exhibit 1

Prior Years		Payable 1/1/10	2010		Payable 12/31/10	Principal Due In 2010	Interest Due In 2010
Original Issue	Payments		Issued	Payments			
\$ 160,000	\$ 105,000	\$ 55,000	\$ -	\$ 55,000	\$ -	\$ -	\$ -
209,000	63,000	146,000	-	72,000	74,000	74,000	2,960
336,000	-	336,000	-	104,000	232,000	114,000	6,960
170,000	-	-	170,000	-	170,000	52,000	9,775
5,350,000	5,235,000	115,000	-	115,000	-	-	-
980,000	890,000	90,000	-	90,000	-	-	-
2,460,000	-	2,460,000	-	-	2,460,000	30,000	102,820
570,000	100,000	470,000	-	50,000	420,000	50,000	16,122
2,990,000	-	2,990,000	-	80,000	2,910,000	305,000	110,300
4,215,000	165,000	4,050,000	-	175,000	3,875,000	215,000	151,626
<u>17,440,000</u>	<u>6,558,000</u>	<u>10,712,000</u>	<u>170,000</u>	<u>741,000</u>	<u>10,141,000</u>	<u>840,000</u>	<u>400,563</u>
645,000	535,000	110,000	-	25,000	85,000	25,000	2,930
2,110,000	1,135,000	975,000	-	225,000	750,000	235,000	34,310
2,090,000	1,430,000	660,000	-	55,000	605,000	60,000	22,638
250,000	100,000	150,000	-	25,000	125,000	30,000	5,950
1,330,000	290,000	1,040,000	-	1,040,000	-	-	-
5,550,000	755,000	4,795,000	-	300,000	4,495,000	315,000	219,110
3,755,000	1,220,000	2,535,000	-	420,000	2,115,000	425,000	87,219
1,000,000	-	-	1,000,000	-	1,000,000	100,000	29,625
<u>16,730,000</u>	<u>5,465,000</u>	<u>10,265,000</u>	<u>1,000,000</u>	<u>2,090,000</u>	<u>9,175,000</u>	<u>1,190,000</u>	<u>401,782</u>
<u>1,740,000</u>	<u>570,000</u>	<u>1,170,000</u>	<u>-</u>	<u>375,000</u>	<u>795,000</u>	<u>390,000</u>	<u>21,701</u>
<u>1,740,000</u>	<u>570,000</u>	<u>1,170,000</u>	<u>-</u>	<u>375,000</u>	<u>795,000</u>	<u>390,000</u>	<u>21,701</u>
<u>4,260,000</u>	<u>-</u>	<u>4,260,000</u>	<u>-</u>	<u>-</u>	<u>4,260,000</u>	<u>-</u>	<u>153,410</u>
<u>\$ 40,170,000</u>	<u>\$ 12,593,000</u>	<u>\$ 26,407,000</u>	<u>\$ 1,170,000</u>	<u>\$ 3,206,000</u>	<u>\$ 24,371,000</u>	<u>\$ 2,420,000</u>	<u>\$ 977,456</u>

CITY OF LINO LAKES, MINNESOTA
 SCHEDULE OF DEFERRED TAX LEVIES
 December 31, 2010

Exhibit 2

Year of Levy/Collection	Equipment Certificates of 2008A	Equipment Certificates of 2009A	Equipment Certificates of 2010A	Lease Revenue Bonds of 1998A	Public Project Refunding Bonds 1999C	G. O. Improvement Bonds of 2002A	G. O. Improvement Bonds of 2003B	G. O. Improvement Bonds of 2005A
2010/2011	\$ 80,808	\$ 127,008	\$ 64,864	\$ -	\$ -	\$ 9,645	\$ 23,524	\$ 568,297
2011/2012	-	127,617	64,617	-	-	8,385	21,917	566,722
2012/2013	-	-	64,890	-	-	-	20,248	569,609
2013/2014	-	-	-	-	-	-	23,781	566,197
2014/2015	-	-	-	-	-	-	-	567,247
2015/2016	-	-	-	-	-	-	-	572,497
2016/2017	-	-	-	-	-	-	-	571,184
2017/2018	-	-	-	-	-	-	-	574,072
2018/2019	-	-	-	-	-	-	-	574,907
2019/2020	-	-	-	-	-	-	-	579,639
2020/2021	-	-	-	-	-	-	-	-
2021/2022	-	-	-	-	-	-	-	-
2022/2023	-	-	-	-	-	-	-	-
2023/2024	-	-	-	-	-	-	-	-
	<u>\$ 80,808</u>	<u>\$ 254,625</u>	<u>\$ 194,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,030</u>	<u>\$ 89,470</u>	<u>\$ 5,710,371</u>

Exhibit 2

<u>G. O. Improvement Refunding Bonds of 2005B</u>	<u>G. O. Tax Abatement Bonds 2006C</u>	<u>G. O. CIP Refunding Bonds 2006E</u>	<u>G. O. TIF Bonds 2007A</u>	<u>G.O. Improvement and Utility Revenue Refunding Bonds 2010A</u>	<u>Total</u>
\$ 524,213	\$ 196,581	\$ 445,410	\$ 389,473	\$ 123,375	\$ 2,553,198
512,925	235,011	468,720	432,943	114,713	2,553,570
490,613	245,511	459,060	442,813	123,427	2,416,171
463,050	255,381	443,940	493,843	121,433	2,367,625
-	264,458	449,820	495,103	124,688	1,901,316
-	278,140	460,110	500,983	121,537	1,933,267
-	285,411	464,100	506,023	118,387	1,945,105
-	297,263	-	268,723	120,488	1,260,546
-	313,472	-	271,243	117,180	1,276,802
-	323,316	-	278,593	124,372	1,305,920
-	337,517	-	285,313	-	622,830
-	350,447	-	291,403	-	641,850
-	-	-	301,855	-	301,855
-	-	-	306,127	-	306,127
<u>\$ 1,990,801</u>	<u>\$ 3,382,508</u>	<u>\$ 3,191,160</u>	<u>\$ 5,264,438</u>	<u>\$ 1,209,600</u>	<u>\$ 21,386,182</u>

CITY OF LINO LAKES, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY - ALL BONDS
 December 31, 2010

Exhibit 3

	<u>Equipment Certificates 2008A</u>	<u>Equipment Certificates 2009A</u>	<u>Equipment Certificates 2010A</u>	<u>G. O. Improvement Bonds of 2002A</u>	<u>G. O. Improvement Bonds of 2002B</u>	<u>G. O. Improvement Refunding Bonds 2003A</u>	<u>G. O. Improvement Bonds 2003B</u>
Bonds payable	\$ 74,000	\$ 232,000	\$ 170,000	\$ 85,000	\$ 750,000	\$ 605,000	\$ 125,000
Future interest payable	<u>2,960</u>	<u>10,500</u>	<u>15,115</u>	<u>5,375</u>	<u>63,059</u>	<u>116,659</u>	<u>14,098</u>
Totals	<u>\$ 76,960</u>	<u>\$ 242,500</u>	<u>\$ 185,115</u>	<u>\$ 90,375</u>	<u>\$ 813,059</u>	<u>\$ 721,659</u>	<u>\$ 139,098</u>
Payments to maturity:							
2011	\$ 76,960	\$ 120,960	\$ 61,775	\$ 27,930	\$ 269,310	\$ 82,638	\$ 35,950
2012	-	121,540	61,540	31,830	271,395	80,537	34,390
2013	-	-	61,800	30,615	272,354	78,438	32,778
2014	-	-	-	-	-	81,088	35,980
2015	-	-	-	-	-	78,488	-
2016	-	-	-	-	-	80,788	-
2017	-	-	-	-	-	77,988	-
2018	-	-	-	-	-	79,994	-
2019	-	-	-	-	-	81,700	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
	<u>\$ 76,960</u>	<u>\$ 242,500</u>	<u>\$ 185,115</u>	<u>\$ 90,375</u>	<u>\$ 813,059</u>	<u>\$ 721,659</u>	<u>\$ 139,098</u>

G. O. Improvement Bonds 2005A	G. O. Improvement Refunding Bonds 2005B	G.O. Tax Abatement Bonds 2006C	G.O. Utility Revenue Bonds 2006D	G.O. CIP Refunding Bonds 2006E	G.O. TIF Bonds 2007A	G.O. Improvement and Utility Revenue Refunding Bonds 2010A
\$ 4,495,000	\$ 2,115,000	\$ 2,460,000	\$ 420,000	\$ 2,910,000	\$ 3,875,000	\$ 1,000,000
1,371,949	253,594	843,152	63,697	492,400	1,060,781	152,000
<u>\$ 5,866,949</u>	<u>\$ 2,368,594</u>	<u>\$ 3,303,152</u>	<u>\$ 483,697</u>	<u>\$ 3,402,400</u>	<u>\$ 4,935,781</u>	<u>\$ 1,152,000</u>
\$ 534,111	\$ 512,219	\$ 132,820	\$ 66,122	\$ 415,300	\$ 366,626	\$ 129,625
532,986	491,375	185,520	69,022	417,800	407,026	108,400
531,111	477,875	221,320	71,722	439,300	416,026	116,600
533,361	456,625	231,020	69,292	430,000	463,426	114,700
529,736	430,500	240,043	66,832	415,600	464,326	117,250
530,236	-	248,381	69,254	420,800	469,526	114,250
534,611	-	260,858	71,453	430,100	473,926	111,250
532,861	-	267,464	-	433,500	252,126	113,175
534,633	-	278,327	-	-	254,326	110,025
534,784	-	293,233	-	-	261,026	116,725
538,519	-	302,183	-	-	267,126	-
-	-	315,103	-	-	272,504	-
-	-	326,880	-	-	282,016	-
-	-	-	-	-	285,775	-
<u>\$ 5,866,949</u>	<u>\$ 2,368,594</u>	<u>\$ 3,303,152</u>	<u>\$ 483,697</u>	<u>\$ 3,402,400</u>	<u>\$ 4,935,781</u>	<u>\$ 1,152,000</u>

DEBT SERVICE PAYMENTS TO MATURITY - ALL BONDS (CONTINUED)

December 31, 2010

	G.O. Water Utility Revenue Refunding Bonds of 2006F	Note Payable - Anoka County	Totals
Bonds payable	\$ 795,000	\$ 4,260,000	\$ 24,371,000
Future interest payable	29,043	1,813,670	6,308,052
Totals	<u>\$ 824,043</u>	<u>\$ 6,073,670</u>	<u>\$ 30,679,052</u>
Payments to maturity:			
2011	\$ 411,702	\$ 153,410	\$ 3,397,458
2012	412,341	153,410	3,379,112
2013	-	153,410	2,903,349
2014	-	153,410	2,568,902
2015	-	516,410	2,859,185
2016	-	522,010	2,455,245
2017	-	527,010	2,487,196
2018	-	531,410	2,210,530
2019	-	539,260	1,798,271
2020	-	541,136	1,746,904
2021	-	546,946	1,654,774
2022	-	556,816	1,144,423
2023	-	575,716	1,184,612
2024	-	603,316	889,091
	<u>\$ 824,043</u>	<u>\$ 6,073,670</u>	<u>\$ 30,679,052</u>

CITY OF LINO LAKES, MINNESOTA
INSURANCE IN FORCE
 December 31, 2010

Exhibit 4

Coverage	Amount
General Liability:	
Bodily Injury/Property Damage	\$ 1,500,000
Personal Injury/Police Professional Liability	1,500,000
Fire Legal Liability	50,000
Medical Expense Occurrence Limit	1,000
Medical Expense Aggregate	10,000
Property Damage (\$500 Deductible)	
Property:	
Buildings and Contents (including Mobile and EDP - Electronic Equipment & Valuable Papers)	27,033,146
Faithful Performance Blanket Bond	500,000
Storage Tank Liability	250,000
Rented/Leased Equipment (\$500 Deductible)	250,000
Public Official and Employee Liability (\$500 Deductible each occurrence)	1,500,000
Automotive:	
Bodily injury and property damage	1,500,000
Comprehensive and Collision	Actual Cash Value
Uninsured motorists	200,000
Workmen's compensation	Statutory
Umbrella Liability	1,000,000
Crime - Theft Disappearance and Destruction (\$500 Deductible)	250,000

III.
STATISTICAL
SECTION

Statistical Section (Unaudited)

This part of the 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 overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends

Tables 1-4

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

Revenue Capacity

Tables 5-8

These schedules contain information to help the reader assess the City's most significant revenue sources.

Debt Capacity

Tables 9-11

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

Demographic and Economic Information

Tables 12-13

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

Operating information

Tables 14-16

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

CITY OF LINO LAKES, MINNESOTA
NET ASSETS BY COMPONENT,
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

Table 1

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 25,993,905	\$ 28,807,262	\$ 25,460,528	\$ 29,549,174	\$ 36,789,153	\$ 28,472,865	\$ 23,400,453	\$ 22,562,217
Restricted	3,568,555	3,045,052	12,050,484	10,704,508	10,324,467	9,870,676	9,414,474	8,428,025
Unrestricted	15,668,226	16,249,541	13,577,071	14,516,466	6,339,528	10,790,359	15,926,322	16,738,885
Total governmental activities net assets	<u>\$ 45,230,686</u>	<u>\$ 48,101,855</u>	<u>\$ 51,088,083</u>	<u>\$ 54,770,148</u>	<u>\$ 53,453,148</u>	<u>\$ 49,133,900</u>	<u>\$ 48,741,249</u>	<u>\$ 47,729,127</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 25,537,383	\$ 26,713,498	\$ 28,342,832	\$ 29,485,942	\$ 29,836,775	\$ 30,372,670	\$ 30,071,840	\$ 29,648,461
Unrestricted	3,778,936	4,744,875	5,572,338	6,880,547	8,063,983	9,028,778	10,112,207	10,728,626
Total business-type activities net assets	<u>\$ 29,316,319</u>	<u>\$ 31,458,373</u>	<u>\$ 33,915,170</u>	<u>\$ 36,366,489</u>	<u>\$ 37,900,758</u>	<u>\$ 39,401,448</u>	<u>\$ 40,184,047</u>	<u>\$ 40,377,087</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 51,531,288	\$ 55,520,760	\$ 53,803,360	\$ 59,035,116	\$ 66,625,928	\$ 58,845,535	\$ 53,472,293	\$ 52,210,678
Restricted	3,568,555	3,045,052	12,050,484	10,704,508	10,324,467	9,870,676	9,414,474	8,428,025
Unrestricted	19,447,162	20,994,416	19,149,409	21,397,013	14,403,511	19,819,137	26,038,529	27,467,511
Total primary government net assets	<u>\$ 74,547,005</u>	<u>\$ 79,560,228</u>	<u>\$ 85,003,253</u>	<u>\$ 91,136,637</u>	<u>\$ 91,353,906</u>	<u>\$ 88,535,348</u>	<u>\$ 88,925,296</u>	<u>\$ 88,106,214</u>

Note: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

CITY OF LINO LAKES, MINNESOTA
CHANGES IN NET ASSETS,
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General Government	\$ 6,092,587	\$ 2,524,387	\$ 2,941,279	\$ 2,886,825	\$ 2,197,672	\$ 2,323,358	\$ 2,201,439
Public Safety	2,648,944	2,799,294	3,091,174	3,516,376	3,730,504	4,051,162	4,299,366
Public Services	1,162,412	7,254,708	9,187,436	3,871,968	10,580,560	7,608,626	4,027,553
Parks, Recreation and Forestry	932,113	1,196,096	799,335	1,162,458	1,357,133	919,948	1,313,560
Conservation of Natural Resources	111,946	116,869	150,092	156,592	183,420	184,624	215,607
Community Development	859,110	420,874	383,211	691,880	1,122,802	1,114,158	1,005,997
Interest on long-term debt	815,681	748,832	797,341	926,021	980,849	1,045,781	928,668
Total governmental activities expenses	<u>\$ 12,622,793</u>	<u>\$ 15,061,060</u>	<u>\$ 17,349,868</u>	<u>\$ 13,212,120</u>	<u>\$ 20,152,940</u>	<u>\$ 17,247,657</u>	<u>\$ 13,992,190</u>
Business-type activities:							
Water	\$ 968,458	\$ 914,039	\$ 876,592	\$ 976,575	\$ 1,170,902	\$ 1,020,770	\$ 1,089,569
Sewer	1,046,170	1,130,994	1,217,825	1,228,123	1,298,963	1,287,943	1,432,107
Total business-type activities	<u>2,014,628</u>	<u>2,045,033</u>	<u>2,094,417</u>	<u>2,204,698</u>	<u>2,469,865</u>	<u>2,308,713</u>	<u>2,521,676</u>
Total primary government expenses	<u>\$ 14,637,421</u>	<u>\$ 17,106,093</u>	<u>\$ 19,444,285</u>	<u>\$ 15,416,818</u>	<u>\$ 22,622,805</u>	<u>\$ 19,556,370</u>	<u>\$ 16,513,866</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General Government	\$ 102,520	\$ 122,861	\$ 111,480	\$ 88,924	\$ 91,646	\$ 79,844	\$ 101,741
Public Safety	964,034	1,049,858	998,210	844,514	1,078,995	1,296,418	725,747
Public Works	493,312	454,191	434,087	420,741	389,489	413,040	428,174
Parks, Recreation and Forestry	250,816	242,857	196,951	188,439	185,803	187,285	165,994
Conservation of Natural Resources	5,369	11,763	4,873	6,854	4,559	3,660	3,858
Community Development	28,210	28,952	26,985	20,530	15,839	11,623	8,667
Operating grants and contributions	633,691	677,079	761,924	643,749	851,791	693,065	682,797
Capital grants and contributions	4,536,567	7,515,238	10,128,024	5,963,204	7,189,346	1,094,789	1,357,015
Total governmental activities program revenues	<u>\$ 7,014,519</u>	<u>\$ 10,102,799</u>	<u>\$ 12,662,534</u>	<u>\$ 8,176,955</u>	<u>\$ 9,807,468</u>	<u>\$ 3,779,724</u>	<u>\$ 3,473,993</u>
Business-type activities:							
Charges for services:							
Water	\$ 1,064,326	\$ 979,075	\$ 1,031,175	\$ 1,175,172	\$ 1,215,763	\$ 1,058,493	\$ 1,365,817
Sewer	1,216,589	1,280,652	1,361,759	1,391,702	1,446,112	1,472,093	1,502,164
Operating grants and contributions	-	-	-	-	-	-	62,710
Capital grants and contributions	2,719,081	1,589,419	1,733,775	1,535,631	80,750	10,117	8,769
Total business-type activities program revenues	<u>4,999,996</u>	<u>3,849,146</u>	<u>4,126,709</u>	<u>4,102,505</u>	<u>2,742,625</u>	<u>2,540,703</u>	<u>2,939,460</u>
Total primary government program revenues	<u>\$ 12,014,515</u>	<u>\$ 13,951,945</u>	<u>\$ 16,789,243</u>	<u>\$ 12,279,460</u>	<u>\$ 12,550,093</u>	<u>\$ 6,320,427</u>	<u>\$ 6,413,453</u>
Net (Expense)/Revenue							
Governmental activities	\$ (5,608,274)	\$ (4,958,261)	\$ (4,687,334)	\$ (5,035,165)	\$ (10,345,472)	\$ (13,467,933)	\$ (10,518,197)
Business-type activities	2,985,368	1,804,113	2,032,292	1,897,807	272,760	231,990	417,784
Total primary government net expense	<u>\$ (2,622,906)</u>	<u>\$ (3,154,148)</u>	<u>\$ (2,655,042)</u>	<u>\$ (3,137,358)</u>	<u>\$ (10,072,712)</u>	<u>\$ (13,235,943)</u>	<u>\$ (10,100,413)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 6,847,470	\$ 6,630,279	\$ 7,383,415	\$ 8,269,944	\$ 8,785,280	\$ 9,424,697	\$ 9,808,324
Unrestricted grants and contributions	-	-	-	-	256,877	129,607	11,321
Unrestricted investment earnings	194,220	221,302	433,387	713,794	864,578	576,071	429,325
Gain on sale of capital assets	-	1,280,957	-	33,217	17,424	12,512	12,644
Miscellaneous	-	-	160,955	-	-	-	-
Transfers	(301,355)	(303,108)	(304,195)	(299,725)	(895,687)	(994,202)	(136,068)
Total governmental activities	<u>\$ 6,740,335</u>	<u>\$ 7,829,430</u>	<u>\$ 7,673,562</u>	<u>\$ 8,717,230</u>	<u>\$ 9,028,472</u>	<u>\$ 9,148,685</u>	<u>\$ 10,125,546</u>
Business-type activities:							
Unrestricted investment earnings	\$ 20,866	\$ 34,833	\$ 120,310	\$ 253,787	\$ 365,822	\$ 274,498	\$ 228,747
Transfers	301,355	303,108	304,195	299,725	895,687	994,202	136,068
Total business-type activities	<u>322,221</u>	<u>337,941</u>	<u>424,505</u>	<u>553,512</u>	<u>1,261,509</u>	<u>1,268,700</u>	<u>364,815</u>
Total primary government	<u>\$ 7,062,556</u>	<u>\$ 8,167,371</u>	<u>\$ 8,098,067</u>	<u>\$ 9,270,742</u>	<u>\$ 10,289,981</u>	<u>\$ 10,417,385</u>	<u>\$ 10,490,361</u>
Change in Net Assets							
Governmental activities	\$ 1,132,061	\$ 2,871,169	\$ 2,986,228	\$ 3,682,065	\$ (1,317,000)	\$ (4,319,248)	\$ (392,651)
Business-type activities	3,307,589	2,142,054	2,456,797	2,451,319	1,534,269	1,500,690	782,599
Total primary government change in net assets	<u>\$ 4,439,650</u>	<u>\$ 5,013,223</u>	<u>\$ 5,443,025</u>	<u>\$ 6,133,384</u>	<u>\$ 217,269</u>	<u>\$ (2,818,558)</u>	<u>\$ 389,948</u>

Note: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

Table 2



2010

\$ 1,987,415
3,971,261
3,968,063
1,124,907
197,571
1,105,254
1,064,172

\$ 13,418,643

\$ 1,045,901
1,466,847
2,512,748

\$ 15,931,391

\$ 98,403
691,005
427,223
177,984
4,153
14,148
617,450
1,388,984

\$ 3,419,350

\$ 1,087,013
1,498,218
-
8,709
2,593,940

\$ 6,013,290

\$ (9,999,293)
81,192
\$ (9,918,101)

\$ 8,764,183
4,389
225,677
-
-
(7,078)

\$ 8,987,171

\$ 104,770
7,078
111,848

\$ 9,099,019

\$ (1,012,122)
193,040
\$ (819,082)

CITY OF LINO LAKES, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 3

	Fiscal Year			
	2001	2002	2003	2004
General Fund				
Reserved	\$ 105,969	\$ 120,727	\$ 133,921	\$ 142,492
Unreserved	3,818,700	4,232,291	4,775,969	5,067,973
Total general fund	<u>\$ 3,924,669</u>	<u>\$ 4,353,018</u>	<u>\$ 4,909,890</u>	<u>\$ 5,210,465</u>
All Other Governmental Funds				
Reserved reported in:				
Special Revenue Funds	\$ 1,551	\$ 2,430	\$ 1,759	\$ 1,718
Capital Projects Funds	1,843,423	1,946,617	1,946,618	957,112
Debt Service Funds	1,768,402	1,818,859	2,482,184	2,556,300
Permanent Funds	-	-	-	-
Unreserved reported in:				
Special Revenue Funds	41,195	25,200	32,704	57,616
Capital Projects Funds	6,242,862	6,317,650	5,406,014	6,241,408
Debt Service Funds	(41,953)	(612,943)	675,409	452,972
Permanent Funds	-	-	-	-
Total all other governmental funds	<u>\$ 9,855,480</u>	<u>\$ 9,497,813</u>	<u>\$ 10,544,688</u>	<u>\$ 10,267,126</u>
Total all funds	<u>\$ 13,780,149</u>	<u>\$ 13,850,831</u>	<u>\$ 15,454,578</u>	<u>\$ 15,477,591</u>

Table 3 (Continued)

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 148,652	\$ 153,009	\$ 181,759	\$ 190,825	\$ 196,568	\$ 181,471
5,300,156	5,337,225	5,356,272	5,393,316	5,191,396	5,445,334
<u>\$ 5,448,808</u>	<u>\$ 5,490,234</u>	<u>\$ 5,538,031</u>	<u>\$ 5,584,141</u>	<u>\$ 5,387,964</u>	<u>\$ 5,626,805</u>
\$ 1,763	\$ 1,813	\$ 226,921	\$ 226,973	\$ 227,176	\$ 227,342
957,112	957,112	885,825	812,400	736,772	658,875
7,371,359	3,992,952	3,925,402	3,405,272	3,457,349	2,986,102
100,000	100,000	100,000	-	100,000	100,000
74,716	82,385	100,955	106,573	93,956	110,471
7,348,375	5,525,508	8,395,827	5,927,411	11,611,835	12,537,841
-	-	-	-	(558,443)	(1,093,765)
853	5,378	17,023	22,224	15,824	12,676
<u>\$ 15,854,178</u>	<u>\$ 10,665,148</u>	<u>\$ 13,651,953</u>	<u>\$ 10,500,853</u>	<u>\$ 15,684,469</u>	<u>\$ 15,539,542</u>
<u>\$ 21,302,986</u>	<u>\$ 16,155,382</u>	<u>\$ 19,189,984</u>	<u>\$ 16,084,994</u>	<u>\$ 21,072,433</u>	<u>\$ 21,166,347</u>

CITY OF LINO LAKES, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 4

	Fiscal Year				
	2001	2002	2003	2004	2005
Revenues					
Property Taxes	\$ 5,856,349	\$ 6,243,200	\$ 6,687,516	\$ 6,523,938	\$ 7,230,287
Licenses and Permits	1,016,456	913,498	766,524	867,909	812,172
Intergovernmental	2,101,953	858,816	2,011,285	2,419,531	1,808,111
Special Assessments	1,783,237	2,050,015	2,812,386	1,587,510	1,769,821
Charges for Services	684,264	611,414	658,370	639,565	601,548
Fines and Forfeits	101,559	100,393	97,223	106,053	100,980
Investment Earnings	571,248	447,182	194,049	221,303	433,385
Miscellaneous	699,020	710,513	677,823	782,179	948,009
Total revenues	12,814,086	11,935,031	13,905,176	13,147,988	13,704,313
Expenditures					
Current:					
General Government	2,652,762	2,893,683	5,808,015	2,261,908	2,701,731
Public Safety	2,212,932	2,463,004	2,609,171	2,798,013	3,099,032
Public Works	1,134,874	1,245,451	1,770,649	5,126,578	7,071,322
Parks, Recreation and Forestry	914,432	952,039	969,597	954,945	1,111,301
Conservation of Natural Resources	139,599	111,880	114,580	115,631	140,334
Community Development	-	-	-	-	-
Capital outlay	992,339	1,057,099	622,218	515,287	464,553
Debt Service					
Principal	2,097,050	2,851,332	1,684,450	1,960,000	2,016,000
Interest and fiscal charges	960,281	1,030,395	865,638	798,405	838,950
Construction/Acquisition	501,810	1,833,592	229,321	-	-
Total expenditures	11,606,079	14,438,475	14,673,639	14,530,767	17,443,223
Excess (deficiency) of revenues over expenditures	1,208,007	(2,503,444)	(768,463)	(1,382,779)	(3,738,910)
Other Financing Sources (Uses)					
Sale of Property	-	-	-	1,280,957	280,269
Proceeds from Issuance of Debt	332,030	2,878,201	2,673,565	1,604,000	9,412,000
Premium on Bonds Issued	-	-	-	-	176,231
Discount on Bonds Issued	-	-	-	(6,057)	-
Payment to Refunded Bond Escrow Agent	(1,680,000)	-	-	(1,170,000)	-
Transfer In	412,239	851,472	1,120,223	5,283,306	2,651,469
Transfer Out	(719,889)	(1,155,547)	(1,421,578)	(5,586,414)	(2,955,664)
Total other financing sources (uses)	(1,655,620)	2,574,126	2,372,210	1,405,792	9,564,305
Net change in fund balances	\$ (447,613)	\$ 70,682	\$ 1,603,747	\$ 23,013	\$ 5,825,395
Debt service as a percentage of noncapital expenditures	30.2%	33.6%	18.4%	19.7%	16.8%

Table 4 (Continued)

		Fiscal Year							
		2006	2007	2008	2009	2010			
\$	8,103,263	\$	8,529,846	\$	9,095,085	\$	9,561,570	\$	8,647,488
	581,582		694,435		802,135		307,714		330,138
	1,818,519		6,143,689		1,004,476		1,259,016		1,176,863
	2,901,100		1,961,253		950,188		968,995		851,270
	687,551		753,698		872,534		778,163		780,044
	101,518		139,932		133,531		111,807		127,203
	713,795		864,578		576,071		429,325		225,677
	716,692		889,901		516,415		513,306		502,992
	<u>15,624,020</u>		<u>19,977,332</u>		<u>13,950,435</u>		<u>13,929,896</u>		<u>12,641,675</u>
	2,614,303		1,953,960		2,058,267		1,918,246		1,730,390
	3,314,159		3,513,460		3,806,389		4,122,352		3,798,106
	7,755,727		8,446,911		5,542,308		1,965,640		1,902,411
	1,076,727		1,103,021		1,033,260		1,106,006		945,821
	143,653		183,346		183,024		209,466		185,232
	683,036		1,107,328		1,113,232		1,005,095		1,098,682
	835,770		2,008,073		585,875		501,806		282,938
	2,155,000		1,973,000		1,749,000		1,908,000		1,866,000
	1,011,157		937,895		1,074,052		994,809		1,042,883
	-		-		-		-		-
	<u>19,589,532</u>		<u>21,226,994</u>		<u>17,145,407</u>		<u>13,731,420</u>		<u>12,852,463</u>
	<u>(3,965,512)</u>		<u>(1,249,662)</u>		<u>(3,194,972)</u>		<u>198,476</u>		<u>(210,788)</u>
	28,818		54,037		13,750		35,700		20,600
	6,327,000		4,375,000		209,000		4,596,000		1,170,000
	450		-		-		11,141		10,980
	(13,635)		(25,798)		-		-		-
	(7,225,000)		-		-		-		(965,000)
	5,811,452		2,900,249		4,763,391		1,413,985		1,195,747
	<u>(6,111,177)</u>		<u>(3,019,224)</u>		<u>(4,796,159)</u>		<u>(1,367,863)</u>		<u>(1,127,625)</u>
	<u>(1,182,092)</u>		<u>4,284,264</u>		<u>189,982</u>		<u>4,688,963</u>		<u>304,702</u>
\$	<u>(5,147,604)</u>	\$	<u>3,034,602</u>	\$	<u>(3,004,990)</u>	\$	<u>4,887,439</u>	\$	<u>93,914</u>
	16.9%		20.3%		17.0%		22.7%		23.7%

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CITY OF LINO LAKES, MINNESOTA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

Table 5

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2001	\$ 10,763,728	\$ 1,872,003	\$ 393,728	\$ 13,029,459	\$ 35.90
2002	9,179,811	1,202,560	246,594	10,628,965	53.08
2003	10,649,345	1,487,554	251,016	12,387,915	47.60
2004	12,252,347	1,982,146	259,194	14,493,687	42.29
2005	14,055,076	2,290,829	274,956	16,620,861	42.22
2006	15,825,619	2,740,583	271,665	18,837,867	41.40
2007	17,605,080	3,047,965	288,290	20,941,335	38.99
2008	18,382,645	3,431,107	279,102	22,092,854	38.97
2009	18,919,087	4,002,349	275,496	23,196,932	38.73
2010	17,978,917	3,800,004	291,904	22,070,825	37.91

Source: Anoka County, Minnesota Assessors' Office

CITY OF LINO LAKES, MINNESOTA

Table 6

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of Tax Capacity)

Fiscal Year	City Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Redevelopment Debt Service	Total Direct	Centennial School District ISD # 12	Anoka County	Other Taxing Districts	Total Overlapping	
2001	\$ 29	\$ 7		\$ 35.898	\$ 69.888	\$ 28.859	\$ 6.903	\$ 105.650	\$ 141.548
2002	43.940	9.144		53.084	37.828	37.976	5.913	81.717	134.801
2003	40.268	7.335		47.603	37.467	37.714	7.050	82.231	129.834
2004	36.302	5.985		42.287	36.649	35.221	6.373	78.243	120.530
2005	36.838	5.385		42.223	37.486	33.080	6.696	77.262	119.485
2006	36.044	5.354		41.398	40.253	32.096	6.479	78.828	120.226
2007	34.356	4.638		38.994	38.090	30.696	5.578	74.364	113.358
2008	34.560	4.407		38.967	35.258	31.078	6.956	73.292	112.259
2009	34.716	4.017		38.733	34.593	32.078	5.611	72.282	111.015
2010	34.086	3.819		37.905	37.285	35.189	5.879	78.353	116.258

Source: Anoka County Property Records and Tax Division

Notes:

The majority of Lino Lakes is served by Independent School District No. 12.
 Rates for debt service are based on each year's requirements.

CITY OF LINO LAKES, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2010			2001		
	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity
Target Corporation	\$ 254,772	1	1.11 %	\$ -		- %
Lino Lakes Realty LLC	242,114	2	1.06	-		-
Marshall Investment Corp.	164,371	3	0.72	-		-
Moline Concrete Products	150,370	4	0.66	85,888	4	0.65
ECC Lino Lakes LLC	147,060	5	0.64	-		-
Xcel Energy	141,737	6	0.62	129,316	1	0.97
Kohl's Department Store	140,438	7	0.61	-		-
Taylor Corporation	132,706	8	0.58	96,938	2	0.73
Royal Oaks Realty Inc.	115,350	9	0.50	-		-
F&G Incorporated	108,700	10	0.48	62,078	5	0.47
Gargaro Properties LLC	-		-	72,200	3	0.54
Lino Lakes Business Center	-		-	93,570	6	0.70
Anoka Electric Cooperative	-		-	41,040	7	0.31
Minnegasco, Inc.	-		-	40,446	8	0.30
Northern Development LLC	-		-	39,958	9	0.30
DJT Properties LLC	-		-	29,536	10	0.22
Total	\$ 1,597,618		6.98 %	\$ 690,970		5.19 %

Source: Anoka County

CITY OF LINO LAKES, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS.
LAST TEN FISCAL YEARS

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy
2001	\$ 4,105,048	\$ 993,561	\$ 5,098,609	\$ 5,047,912	99.0%
2002	4,885,509	1,016,649	5,902,158	5,847,692	99.1%
2003	5,180,932	943,689	6,124,621	6,062,273	99.0%
2004	5,623,542	927,078	6,550,620	6,145,419	93.8%
2005	6,342,211	927,091	7,269,302	6,881,838	94.7%
2006	7,042,626	934,281	7,976,907	7,594,019	95.2%
2007	7,558,995	897,333	8,456,328	8,324,180	98.4%
2008	7,973,236	893,720	8,866,956	8,581,974	96.8%
2009	8,295,172	949,166	9,244,338	8,982,756	97.2%
2010	7,816,232	879,182	8,695,414	8,400,439	96.6%

Notes:

Current year levies and collections include State levy related credits (HACA and Market Value Credit).
Does not include tax increment levies and collections.

Table 8 (Continued)

Collections in Subsequent Years		Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
		Amount	Percentage of Levy		
\$	50,411	\$ 5,098,323	100.0%	\$ 286	0.0%
	56,678	5,904,370	100.0%	-	0.0%
	87,237	6,149,510	100.0%	-	0.0%
	48,417	6,193,836	100.0%	356,784	5.4%
	56,188	6,938,026	95.4%	331,276	4.6%
	61,568	7,655,587	96.0%	321,320	4.0%
	101,847	8,426,027	99.6%	30,301	0.4%
	108,474	8,690,448	98.0%	176,508	2.0%
	106,254	9,089,010	98.3%	155,328	1.7%
	-	8,400,439	96.6%	294,975	3.4%

CITY OF LINO LAKES, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	Governmental Activities			Business-Type Activities
	General Obligation Bonds	Special Assessments Payable	Other Long-Term Debt	General Obligation Revenue Bonds
2001	\$ 6,686,430	\$ 10,195,000	\$ 959,352	\$ 3,465,000
2002	6,244,450	11,640,000	-	3,220,000
2003	6,030,000	12,840,000	-	2,970,000
2004	5,764,000	11,580,000	-	2,705,000
2005	5,335,000	19,405,000	-	2,425,000
2006	7,177,000	13,940,000	-	4,410,000
2007	11,569,000	12,520,000	-	1,855,000
2008	11,184,000	11,365,000	-	1,530,000
2009	10,712,000	10,265,000	4,260,000	1,170,000
2010	10,141,000	9,175,000	4,260,000	795,000

Notes:

Details regarding the District's outstanding debt can be found in the notes to the financial statements.
 See the *Demographic and Economic Statistics* schedule for personal income and population data.

Table 9 (Continued)

	Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income
\$	21,305,782	0.74 %	3.94 %
	21,104,450	0.60	3.69
	21,840,000	0.48	3.64
	20,049,000	0.40	3.13
	27,165,000	0.35	3.95
	25,527,000	0.41	3.63
	25,944,000	0.60	3.48
	24,079,000	0.55	3.11
	26,407,000	0.50	N/A
	24,371,000	0.48	N/A

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CITY OF LINO LAKES, MINNESOTA

Table 10

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2010

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping:			
Anoka County	\$ 165,392,433	6.5%	\$ 10,765,308
ISD 12	95,445,000	47.2%	45,049,239
ISD 624	105,365,000	3.3%	3,499,700
ISD 831	35,735,000	7.6%	2,716,401
Metropolitan Council	255,290,000	0.6%	1,609,700
Anoka County Railroad Authority	30,155,000	6.5%	<u>1,962,773</u>
Total Overlapping			65,603,121
City of Lino Lakes Direct Debt	\$ 3,386,000	100%	<u>3,386,000</u>
Total Direct and Overlapping Debt:			<u><u>\$ 68,989,121</u></u>

Sources: Taxable value data used to estimate applicable percentages provided by the County Property Appraiser. Debt outstanding data provided by each governmental unit.

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

Does not include general obligation debt supported by special assessments, utility revenues, tax or aid anticipation certificates, State-aid road or revenue debt.

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

CITY OF LINO LAKES, MINNESOTA
 Legal Debt Margin Information
 Last Ten Fiscal Years

Table 11



	Fiscal Year			
	2001	2002	2003	2004
Debt limit	\$ 18,073,714	\$ 20,688,642	\$ 25,024,436	\$ 28,616,070
Total net debt applicable to limit	<u>5,836,430</u>	<u>5,479,450</u>	<u>5,350,000</u>	<u>5,169,000</u>
Legal debt margin	<u>\$ 12,237,284</u>	<u>\$ 15,209,192</u>	<u>\$ 19,674,436</u>	<u>\$ 23,447,070</u>
Total net debt applicable to the limit as a percentage of debt limit	32.29%	26.49%	21.38%	18.06%

Table 11

Legal Debt Margin Calculation for Fiscal Year 2010

Market value	\$ 2,001,889,600
Debt limit (3% of market value)	60,056,688
Debt applicable to limit	<u>3,386,000</u>
Legal debt margin	<u><u>\$ 56,670,688</u></u>

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 30,698,674	\$ 34,686,356	\$ 38,556,150	\$ 60,658,830	\$ 64,036,746	\$ 60,056,688
<u>4,845,000</u>	<u>4,332,000</u>	<u>4,039,000</u>	<u>3,804,000</u>	<u>3,642,000</u>	<u>3,386,000</u>
<u><u>\$ 25,853,674</u></u>	<u><u>\$ 30,354,356</u></u>	<u><u>\$ 34,517,150</u></u>	<u><u>\$ 56,854,830</u></u>	<u><u>\$ 60,394,746</u></u>	<u><u>\$ 56,670,688</u></u>
15.78%	12.49%	10.48%	6.27%	5.69%	5.64%

CITY OF LINO LAKES, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Table 12

Fiscal Year	(1) Population	(2) Personal Income (thousands of dollars)	Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2001	17,386	\$ 540,531	\$ 31,090	6,911	4.1
2002	17,942	572,099	31,886	6,985	4.3
2003	18,368	600,266	32,680	6,992	5.0
2004	18,725	640,170	34,188	6,956	4.6
2005	19,698	686,968	34,875	6,934	3.8
2006	19,736	703,983	35,670	6,986	4.1
2007	19,851	745,901	37,575	6,874	4.8
2008	19,987	774,376	38,744	6,754	6.9
2009	20,305	N/A	N/A	6,722	7.8
2010	20,400	N/A	N/A	6,621	7.1

Source:

(1) = Estimates from Metropolitan Council, except for 2000 which is per the U.S. Census.

(2) = Information from State Demographers Office (Bureau of Economic Analysis Report).

(3) = Information from Independent School District No. 12.

(4) = Information from the State of Minnesota Jobs Training Research Statistics Department.

Note: Information not available is marked N/A

CITY OF LINO LAKES, MINNESOTA
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO

Table 13

Employer	(2) 2010			2001		
	Employees	Rank	(1) Percentage of Total Employment	Employees	Rank	(1) Percentage of Total Employment
State of Minnesota Corrections	500	1	N/A %	600	1	N/A %
Target Corporation	271	2	N/A	-	-	N/A
AdGraphics	190	3	N/A	300	2	N/A
Molin Concrete Products	179	4	N/A	135	5	N/A
Synovis Interventional Systems	160	5	N/A	160	3	N/A
Anoka County Juvenile Center	149	6	N/A	160	3	N/A
Rehbein Transit, Inc.	120	7	N/A	130	6	N/A
City of Lino Lakes	74	8	N/A	75	8	N/A
Custom Manufacturing	60	9	N/A	60	9	N/A
Nol-Tech Systems, Inc.	56	10	N/A	57	10	N/A
Summit Fire Protection	-		-	120	7	N/A
Total	1,759		- %	1,797		- %

Source: City of Lino Lakes Official Statements

Notes:

(1) = While information was obtainable for the largest employers within the City of Lino Lakes, information on the total employment within the City was not available.

CITY OF LINO LAKES, MINNESOTA
 Full-time-Equivalent Employees by Type
 Last Ten Fiscal Years

Table 14

	2001	2002	2003	2004	2005
General Government					
Administration	5.00	5.00	5.00	5.00	5.00
Seniors	0.63	0.63	0.63	0.63	0.63
Finance	3.50	3.50	3.50	3.50	3.50
Economic Development	1.75	1.75	1.00	1.00	1.00
Planning	2.00	2.00	2.00	2.00	2.00
Community Development	2.00	2.00	2.00	2.00	2.75
Engineering	-	-	-	-	-
Building	1.00	1.00	1.00	1.00	1.00
Other	0.55	0.55	0.55	0.55	1.15
Total General Government	16.43	16.43	15.68	15.68	17.03
Public Safety					
Officers	21.00	22.00	22.00	22.00	25.00
Civilians	4.00	4.00	4.00	4.00	4.75
Building Inspection	3.00	4.00	4.00	4.00	4.25
Total Public Safety	28.00	30.00	30.00	30.00	34.00
Public Works					
Streets	5.85	5.85	5.85	5.85	6.35
Other	1.15	1.15	1.15	1.15	1.15
Total Public Works	7.00	7.00	7.00	7.00	7.50
Parks, Recreation and Forestry	9.15	9.15	9.15	9.15	9.05
Water	2.15	2.15	2.15	2.15	2.15
Sewer	2.15	2.15	2.15	2.15	2.15
Total	64.88	66.88	66.13	66.13	71.88

Source: City Finance Office

Table 14 (Continued)

2006	2007	2008	2009	2010
5.00	5.00	5.00	5.00	4.00
0.63	0.63	0.63	0.63	0.63
3.50	3.50	3.50	3.50	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
2.75	2.75	2.75	2.75	2.25
-	-	-	-	-
1.00	1.00	1.00	1.00	1.00
1.15	1.40	1.40	1.40	1.40
<u>17.03</u>	<u>17.28</u>	<u>17.28</u>	<u>17.28</u>	<u>15.28</u>
26.00	26.00	27.00	27.00	27.00
4.75	4.75	4.75	4.75	4.25
4.25	4.25	4.25	4.25	2.75
<u>35.00</u>	<u>35.00</u>	<u>36.00</u>	<u>36.00</u>	<u>34.00</u>
6.85	7.35	7.35	7.35	6.85
1.15	1.15	1.15	1.15	1.15
<u>8.00</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.00</u>
9.55	9.80	9.80	9.80	9.30
2.15	2.15	2.15	2.15	2.15
2.15	2.15	2.15	2.15	2.15
<u>73.88</u>	<u>74.88</u>	<u>75.88</u>	<u>75.88</u>	<u>70.88</u>

CITY OF LINO LAKES, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Years

Table 15

Function/Program	Fiscal Year			
	2001	2002	2003	2004
General Government				
Elections	1	2	1	2
Registered voters	9,349	9,423	9,911	11,718
Number of votes cast	3,089	8,291	4,650	10,147
Voter participation (registered)	33.0%	88.0%	46.9%	86.6%
Public Safety				
Police				
Calls for Service	6,569	7,318	7,668	7,538
Traffic Citations & Warnings	2,333	2,611	2,564	3,258
Part I Crimes	343	404	370	316
Part II Crimes	1,120	1,259	1,004	644
Inspections				
Building Permits (1)	1,042	860	826	835
Inspections	N/A	N/A	N/A	N/A
Value of Building Permits	\$74,974,042	\$53,977,610	\$55,864,076	\$61,579,910
Public Works				
General Maintenance (hours)	N/A	N/A	2,656	3,263
Street Maintenance (hours)	N/A	N/A	4,082	3,533
Fleet Maintenance (hours)	N/A	N/A	3,780	3,804
Snow Plowing/Sanding (hours)	N/A	N/A	1,020	855
Culture and Recreation				
Parks				
Park Maintenance (hours)	N/A	N/A	N/A	10,210
Utilities				
Water Maintenance (hours)	N/A	N/A	N/A	4,349
Sanitary Sewer Maintenance (hours)	N/A	N/A	N/A	3,347

Source: Various City Departments

Notes:

Information not available is labeled N/A.

(1) 1,565 and 4,337 repair permits issued in 2007 and 2008, respectively, due to storm damage.

Table 15 (Continued)

Fiscal Year					
2005	2006	2007	2008	2009	2010
1	2	1	2	1	2
11,035	11,618	10,908	12,723	11,805	12,284
5,288	8,284	2,337	11,051	4,354	8,545
47.9%	71.3%	21.4%	86.9%	36.9%	69.6%
7,766	7,418	7,208	7,318	6644	6575
3,631	5,958	3,796	3,304	3180	2744
257	292	250	305	215	225
591	649	671	1,191	630	667
837	686	2,297	5,041	1,535	509
N/A	N/A	N/A	N/A	N/A	N/A
\$53,686,592	\$42,078,007	\$30,539,559	\$15,852,780	\$ 9,586,160	\$ 11,295,493
6,014	5,692	6,758	6,129	5,870	4,945
3,106	3,631	2,916	3,851	3,267	3,099
4,440	4,460	4,144	5,043	4,782	4,850
1,003	867	1,425	1,353	950	1,638
10,577	10,368	10,939	11,136	12,406	9,257
3,904	4,387	4,256	5,716	5,041	3,560
4,092	3,347	4,148	3,760	3,486	3,531

CITY OF LINO LAKES, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Years

Table 16

Function/Program	Fiscal Year				
	2001	2002	2003	2004	2005
Public Safety					
Police					
Stations	1	1	1	1	1
Patrol Units	9	9	9	10	11
Fire (Joint Powers)					
Stations in City	1	1	1	1	1
Fire Trucks	4	4	4	4	4
Public Works					
Lights	405	486	489	489	559
Vehicles	27	28	28	29	29
City Streets (miles)	91.9	93.2	93.8	94.3	95.5
Culture and Recreation					
Parks					
Parks	17	18	19	19	18
Park Acres	133	138	142	142	141
Trails (miles)	14	14	18	18	19
Park Shelters	3	4	4	5	5
Basketball Courts	4	5	6	6	6
Fishing Pier	1	1	1	1	1
Skating Rinks	4	4	4	4	4
Soccer Fields	8	8	8	8	8
Baseball/Softball Fields	18	18	18	18	18
Tennis Courts	2	2	2	2	2
Playgrounds	15	16	17	17	17
Water					
Distribution System (miles)	42.5	42.5	46.2	48.2	50.8
Water Connections	3,263	3,433	3,548	3,738	3,957
Gallons Pumped (millions)	407	358	518	474	475
Number of Fire Hydrants	398	409	452	490	523
Water Tower Capacity (millions gallons)	2	2	2	2	2
Sanitary Sewer					
Collection System (miles)	51.3	51.3	59.2	61.4	63.5
Sewer Connections	3,343	3,636	3,763	3,960	4,142
Storm Sewer					
Pipe (miles)	28.1	29.8	31.3	31.9	33.1

Source: Various City Departments

Table 16 (Continued)

Fiscal Year					
2006	2007	2008	2009	2010	
1	1	1	1	1	1
12	12	12	12	12	12
1	1	1	1	1	1
5	5	5	5	5	5
673	673	673	673	673	673
29	29	29	29	29	29
96.0	96.1	96.1	96.1	96.1	96.1
18	18	18	18	18	18
141	141	141	141	141	141
20	29	29	29	29	29
7	7	7	7	7	7
6	6	6	6	6	6
1	1	1	1	1	1
4	4	4	4	4	4
8	8	8	8	8	8
20	20	20	20	20	20
2	2	2	2	2	2
16	16	16	16	16	16
51.1	51.5	51.5	51.5	51.5	51.5
4,090	4,112	4,247	4,340	4,382	4,382
565	595	590	589	498	498
558	558	558	558	558	558
2	2	2	2	2	2
63.3	64.5	64.5	64.5	64.5	64.5
4,282	4,428	4,447	4,486	4,530	4,530
34.1	34.3	34.3	34.3	34.3	34.3

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