



[Crystal \(Minn.\).](#)
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MEMORANDUM

TO: Mayor and City Council

FROM: Jessie L. Hart, Assistant Finance Director

DATE: October 25, 1990

SUBJECT: 1989 Comprehensive Annual Financial Report

Attached is a copy of the audited 1989 Comprehensive Annual Financial Report for the City of Crystal. This report was prepared in its entirety by the Finance Department and audited by the firm of George M. Hansen Company, P.A., the City's former auditors.

Although 1990 is almost over, I felt that it would be beneficial if you had a copy of the most recent audit report, that being the 1989 report. I was hoping that the former auditors would be providing a management report before I distributed these reports, but that has not yet occurred.

A good overview of what is contained in this report can be obtained by reading the transmittal letter at the beginning of the report. It will give you an idea of what types of information is included in the report as well as a synopsis of the happenings of the past year as well as what is anticipated in the future.

For the next three years, I would anticipate that the report, as well as a comprehensive management letter, will be delivered and presented by the auditing firm of Boeckermann, Heinen and Mayer around June 30 of each year. It is their policy to present the report as well as the management letter, in person, at a regular council meeting.

I will be more than happy to answer any questions you might have regarding this report or to review it with the entire council at a later date.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the year ended December 31, 1989
CITY OF CRYSTAL, MINNESOTA**

CITY OF CRYSTAL, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1989

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INTRODUCTORY SECTION

CITY OF CRYSTAL MINNESOTA

MAYOR AND COUNCIL

| | |
|-------------------|---------------|
| Betty Herbes | Mayor |
| John Moravec | Councilmember |
| Pauline Langsdorf | Councilmember |
| Adrian Rygg | Councilmember |
| Rollie Smothers | Councilmember |
| Elmer Carlson | Councilmember |
| Gary Grimes | Councilmember |

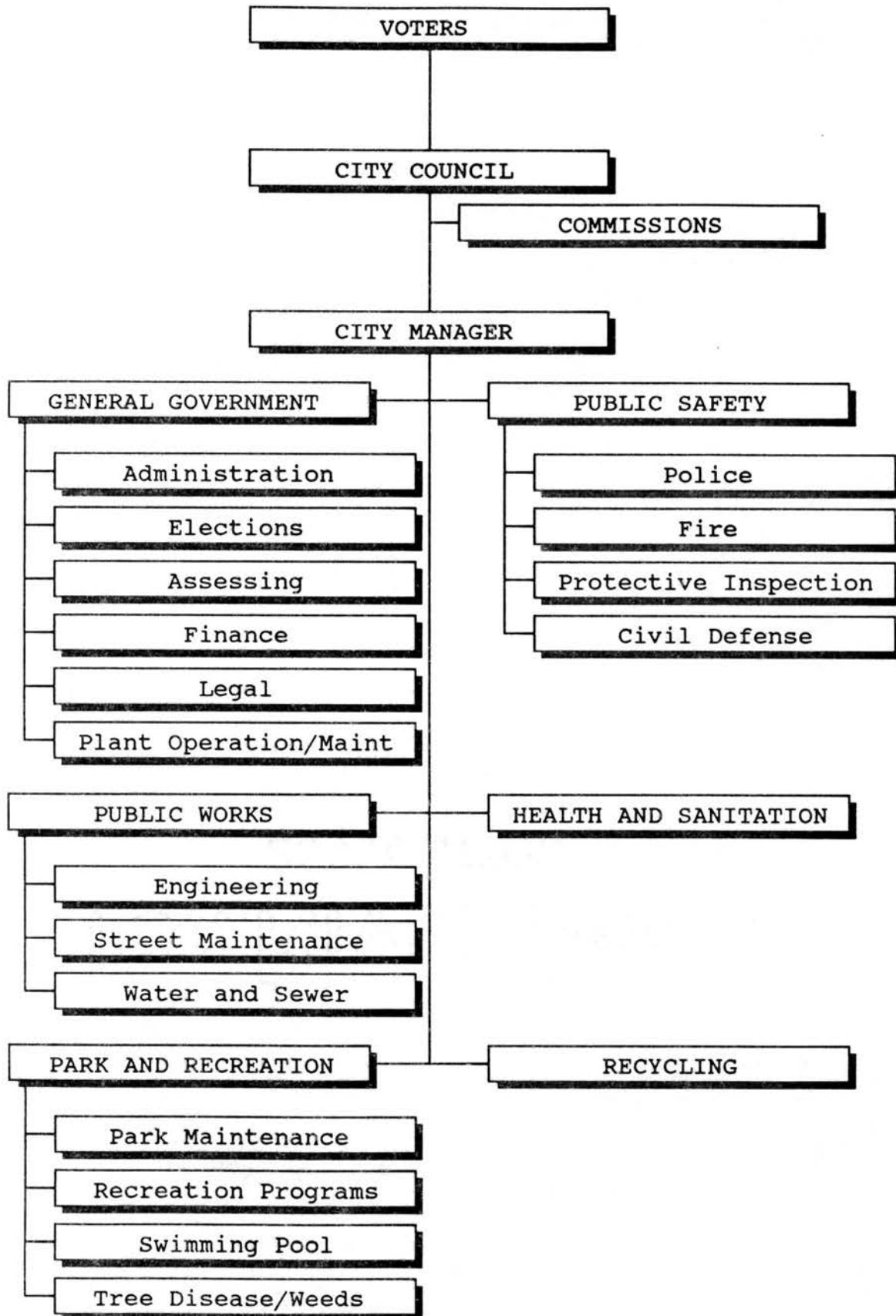
CITY MANAGER

Jerry Dulgar

FINANCE DEPARTMENT

| | |
|---------------|----------------------------|
| Miles Johnson | Finance Director/Treasurer |
| Jessie Hart | Assistant Finance Director |

CITY OF CRYSTAL
ORAGANIZATION CHART





4141 Douglas Drive North • Crystal, MN 55422-1696 • 537-8421

ADMINISTRATIVE OFFICE

May 23, 1990

Honorable Mayor Betty Herbes and
Members of the City Council
City of Crystal, Minnesota

Dear Mayor and Council Members:

The comprehensive annual financial report of the City of Crystal for the fiscal year ended December 31, 1989, is hereby submitted in accordance with State Statutes. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management believes that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds and account groups of the City as measured by the financial activity in those funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. The Government Finance Officers Association awards the Certificate of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The organization, form and content of this report and the accompanying financial statements and statistical tables were prepared in conformance with standards set forth by:

The Government Finance Officers Association of the United States and Canada
The Governmental Accounting Standards Board
The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing
The State Auditor, State of Minnesota

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and supplementary information.

The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials.

The financial section includes the general purpose financial statements, notes to the financial statements, the combining and individual fund statements and schedules as well as the auditors' report on the financial statements and schedules.

The statistical section includes selected financial and demographic information for the current and previous ten years.

This report includes all funds and account groups of the City, except the General Fixed Asset Account Group. The City provides a full range of services. These services include police and fire protection, parks and recreation, public improvements, street maintenance, sanitary and storm sewer, water, health, social, planning and general administrative services.

In addition to the above services, the City has the ability to exercise oversight of the Housing and Redevelopment Authority, therefore, the HRA is included in the reporting entity. However, the City of Crystal Police Relief Association, City of Crystal Fire Relief Association and Independent School District #281 have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Crystal is located in the northwest suburban area of Minneapolis/St. Paul. The City of Crystal is primarily a single-family residential community of 5.8 square miles with an estimated 1989 population of 22,851.

Although Crystal is primarily residential, the City has 181 retail outlets that employ over 2,000 individuals and have sales of over \$136 million annually. This ranks Crystal as one of the top 20 cities in the metropolitan area of Minneapolis/St. Paul for retail sales.

In 1985, the City celebrated its silver anniversary, having been incorporated in 1960. The population has changed as follows:

| | |
|----------------|--------|
| 1960 Census | 24,283 |
| 1970 Census | 30,925 |
| 1980 Census | 25,543 |
| 1989 Estimated | 22,851 |

Even though there has been a steady decline in the population, it is anticipated that the population will stabilize at 22,000 to 25,000 people in the next few years.

In the next ten years, it is expected that the housing market demand will not be for the starter homes which makes up most of the housing market in Crystal, but rather for the next step up. This creates the need for an Economic Development program with strong incentives and initiatives for redeveloping existing properties into those which the market will demand.

The City has several advisory commissions which are made up of residents and business people of the City and act in an advisory capacity to the council. This citizen input into the government process and economic future of the City has resulted in a high citizen understanding of the quantity and quality of service provided.

For many years the City has had a Housing and Redelopment Authority which has provided creative plans for the betterment of various areas of the City. In 1983 the HRA created the Bass Lake Road Tax Increment District which over the years has provided a shopping center, market rate public housing, a senior citizen apartment complex, upgraded a public park, created two new public parking lots and included the acquisition of easements along Bass Lake Road for the development of a major streetscape and beautification project.

The City has in place a comprehensive plan. This plan was completed in 1976 and the last update was in 1980. The plan is anticipated to undergo an update in the next few years in order to keep up the zoning changes due to the need for redevelopment within the City.

MAJOR INITIATIVES

FOR THE YEAR:

During 1989, the City Council held a strategic planning goal setting session. In this session the Council identified several key areas which needed their immediate attention. These areas included better involvement and communications with residents, development of a mission statement for the City, the review of the City's infrastructure programs and formation of a stronger economic development program.

One of the outcomes of this goal setting session was the development of the following mission statement which identifies the cities thoughts and goals:

Crystal City Government pledges to promote and improve the quality of life for all of Crystal citizens by providing the means for growth and stability within the community. This mission can be best accomplished by:

- 1)providing municipal services in an efficient, cost-effective and innovative manner;
- 2)informing all residents of City services and activities;
- 3)being responsive to the needs of the community;
- 4)exercising compassion and respect for each individual;
- 5)maintaining the highest ethical standards in all City business; and
- 6)creating an environment in which city employees can grow to the maximum of their abilities.

During the year the Housing and Redevelopment Authority was relieved of its duties and all of its existing projects and future plans and all assets were transferred to the newly developed Economic Development Authority. This new EDA is expected to carryout what the HRA was involved in - the scattered site housing program, the City house lotteries for low-income first-time home buyers, and also to create new redevelopment districts and provide fresh incentives for redevelopment and housing needs. The EDA will have the direct input of an advisory commission made up of business people and residents of Crystal.

Also identified during the year was the need for an aggressive recycling plan due to the rising concerns at local, state and county levels as to the future of landfills and the disposition of rubbish. The City currently participates in the Hennepin County Recycling Group which is made up of several cities in northern Hennepin County. This group, during 1989 established a weekly curbside recycling program which has proven to be a success. Not only is government concerned, but from the response of residents, they too are concerned as to the future of the problem of rubbish disposal.

The City began construction on a \$3,850,000 Community Center which is expected to be completed in the spring of 1990. The center was financed through the issuance of \$2,000,000 of General Obligation Bonds early in 1989 with the difference being paid from the City's permanent improvement revolving fund. The purpose of the community center was to centralize City sponsored programs for children and adults which are currently in existence as well as allow the flexibility of providing a recreational facility for residents and providing new programs.

FOR THE FUTURE:

The City Council and staff are currently in the process of reviewing the comprehensive plan. In conjunction with this review is the update of the zoning ordinances and housing maintenance code.

The zoning code will be restudied and updated to comply with the City's mission statement and goals for the redevelopment and betterment of the community through a strong economic development program.

MAJOR INITIATIVES
(Continued)

FOR THE FUTURE(Continued):

The Environmental Quality Commission will review and make recommendations to the City Council on a plan to update the Housing Maintenance Code in an attempt to make it more enforceable in Crystal's changing housing market. The goals are to review, update and implement the housing maintenance code with emphasis being placed on rental properties first and then moving towards enforcement on single family homes.

A detailed look is being made of the City's infrastructure program which currently is a five-year capital plan that includes streets, water and sewer needs. The goal is to develop a plan, which details the cities infrastructure needs for beyond the next five years. This new plan would cover street overlays, curb, gutter, and sidewalk repairs and additions, and the implementation of a program for storm sewer repairs and replacement. It would detail, by item, the year and projected cost of the repair or addition and also identify the potential funding source.

The City is also in the process of putting into place a computerized vehicle maintenance records program which will identify all repair records for all vehicles and major equipment. This program will allow the maintenance department to establish a maintenance program for all vehicles and major equipment based on past repair records. By doing this, equipment will be maintained on a continuous basis, and will be an effort to eliminate sudden breakdowns and failures due to inadequately maintained equipment.

Animal control has become a major issue in the cities in the vicinity of Crystal. The problem comes with the housing of animals taken into custody. Local veterinarians have in the past provided these "lodging" services but have recently declined future participation. This has forced Crystal and a number of other communities to join forces in regards to animal control. This group is currently in the process of reviewing the potential of acquiring land and constructing a facility that would be owned and operated by the cities within the group.

FINANCIAL INFORMATION

The accounting records of the City of Crystal for all governmental funds are maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. The accounting records of the City of Crystal for the proprietary funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which the liability is incurred. The accounting records for the City of Crystal for the non-expendable trust and agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are merely clearing accounts.

INTERNAL CONTROLS:

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that:

- 1) assets of the City are protected from loss, theft or misuse, and
- 2) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The following financial statements do not include the General Fixed Asset Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded is not known.

FINANCIAL INFORMATION

(Continued)

INTERNAL CONTROLS(Continued)

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1) the cost of a control should not exceed the benefits likely to be derived, and
- 2) the valuation of costs and benefits requires estimates and judgements by management.

SINGLE AUDIT:

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

As part of the government's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 1989 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Office of Management and Budget (OMB) Circular A-128 sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal law and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in a separate Single Audit Report.

BUDGETING CONTROLS:

The City Council annually adopts budgets for the operations of the General and Special Revenue Funds. The City Manager is charged with the responsibility of preparing estimates for the annual budget based on departmental needs and requests. It is also the responsibility of the City Manager to enforce the provisions of the budget. Project length financial plans are adopted for the capital project funds.

Budgeted amounts presented in the financial section of this report are as originally adopted or as amended. Individual amendments were not material in relation to the original appropriations which were amended.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Budget appropriations and unencumbered amounts lapse at year end.

As demonstrated by the statements and schedules included in the financial section of this report, the city continues to meet its responsibility for sound financial management.

FINANCIAL INFORMATION
(Continued)

GENERAL FUND:

Revenues and Transfers for the General Fund totaled \$5,470,576, an increase of \$703,235 or 12.9% over 1988. The following table presents a summary of the General Fund revenues for the fiscal year ended December 31, 1989 and the amount of increases and decreases in relation to prior years revenues.

GENERAL FUND REVENUES
(By Source of Revenue)

| Revenue Source | 1989 | % of | 1988 | % of | Increase (Decrease) |
|-----------------------|--------------------|-------------|--------------------|-------------|------------------------|
| | Amount | Total | Amount | Total | |
| Taxes | \$1,553,294 | 28% | \$1,485,506 | 31% | \$ 67,788 |
| Licenses and Permits | 239,638 | 5 | 222,369 | 5 | 17,269 |
| Intergovernmental | 2,807,311 | 51 | 2,202,532 | 46 | 604,779 |
| Charges for Services | 409,669 | 7 | 385,574 | 8 | 24,095 |
| Fines and Forfeitures | 177,599 | 4 | 212,295 | 5 | (34,696) |
| Interest and Other | <u>283,065</u> | <u>5</u> | <u>259,065</u> | <u>5</u> | <u>24,000</u> |
| Total | <u>\$5,470,576</u> | <u>100%</u> | <u>\$4,767,341</u> | <u>100%</u> | <u>\$ 703,235</u> |

Revenues for the General Fund totaled \$5,470,576, an increase of 15 percent over 1988. General Property Taxes produced percent of total revenues compared to 31 percent the previous year.

The 1989 tax levy for the General Fund was \$2,096,538 as compared to \$2,046,343 for 1988, a 2.5% increase.

The increase in Licenses and Permits is primarily due to an increase in business fees as well as an influx in building related permits and licenses.

The increase in Intergovernmental Revenue is largely due to the formula that was created by the legislature to distribute sale and use taxes collected by the state. Homestead credit also increased based on the increase in the levy for 1989.

The increase in Charges for Services can be attributed to a revised fee structure for the recreational programs sponsored by the City as well as higher participation in the programs.

The decrease in Fines and Forfeitures is due in part to the restructuring of court fees and fines. A revised fine schedule has been put in place and court fees are now charged against a city even if a fine is suspended or not imposed.

The increase in Interest Income is an indicator that the cash balances were being invested wisely and the highest rate of return was being earned.

The increase in Miscellaneous Revenues is due primarily to the proceeds of equipment and vehicles sold at auction during 1989. The City also began receiving lease monies on two pieces of property within the Bass Lake Road Tax Increment District.

FINANCIAL INFORMATION
(Continued)

GENERAL FUND(Continued):

Expenditures and transfers from the General Fund programs totaled \$5,605,239 in 1989 compared to \$5,357,283 in 1988, an increase of 4.6%. Change in levels of expenditures are shown in the following table.

GENERAL FUND EXPENDITURES

| Program | 1989 | | 1988 | | Increase (Decrease) |
|--------------------------|--------------------|---------------|--------------------|---------------|------------------------|
| | Amount | % of Total | Amount | % of Total | |
| General Government | \$ 990,422 | 18% | \$ 976,853 | 18% | \$ 13,569 |
| Public Safety | 1,998,922 | 36 | 1,927,026 | 36 | 71,896 |
| Highways and Streets | 671,372 | 12 | 641,937 | 12 | 29,435 |
| Health and Sanitation | 132,657 | 2 | 139,652 | 3 | (6,995) |
| Park and Recreation | 1,036,320 | 18 | 869,420 | 16 | 166,900 |
| Recycling | 0 | 0 | 18,267 | .5 | (18,267) |
| Unallocated Expenditures | 706,088 | 13 | 761,959 | 14 | (55,871) |
| Operating Transfers | | | | | |
| To Other Funds | 69,458 | 1 | 22,169 | .5 | 47,289 |
| Total | <u>\$5,605,239</u> | <u>100%</u> | <u>\$5,357,283</u> | <u>100%</u> | <u>\$247,956</u> |

The increases in General Government, Public Safety and Highways and Streets are due primarily to salary increases from the continued implementation of comparable worth and normal cost of living increases.

The decrease in Health and Sanitation is due to an extended, unpaid, leave of absence taken by a full-time sanitarian. This individuals work load was handled through an intern program, thus reducing the cost for the year.

The large increase in Park and Recreation is due to salary increases from the continued implementation of comparable worth and normal cost of living increases. A number of new recreation programs were also implemented during the year which attributed to the increase.

The Recycling Program was setup during the year as a separate fund, therefore the decrease in this line item. The General Fund did subsidize this program during 1989 and is reflected in the operating transfers to other funds.

The decrease in unallocated expenditures was due to the small usage of the contingency fund set aside for emergencies and the decrease in worker's compensation costs and dog control costs during the year.

The total fund balance within the General Fund decreased from \$2,278,136 at the end of 1988, to \$2,122,304 at the end of 1989, a 6.8% decrease. A significant portion of the fund balance is designated for special purposes as follows:

- * Reserved for Inventory - \$15,166
This amount has been set aside to indicate that Inventory does not represent available, spendable resources even though it is a component of assets.
- * Reserved for Compensated Absences - \$332,782
This is the portion of fund balance segregated for payment of long-term debt (vacation and severance) maturing in future years.
- * Reserved for Subsequent Years Budget - \$400,000

FINANCIAL INFORMATION

(Continued)

GENERAL FUND(Continued):

The remaining \$1,374,356 of unreserved fund balance has been designated for working capital. This designation is necessary to provide working capital until tax settlements and state aids are received in July and December of each year. The unreserved-designated portion represents 22.18% of the next years budget. We believe this designated amount, along with other revenues and maturity of investments, is adequate, but not excessive, for working capital and to cover any unknown events and emergencies which could have an adverse effect on the fund.

SPECIAL REVENUES FUNDS:

Special Revenue Funds account for revenues set aside for a particular purpose. The following are descriptions of the City's Special Revenue Funds:

Pension Fund - This fund accounts for the accumulation of resources necessary to finance the City's share of contributions to the Social Security Administration (FICA) and the Public Employees' Retirement Association (PERA). Total costs for the year were \$351,010. Revenue exceeded expenditures by \$12,875 and the fund balance was \$91,288 at December 31, 1989.

Equipment Reserve Fund - This fund was established to accumulate resources for the purchase of equipment by various City departments. The principal source of revenue is equipment rental charges for work done by the City on assessable construction projects. The fund balance was \$267,873 at December 31, 1989.

Post Audit Fund - This fund was established to account for property taxes levied to finance the cost of the annual independent audits required by state statute. The fund balance was \$4,572 at December 31, 1989.

Park Reward Fund - This fund was established to account for the expenditure of donations as a reward for reporting vandalism in Becker Park. The fund balance at December 31, 1989 was \$585.

Arts and Entertainment Fund - This fund is used to accumulate resources for community park concerts. The fund balance was \$10,337 at December 31, 1989.

Planning Fund - This fund was established to account for expenditures for planning services involving joint projects with other governmental units. The fund balance at December 31, 1989 was \$25,599.

Street Lighting Fund - This fund was established to account for charges to property owners for street lighting, and the corresponding payment for street lighting costs. For the year revenues exceeded expenditures by \$2,366 and the fund balance at December 31, 1989 was \$17,180.

Community Development Fund - This fund was established to account for revenues received from the Federal Government in accordance with the Housing and Community Development Block Grant Program (CDBG). Expenditures from this fund can only be made for approved projects. As of December 31, 1989 the fund balance was \$0.

Infrastructure Fund - This fund was established to accumulate resources for future projects upgrading the City's infrastructure system. General property taxes are the primary source of revenue. The fund balance was \$735,500 at December 31, 1989.

Recycling Fund - This fund was established to account for charges to property owners for curb-side recycling charges, and the corresponding payment for the removal and processing of the recycleables. This fund is subsidized by grants and transfers from the General Fund. The fund balance was \$0 at December 31, 1989.

FINANCIAL INFORMATION

(Continued)

DEBT SERVICE FUNDS:

The debt service funds are used to account for the accumulation of resources and payment of principal and interest on general obligation bonds.

Swimming Pool Bonds - Debt service for \$340,000 Swimming Pool Bonds issued August 1, 1967 is accounted for in this fund. General property taxes provide the money required for retirement of principal and payment of interest on these bonds. Unpaid principal at December 31, 1989 was \$0.

Tax Increment Bonds - Debt service for \$1,879,000 and \$5,865,000 Tax Increment Bonds of 1987 and 1988 respectively are accounted for in this fund. Property taxes from the tax increment district provide the money required for the retirement of principle and payment of interest on these bonds. Unpaid principal at December 31, 1989 was \$7,685,000.

Community Center Bonds - Debt service for \$2,000,000 Community Center Bonds issued April 1, 1989 is accounted for in this fund. General property taxes provide the money required for retirement of principal and payment of interest on these bonds. Unpaid principal at December 31, 1989 was \$2,000,000.

Special Assessment Bonds - The special assessment debt service fund accounts mainly for the collection of special assessments against benefited property owners and the retirement of principal and payment of interest on these bonds. When bond obligations have been satisfied any remaining balance is transferred into the Permanent Improvement Revolving Fund. Unpaid principal on special assessment bonds at December 3, 1989 was \$237,000.

CAPITAL PROJECT FUNDS:

Capital project funds account for the resources, primarily bond proceeds, state aid and general property tax collections required for the acquisition or construction of capital improvements in the City.

Improvement No. 66 - This fund is used to account for costs of certain street improvements planned by the City. There was a fund balance of \$375,969 at December 31, 1989.

Community Center - This fund is used to account for the cost of construction of the new community center. The fund balance at December 31, 1989 was \$1,648,280.

Sealcoating - This fund is used to account for the cost of sealcoating various sections of the City streets each year. The funding is primarily from the PIR fund. At December 31, 1989, the fund balance was \$0.

Revolving Fund - Proceeds of a \$75,000 general obligation bond issue were used to establish this fund. Additional financing has been provided by transfers from debt service funds that have been closed. This fund is divided into three accounts to handle the following activities:

1. Public Improvement Account - To temporarily finance the cost of assessable public improvement projects.
2. Permanent Improvement Account - To purchase additional capital outlay items as necessary and to loan or transfer amounts to other City funds for any purpose other than operating expenditures.
3. Future Improvement Account - To accumulate resources to be used for any purpose designated by the City Council.

FINANCIAL INFORMATION

(Continued)

ENTERPRISE FUNDS:

Utility Enterprise Fund - This fund accounts for the operations of the City owned water distribution and sewer collection systems. The following table summarizes the combined operation for 1989 and 1988:

| | <u>1989</u> | <u>1988</u> |
|----------------------------|-------------------|------------------|
| Operating Revenues | \$2,034,292 | \$2,026,457 |
| Operating Expenses | <u>2,259,968</u> | <u>2,257,542</u> |
| Operating Loss | (\$ 225,676) | (\$ 231,085) |
| Non-Operating Revenues | | |
| (Expenses) - Net | 25,818 | (41,944) |
| Transfers from Other Funds | <u> </u> | <u>21,070</u> |
| Net Loss | (\$ 199,858) | (\$ 251,959) |
| Depreciation on | | |
| Contributed Assets | <u>305,752</u> | <u>309,265</u> |
| Net Income to | | |
| Retained Earnings | <u>\$ 105,894</u> | <u>\$ 57,306</u> |

The Utility Enterprise Fund operating revenues are to be used to finance system maintenance and future expansion and improvements. The complete reporting of the Utility Enterprise Funds' financial operation and position can be found in Section E of this CAFR.

The cash in the Utility Enterprise Fund improved from \$661,030 in 1988 to a balance of \$730,792 at the end of 1989.

Under an agreement dated November 1, 1963, the cities of Golden Valley, Crystal and New Hope established joint ownership of a water supply and distribution system. The City's share of the costs, which include mains or pipes having a diameter of not less than fourteen inches, is reflected in the fixed assets of the Utility Enterprise Fund. Under this agreement, a joint water commission was established to purchase water from the City of Minneapolis. Each municipality pays for its share of the water based on the amount of water billed to its customers.

The investment in the Golden Valley, Crystal and New Hope Joint Water Commission is the City's contribution for commission working capital. These monies will be retained by the commission for the duration of its existence.

The receivable from the Metropolitan Waste Control Commission represents the City's share of the equity in the Minneapolis sewer system which was acquired by the commission on January 1, 1971, and the balance of the reserve capacity charges which were advanced to the commission during 1971 and 1972. The reserve capacity charges will be repaid with interest directly to the City through 1997. The remainder will be paid to the city by means of issuing credits against future sewer billings from the commission. These credits will be applied in annual installments, with interest, through 1999. Sewer operating expenses for 1989 include \$952,993 in disposal charges as compared to \$769,021 in 1988.

The City includes as Property, Plant and Equipment and as Contributed Equity of the fund, the cost of distribution and collection systems which were paid for by assessments against benefited properties. Annual depreciation on contributed assets is transferred from Retained Earnings to Contributed Equity.

FINANCIAL INFORMATION

(Continued)

FIDUCIARY FUNDS:

Expendable Trust Funds - This type of fund allows both principal and revenues earned on that principal to be expended for purposes designated by a trust agreement. At December 31, 1989, the City maintained the following expendable trust funds:

Task Force Expendable Trust Fund - This fund accounts for federal grant monies and confiscated funds for the Drug Enforcement Task Force, a joint powers entity between Crystal, Golden Valley, New Hope, Robbinsdale and St. Louis Park. The monies can only be spent on items as detailed in the grant agreement.

Charitable Gambling Expendable Trust Fund - This fund is used to account for contributions from charitable organizations. The money can be used only as specified by the donor or in accordance with the lawful contributions section the charitable gambling laws.

Agency Funds - This type of fund is used to account for assets held for other funds, governments or individuals.

Investment Trust Agency Fund - This fund was established to serve as a convenient means of accounting for the City's investments and interest earnings, which are allocated back to other City funds on an annual basis.

Confiscated Funds Agency Fund - This fund was established to account for the City's share of confiscated monies from drug busts and task force operations.

Police Relief Association Agency Fund - This fund was established to account for the collection of general property taxes and other revenues and subsequent remittance of these collections to the City of Crystal Police Relief Association.

Fire Relief Association Agency Fund - This fund was established to account for the collection of general property taxes and other revenues and subsequent remittance of these collections to the City of Crystal Fire Relief Association.

Special Escrow Agency Fund - This fund was set up to account for monies to be held as developers' performance bonds. These escrow deposits will be refunded to the respective depositors when the conditions set forth by the City are satisfied.

FIXED ASSETS:

The City does not maintain detailed fixed asset records of its General Fixed Assets. Therefore these assets are not recorded and properly reported in the General Fixed Asset Account Group.

DEBT ADMINISTRATION:

At December 31, 1989, the City had a number of debt issues outstanding. These issues included \$2,000,000 of general obligation bonds, \$7,685,000 of general obligation tax increment bonds and \$237,000 of general obligation special assessment improvement bonds with government commitment. Moody's Investors Service has rated the City A. Under current state statutes, general obligation bonded debt issuances are subject to a legal limitation. As of December 31, 1989, the general obligation bonded debt, applicable to the debt limit, of \$771,174 was well below the legal debt limit of \$13,618,922.

During the year, the City issued \$2,000,000 of general obligation bonds for the construction of the Community Center. The bonds were issued at a net interest rate of 7.27887%.

FINANCIAL INFORMATION

(Continued)

CASH MANAGEMENT:

The Finance Department keeps abreast of current trends and procedures for cash management and forecasting so as to insure efficient and profitable use of the City's cash resources.

Cash is invested only in investments authorized by Minnesota Statutes Chapter 475. The yield on maturing investments ranged from a high of 12.0% to low of 7.0%. Interest earned during 1989 amounted to \$1,152,935 compared to \$669,660 in 1988.

Cash balances for all funds are maintained on a combined basis and invested, to the extent possible, in allowable short-term securities. Earnings from securities are allocated to the various funds in proportion to their relative average cash book balances during the year.

In addition, the City has a Now Commercial Checking account with Norwest (The Bank North) for our daily cash needs. Interest is paid monthly on the average balance.

Temporary cash investments are carried at cost which approximates market.

OTHER INFORMATION

USE OF THIS REPORT

The report is published to provide the Council, as well as our citizens, bondholders, and other interested persons detailed information concerning the financial condition of the City government. Copies of the report will be sent to elected officials, city management personnel, bond rating agencies, financial agencies and government agencies which have expressed an interest in Crystal's financial affairs. In compliance with the intent of Minnesota Statute Chapter 471.68, copies of this report will be placed in the libraries for use by the general public.

We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

INDEPENDENT AUDIT:


The State Statutes require the Council to provide for an audit of the financial transactions of the City. The firm of George M. Hansen Company, P.A. has been retained for that purpose and their opinion has been included in this report.

ACKNOWLEDGEMENTS:

The preparation of this report has been at the immediate direction of the Assistant Finance Director and supervised by the Finance Director/Treasurer. This report could not have been accomplished, however, without the efficient and dedicated services of the entire Finance Department. In addition, the assistance of representatives from the firm of George M. Hansen Company, P.A. has enabled us to conform to the most recent changes in reporting requirements for local government. Their expertise and willingness to assist us in revising reporting mechanisms and updating internal controls has been greatly appreciated.

We also thank the Mayor and City Council for their interest and support in planning and implementing the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,
CITY OF CRYSTAL



Miles D. Johnson
Finance Director/Treasurer



Jessie L. Hart
Assistant Finance Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

City Council
City of Crystal
Crystal, Minnesota

We have audited the accompanying general purpose financial statements of the City of Crystal, Minnesota, as of December 31, 1989, and for the year then ended, listed in the foregoing table of contents. These financial statements and the supplemental statements and schedules discussed below are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

The financial statements referred to above do not include the General Fixed Asset Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded is not known.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Crystal, Minnesota, as of December 31, 1989, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules and the supplemental information listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole. Our audit did not include the statistical information listed in the table of contents.

George M. Hansen Company, P.A.

April 30, 1990

COMBINED FINANCIAL STATEMENTS

The Combined Statements are intended to provide an overview and broad prospective of the City's financial position and operations. These statements present a summary set of information needed to control and analyze current operations to determine compliance with legal and budgetary limitations and to assist in financial planning.

The following combined statements are presented:

- Combined Balance Sheet-All Fund Types and Account Groups
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-All Governmental Fund Types
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General and Special Revenue Fund Types
- Combined Statement of Revenues, Expenses and Changes in Retained Earnings-All Proprietary Fund Types
- Combined Statement of Cash Flows-All Proprietary Fund Types

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City of Crystal
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1989

EXHIBIT 1

| | GOVERNMENTAL FUND TYPES | | | | PROPRIETARY FUND TYPE | FIDUCIARY FUND TYPE | ACCOUNT GROUP | TOTALS (MEMORANDUM ONLY) | |
|---|-------------------------|--------------------|--------------------|---------------------|--------------------------|------------------------|------------------------|-----------------------------|---------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | ENTERPRISE | TRUST AND AGENCY | GEN LONG- TERM DEBT | 1989 | 1988 |
| ASSETS | | | | | | | | | |
| Cash and Temporary Investments | \$2,060,718 | \$1,146,633 | \$1,932,568 | \$8,192,985 | \$730,792 | \$134,592 | | \$14,198,288 | \$12,445,026 |
| Investment - Joint Water Commission | | | | | 102,018 | | | 102,018 | 97,971 |
| Receivables (Net of Uncollectible): | | | | | | | | | |
| Accrued Interest | | | | | | 241,847 | | 241,847 | 220,258 |
| Taxes: | | | | | | | | | |
| Unremitted | 13,225 | 2,952 | 10 | | | 890 | | 17,077 | 7,552 |
| Delinquent | 35,680 | 7,948 | | | | 3,102 | | 46,730 | 49,002 |
| Accounts | 25,286 | 19,106 | | | 454,460 | 9,250 | | 508,102 | 425,834 |
| Special Assessments: | | | | | | | | | |
| Unremitted | | | 122 | 6,244 | | | | 6,366 | 3,950 |
| Delinquent | 652 | | 305 | 40,359 | | | | 41,316 | 30,234 |
| Deferred | | | 25,026 | 591,649 | | | | 616,675 | 619,809 |
| Due From Other Governments | 43,736 | 76,103 | 17,915 | 2,720 | 381,005 | | | 521,479 | 549,196 |
| Inventories | 15,166 | | | | 14,395 | | | 29,561 | 21,474 |
| Property, Plant and Equipment (Net) | | | | | 3,269,610 | | | 3,269,610 | 3,505,683 |
| Amount Available for Debt Service | | | | | | | 1,729,056 | 1,729,056 | 1,545,057 |
| Amount to be Provided for Retirement of General Long-Term Debt | | | | | | | 8,525,726 | 8,525,726 | 6,815,088 |
| TOTAL ASSETS | \$2,194,463 | \$1,252,742 | \$1,975,946 | \$8,833,957 | \$4,952,280 | \$389,681 | \$10,254,782 | \$29,853,851 | \$26,336,134 |

(Continued)

City of Crystal
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1989

EXHIBIT 1
(Continued)

18

| | GOVERNMENTAL FUND TYPES | | | | PROPRIETARY FUND TYPE | FIDUCIARY FUND TYPE | ACCOUNT GROUP | TOTALS (MEMORANDUM ONLY) | |
|---|-------------------------|--------------------|-----------------|---------------------|--------------------------|------------------------|------------------------|-----------------------------|--------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | ENTERPRISE | TRUST AND AGENCY | GEN LONG- TERM DEBT | 1989 | 1988 |
| LIABILITIES AND FUND EQUITY | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Cash Deficits | | \$79,583 | | | | \$241,847 | | \$321,430 | \$243,181 |
| Accounts Payable | 34,305 | 12,278 | | 9,318 | 121,694 | 11,164 | | 188,759 | 202,748 |
| Contracts Payable | | | | 5,156 | 40,154 | | | 45,310 | 26,513 |
| Compensated Absences | | | | | 18,740 | | 332,782 | 351,522 | 316,532 |
| Accrued Interest | | | 353,739 | 9,075 | | | | 362,814 | 262,821 |
| Deposits Payable | | | | | | 60,907 | | 60,907 | 55,439 |
| Deferred Revenue | 37,854 | 7,947 | 25,331 | 632,008 | | 3,102 | | 706,242 | 709,699 |
| Bonds Payable | | | | | | | 9,922,000 | 9,922,000 | 8,066,000 |
| Total Liabilities | \$72,159 | \$99,808 | \$379,070 | \$655,557 | \$180,588 | \$317,020 | \$10,254,782 | \$11,958,984 | \$9,882,933 |
| Fund Equity: | | | | | | | | | |
| Customers' Contributions | | | | | 2,937,063 | | | \$2,937,063 | \$3,242,815 |
| Retained Earnings- Unreserved-Designated | | | | | 1,834,629 | | | 1,834,629 | 1,728,735 |
| Fund Balance- Reserved | 747,948 | 267,873 | 1,596,876 | 8,178,400 | | | | 10,791,097 | 9,566,596 |
| Unreserved Designated | 1,374,356 | 735,500 | | | | | | 2,109,856 | 1,697,513 |
| Undesignated | | 149,561 | | | | 72,661 | | 222,222 | 217,542 |
| Total Fund Equity | \$2,122,304 | \$1,152,934 | \$1,596,876 | \$8,178,400 | \$4,771,692 | \$72,661 | \$0 | \$17,894,867 | \$16,453,201 |
| TOTAL LIABILITIES AND FUND EQUITY | \$2,194,463 | \$1,252,742 | \$1,975,946 | \$8,833,957 | \$4,952,280 | \$389,681 | \$10,254,782 | \$29,853,851 | \$26,336,134 |

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

City of Crystal
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
For the Year Ended December 31, 1989

EXHIBIT 2

| | GOVERNMENTAL FUND TYPES | | | | | TOTALS (MEMORANDUM ONLY) | |
|--|-------------------------|--------------------|-----------------|---------------------|---------------------|-----------------------------|--------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | EXPENDABLE TRUST | 1989 | 1988 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| REVENUES: | | | | | | | |
| Taxes | \$1,553,294 | \$382,115 | \$893,330 | \$47,478 | | \$2,876,217 | \$2,763,041 |
| Licenses and Permits | 239,638 | | | | | 239,638 | 222,369 |
| Intergovernmental | 2,807,311 | 571,053 | | 388,911 | 36,560 | 3,803,835 | 2,837,906 |
| Charges for Services | 409,669 | 210,603 | | | | 620,272 | 525,130 |
| Fines and Forfeitures | 177,599 | | | | | 177,599 | 212,295 |
| Special Assessments | | | 17,043 | 369,516 | | 386,559 | 382,961 |
| Interest | 128,640 | 76,997 | 119,528 | 776,758 | 5,151 | 1,107,074 | 647,752 |
| Miscellaneous | 154,425 | 7,813 | | 258,969 | 39,753 | 460,960 | 212,111 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Total Revenues | \$5,470,576 | \$1,248,581 | \$1,029,901 | \$1,841,632 | \$81,464 | \$9,672,154 | \$7,803,565 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| EXPENDITURES: | | | | | | | |
| Current- | | | | | | | |
| General Government | \$983,309 | \$440,000 | | | | \$1,423,309 | \$1,361,143 |
| Public Safety | 1,895,018 | | | | 92,872 | 1,987,890 | 1,821,104 |
| Highways and Streets | 662,874 | 149,114 | | | | 811,988 | 732,051 |
| Health and Sanitation | 132,462 | | | | | 132,462 | 138,988 |
| Recycling | | 92,454 | | | | 92,454 | 18,267 |
| Park and Recreation | 906,695 | | | | 2,145 | 908,840 | 815,897 |
| Capital Outlay and Improvements | 249,335 | 204,345 | | 2,629,441 | 2,126 | 3,085,247 | 1,165,626 |
| Debt Service- | | | | | | | |
| Principal | | | 85,000 | 59,000 | | 144,000 | 320,987 |
| Interest and Fiscal Fees | | | 702,081 | 10,269 | | 712,350 | 869,458 |
| Unallocated Expenditures | 706,088 | | | | | 706,088 | 761,959 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Total Expenditures | \$5,535,781 | \$885,913 | \$787,081 | \$2,698,710 | \$97,143 | \$10,004,628 | \$8,005,480 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Excess(Deficiency) of Revenues Over(Under) Expenditures | (\$65,205) | \$362,668 | \$242,820 | (\$857,078) | (\$15,679) | (\$332,474) | (\$201,915) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Bond Proceeds | | | | \$1,974,000 | | \$1,974,000 | |
| Transfers From Other Funds | | \$69,458 | | 650,712 | | 720,170 | \$2,109,845 |
| Transfers To Other Funds | (69,458) | | | (650,712) | | (720,170) | (2,130,915) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Total Other Financing Sources(Uses) | (\$69,458) | \$69,458 | \$0 | \$1,974,000 | \$0 | \$1,974,000 | (\$21,070) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Increase(Decrease) in Fund Balance | (\$134,663) | \$432,126 | \$242,820 | \$1,116,922 | (\$15,679) | \$1,641,526 | (\$222,985) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| FUND BALANCE(DEFICIT), January 1 | 2,278,136 | 720,808 | 1,354,056 | 7,040,309 | 88,340 | 11,481,649 | 11,704,634 |
| Residual Equity Transfers | (21,169) | | | 21,169 | | 0 | 0 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| FUND BALANCE(DEFICIT), December 31 | \$2,122,304 | \$1,152,934 | \$1,596,876 | \$8,178,400 | \$72,661 | \$13,123,175 | \$11,481,649 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

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

City of Crystal
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
 For the Year Ended December 31, 1989

| | GENERAL | | | SPECIAL REVENUE | | | TOTAL (MEMORANDUM ONLY) | | |
|---|-------------|-------------|-------------|-----------------|-------------|---------------|----------------------------|-------------|---------------|
| | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE |
| REVENUES: | | | | | | | | | |
| Taxes | \$1,549,538 | \$1,553,294 | \$3,756 | \$383,000 | \$382,115 | (\$885) | \$1,932,538 | \$1,935,409 | \$2,871 |
| Licenses and Permits | 199,175 | 239,638 | 40,463 | | | 0 | 199,175 | 239,638 | 40,463 |
| Intergovernmental | 2,798,820 | 2,807,311 | 8,491 | 726,421 | 571,053 | (155,368) | 3,525,241 | 3,378,364 | (146,877) |
| Charges for Services | 344,894 | 409,669 | 64,775 | 1,215,550 | 210,603 | (1,004,947) | 1,560,444 | 620,272 | (940,172) |
| Fines and Forfeitures | 230,000 | 177,599 | (52,401) | | | 0 | 230,000 | 177,599 | (52,401) |
| Interest and Miscellaneous | 264,500 | 283,065 | 18,565 | 2,000 | 84,810 | 82,810 | 266,500 | 367,875 | 101,375 |
| Total Revenues | \$5,386,927 | \$5,470,576 | \$83,649 | \$2,326,971 | \$1,248,581 | (\$1,078,390) | \$7,713,898 | \$6,719,157 | (\$994,741) |
| EXPENDITURES: | | | | | | | | | |
| General Government | \$1,014,319 | \$990,422 | \$23,897 | \$572,901 | \$440,000 | \$132,901 | \$1,587,220 | \$1,430,422 | \$156,798 |
| Public Safety | 2,133,090 | 1,998,922 | 134,168 | | | 0 | 2,133,090 | 1,998,922 | 134,168 |
| Highways and Streets | 708,104 | 671,372 | 36,732 | 201,585 | 149,114 | 52,471 | 909,689 | 820,486 | 89,203 |
| Health and Sanitation | 143,330 | 132,657 | 10,673 | 140,000 | 137,145 | 2,855 | 283,330 | 269,802 | 13,528 |
| Recycling | | | 0 | 1,180,725 | 159,654 | 1,021,071 | 1,180,725 | 159,654 | 1,021,071 |
| Park and Recreation | 1,103,549 | 1,036,320 | 67,229 | | | 0 | 1,103,549 | 1,036,320 | 67,229 |
| Unallocated Expenditures | 800,612 | 706,088 | 94,524 | | | 0 | 800,612 | 706,088 | 94,524 |
| Total Expenditures | \$5,903,004 | \$5,535,781 | \$367,223 | \$2,095,211 | \$885,913 | \$1,209,298 | \$7,998,215 | \$6,421,694 | \$1,576,521 |
| Excess(Deficiency) of Revenues Over(Under) Expenditures | (\$516,077) | (\$65,205) | (\$283,574) | \$231,760 | \$362,668 | (\$2,287,688) | (\$284,317) | \$297,463 | (\$2,571,262) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers From(To) Other Funds | (83,923) | (69,458) | (14,465) | 83,923 | 69,458 | 14,465 | 0 | 0 | 0 |
| Increase(Decrease) in Fund Balance | (\$600,000) | (\$134,663) | (\$298,039) | \$315,683 | \$432,126 | (\$2,273,223) | (\$284,317) | \$297,463 | (\$2,571,262) |
| FUND BALANCE(DEFICIT), January 1 | 2,278,136 | 2,278,136 | 0 | 720,808 | 720,808 | 0 | 2,998,944 | 2,998,944 | 0 |
| Residual Equity Transfer | | (21,169) | 21,169 | | | 0 | | | 0 |
| FUND BALANCE(DEFICIT), December 31 | \$1,678,136 | \$2,122,304 | (\$276,870) | \$1,036,491 | \$1,152,934 | (\$2,273,223) | \$2,714,627 | \$3,296,407 | (\$2,571,262) |

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

EXHIBIT 4

City of Crystal
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 For the Year Ended December 31, 1989

| | 1989 | 1988 |
|--|-------------|-------------|
| OPERATING REVENUES: | | |
| Sales, Fees and Charges | \$2,034,292 | \$2,026,457 |
| OPERATING EXPENSES: | | |
| Source of Supply | \$523,711 | \$631,197 |
| Disposal Charges | 952,993 | 769,021 |
| Administration | 260,322 | 438,590 |
| Commodities | 186,602 | 80,331 |
| Depreciation | 336,340 | 338,403 |
| Total Operating Expenses | \$2,259,968 | \$2,257,542 |
| Operating Income (Loss) | (\$225,676) | (\$231,085) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest Earnings | \$80,818 | \$36,422 |
| Administrative Charges | (55,000) | (55,000) |
| Loss on Sale of Fixed Assets | 0 | (23,366) |
| Total Nonoperating Revenues (Expenses) | \$25,818 | (\$41,944) |
| Net Income (Loss) Before Transfers | (\$199,858) | (\$273,029) |
| OPERATING TRANSFERS IN (OUT) | 0 | 21,070 |
| Net Income (Loss) | (\$199,858) | (\$251,959) |
| Depreciation on Contributed Assets | 305,752 | 309,265 |
| Net Income(Loss) to Retained Earnings | \$105,894 | \$57,306 |
| RETAINED EARNINGS, January 1 | 1,728,735 | 1,671,429 |
| RETAINED EARNINGS, December 31 | \$1,834,629 | \$1,728,735 |

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

City of Crystal
COMBINED STATEMENT OF CHANGES IN CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year Ended December 31, 1989

EXHIBIT 5

| | 1989 | 1988 |
|--|-------------|-------------|
| Cash Flows from Operating Activities: | | |
| Cash Received From Customers | \$1,985,273 | \$1,986,199 |
| Cash Payments to Suppliers for Goods and Services | (1,606,574) | (1,570,144) |
| Cash Payments to Employees for Services | (263,969) | (267,862) |
| Other Operating Revenues | 33,527 | 30,008 |
| Net Cash Provided by Operating Activities | \$148,257 | \$178,201 |
| Cash Flows from Noncapital Financing Activities: | | |
| Operating Transfers-Out to Other Funds | (\$55,000) | (\$55,000) |
| Net Cash Provided by Noncapital Financing Activities | (\$55,000) | (\$55,000) |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition of Capital Assets | (\$100,266) | (\$9,400) |
| Net Cash Used for Capital and Related Financing Activities | (\$100,266) | (\$9,400) |
| Cash Flows from Investing Activities: | | |
| Interest on Investments | \$80,818 | \$36,422 |
| Investment in Joint Water Commission | (4,047) | (5,169) |
| Net Cash Used in Investing Activities | \$76,771 | \$31,253 |
| Net Increase in Cash and Cash Equivalents | \$69,762 | \$145,054 |
| CASH AND CASH EQUIVALENTS, January 1 | 661,030 | 515,976 |
| CASH AND CASH EQUIVALENTS, December 31 | \$730,792 | \$661,030 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Income (Loss) | (\$225,676) | (\$231,085) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | 336,340 | 338,403 |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | (15,493) | 57,107 |
| (Increase) Decrease in Inventory | (3,784) | 424 |
| Increase (Decrease) in Accounts Payable | 35,649 | (3,791) |
| Increase (Decrease) in Contracts Payable | 24,868 | 15,286 |
| Increase (Decrease) in Accrued Expenses | (3,647) | 1,857 |
| Net Cash Provided by Operating Activities | \$148,257 | \$178,201 |

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989

Note 1 - Summary of Significant Accounting Policies

The City of Crystal operates under a home rule charter form of government which prescribes a manager-council form of government and provides the following services: public safety, highways and streets, sanitation, health, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

In accordance with National Council on Governmental Accounting Statement No. 3, Defining the Governmental Reporting Entity, the City's financial statements include all funds, account groups, departments, agencies, boards, commissions, activities and organizations over which the City Officials exercise oversight responsibility.

Oversight responsibility includes such aspects as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by City full faith and credit or revenues, and responsibility for funding deficits.

Included within the reporting entity:

Housing and Redevelopment Authority - in and for the City of Crystal (HRA). The HRA was created by the City to provide housing and redevelopment assistance. The HRA provides this assistance through the administration of various programs. The HRA was relieved of its duties during 1989. Inasmuch, the HRA was considered a component unit of the City during 1989.

Excluded from the reporting entity:

Crystal Police and Fire Relief Associations - These associations are organized as non-profit organizations by their members to provide pension and other benefits to such members in accordance with Minnesota Statutes. Their boards of directors are elected by the membership of the respective associations. All funding is conducted in accordance with Minnesota Statutes, whereby state aides flow to the associations, tax levies are determined by the associations and are only reviewed by the City, and the associations pay benefits directly to their members. The associations may certify tax levies to the County directly if the City does not carry out this function. Because the associations are able to fund their programs independently of the City, they are excluded from the reporting entity.

Independent School District Number 281 - The District, like all school districts in Minnesota, is completely independent of any other governmental entity. It has its own elected Board of Education and levies its own taxes.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

| |
|---|
| Note 1 - Summary of Significant Accounting Policies (Continued) |
|---|

B. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The various funds are grouped, in the financial statements, in three broad categories - Governmental, Proprietary, and Fiduciary, and into six generic fund types as follows:

GOVERNMENTAL FUNDS

Governmental funds are used to account for all or most of a government's general activities.

General Fund - The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition of or construction of major capital facilities (other than those financed by Proprietary Fund and Trust Funds).

PROPRIETARY FUNDS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination on net income is necessary or useful to sound financial administration.

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

FIDUCIARY FUNDS

Agency Funds - Agency funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Expendable Trust Funds - Expendable Trust Funds are funds whose resources, including both principal and earnings, may be expended. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

C. Measurement Focus

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are recorded at historical cost and accounted for in the General Fixed Asset Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are excluded from general fixed assets as such items are immovable and of value only to the City. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets, including fixed assets, and all liabilities, including long-term liabilities, associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

| |
|---|
| Note 1 - Summary of Significant Accounting Policies (Continued) |
|---|

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (e.g., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds on a modified accrual basis. All annual appropriations lapse at year end. Project-length financial plans are adopted for all capital projects funds.

Budgetary control is maintained at the object of expenditures category level within each activity. Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended. Budgeted appropriations lapse at year end to the extent they were not encumbered.

F. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in investments authorized by State Statutes. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at cost which approximates market. Investments are adjusted to market value only when a permanent decline in market value has occurred or when such investments will not be carried to maturity.

G. Property Taxes

Property tax levies are set by the City Council each year and are certified to the County for collection the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over the taxable property. Such taxes become a lien on January 1, and are recorded as receivables by the City at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by tax payers in two equal installments on May 15 and October 15 of each year. Personal property taxes may be paid on February 28 and June 30 of each year. The County provides tax settlements, including delinquent collections, to cities and other taxing districts four times a year, in February, April, June and November.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable, and are fully offset by deferred revenue because they are not available to finance current expenditures.

No allowance for uncollectible taxes has been provided because such amounts were not expected to be material.

Cities in Minnesota operate under a strict levy limit law which allows an increase in levy each year equal to the Implicit Price Deflator increase or 3%, whichever is greater, further indexed by the percentage increase in households or population, whichever is greater. Levies for bonded indebtedness and other special levies are not limited by this law.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

| |
|---|
| Note 1 - Summary of Significant Accounting Policies (Continued) |
|---|

G. Property Taxes (Continued)

Property taxes levied on homesteaded properties are partially reduced by a homestead credit as defined in the State Statutes. This credit is remitted to the cities in lieu of taxes levied against the property in two equal settlements in July and December of each year.

H. Special Assessments Receivable

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with State Statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

Special assessments receivable includes the following components:

Unremitted - amounts collected by Hennepin County and not remitted to the City.

Delinquent - amounts billed to property owners but not paid.

Deferred - assessment installments which will be billed to property owners in future years.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditure when consumed rather than when purchased.

J. Fixed Assets

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Additions to fixed assets for general City purposes are recorded as an expenditure of the applicable fund in the year in which the asset is purchased or constructed.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 1989

(Continued)

| |
|---|
| Note 1 - Summary of Significant Accounting Policies (Continued) |
|---|

J. Fixed Assets (Continued)

Property and equipment of the Proprietary funds are capitalized in these funds. Depreciation of all exhaustible property and equipment of the proprietary funds is charged as an expense against their operations and accumulated depreciation is reported on the Proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|-------------------------------------|------------|
| Buildings and Structures | 33 years |
| Equipment, Furniture and Fixtures | 5-10 years |
| Distribution and Collection Systems | 33 years |
| Leasehold Improvements | 10 years |

K. Compensated Absences

The City compensates employees upon termination for unused vacation and one-third of the unused sick pay based on length of service. Accumulated unpaid vacation and sick pay are accrued when earned in proprietary funds (using the accrual basis of accounting). Such amounts are accrued in governmental funds (using the modified accrual basis of accounting) only to the extent that they are to be liquidated with expendable available resources. The long-term portion is reported as a reservation of fund balance in the General fund and as a liability in the General Long-Term Debt Account Group. At December 31, 1989, the General fund compensated absences recorded as long-term liabilities included \$162,965 of accrued vacation pay and \$169,817 of accrued sick pay. These amounts do not exceed a normal years accumulation.

L. Contributions

Substantial portions of Water and Sewer Fund fixed assets were acquired by contribution from the special assessment projects. When such assets are acquired they are credited to the contribution account. Depreciation on contributed assets is charged to this contribution account through the distribution of net income. The replacement of these assets is expected to be financed by future contributions and rates charged by the fund are not intended to generate sufficient revenue to recover depreciation on contributed fixed assets.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

N. Revenues, Expenditures, and Expenses

General Property Taxes - Revenue is recognized in the year of collection, with amounts due from the County and received early in the following year set up as a receivable. Delinquent taxes receivable are completely offset by deferred revenue accounts.

Special Assessments - Revenue is recognized in the year of collection, with amounts due from the County and received early in the following year set up as a receivable. Delinquent, deferred and other special assessments are completely offset by deferred revenue accounts.

Interest on Bonded Indebtedness - Interest expense is recorded as an expenditure and accrued as incurred.

Utility Receivables - Utility service charges are recognized when earned with no allowance for uncollectible as delinquent accounts are certified as a lien against the property taxes of the property billed.

Vacation and Severance Pay - Vacation and severance pay expenditures/expenses are recognized in accordance with NCGA Statement Number 4.

O. Memorandum Only - Total Columns

Total columns on the combined general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

P. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

Note 2 - Legal Compliance Budgets and Accountability

A. Excess of Expenditures Over Budget

The following is a summary of individual funds which had expenditures in excess of budget for the year ended December 31, 1989:

| | <u>Budget</u> | <u>Actual</u> | <u>Excess</u> |
|------------------------|---------------|---------------|---------------|
| Special Revenue Funds: | | | |
| Pension Fund | \$343,786 | \$351,010 | \$ 7,224 |
| Equipment Reserve Fund | 43,000 | 57,900 | 17,900 |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 2 - Legal Compliance Budgets and Accountability (Continued)

B. Fund Deficits

Fund Balance Deficits as of December 31, 1989 consisted of the following:

| | |
|------------------------|-------------|
| Debt Service Funds: | |
| Community Center Bonds | (\$106,373) |

Community Center Bonds - The deficit of \$106,373 is the result of the first year of operation of this fund. Due to the accounting policies followed, interest was accrued at December 31, 1989, while the first property tax levies are not payable until 1990. It is anticipated that this deficit will be eliminated as property tax monies become available.

Note 3 - Deposits and Investments

Cash surpluses are invested to the maximum extent possible following State of Minnesota Statutes and Crystal Investment Policies. Investment earnings are allocated to funds on the basis of average cash balances. Investments are stated at cost, which approximates market, and are not identified with specific funds.

Cash and investments at year end consist of the following:

| | |
|--|---------------------|
| Bank Deposits including Certificates of | |
| Deposit | \$ 206,899 |
| U.S. Government Obligations | 8,891,128 |
| Repurchase Agreements | 1,110,427 |
| Commercial Paper | 3,535,954 |
| Minnesota Municipalities | <u>132,000</u> |
| | \$13,876,408 |
| Petty Cash and Change Funds | <u>450</u> |
| Total Cash and Change Funds | <u>\$13,876,858</u> |
| Classification Per Financial Statements: | |
| Cash and Temporary Investments | \$14,198,288 |
| Cash Deficits | <u>(321,430)</u> |
| | <u>\$13,876,858</u> |

Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% in the case of mortgage notes pledged). All funds on deposit at the depositories were fully insured and/or collateralized by securities held in safekeeping by the City Treasurer in the City's name as of December 31, 1989. The bank balance December 31, 1989 was \$(681,740) and the pledged collateral and insurance was \$400,000.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 3 - Deposits and Investments (Continued)

Investments

The City utilizes investment practices which follow the Minnesota Statutes in regard to the instruments allowed. The statutes authorize the City to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation and P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, certificates of deposit and money market funds whose portfolios consist of United States Treasury obligations and Federal Agency issues.

The City's investments are categorized to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

Balances at December 31, 1989 are:

| ---Credit Risk Category--- | | | | |
|----------------------------|---------------------|---|---|---------------------|
| Securities Type | 1 | 2 | 3 | Value |
| U.S. Government | | | | |
| Securities | \$ 8,891,128 | | | \$ 8,891,128 |
| Commercial Paper | 3,535,954 | | | 3,535,954 |
| Repurchase | | | | |
| Agreements | 1,110,427 | | | 1,110,427 |
| Minnesota | | | | |
| Municipalities | 132,000 | | | 132,000 |
| Total Investments | <u>\$13,669,509</u> | | | <u>\$13,669,509</u> |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 4 - Due from Other Governments

Amounts due from other governments on December 31, 1989 were as follows:

| <u>Fund</u> | <u>1989</u> |
|--------------------------|------------------|
| General | \$ 43,736 |
| Special Revenue: | |
| Community Development | 76,103 |
| Debt Service: | |
| Special Assessment Bonds | 17,195 |
| Capital Projects: | |
| Revolving Fund | 2,720 |
| Proprietary: | |
| Utility Enterprise Fund | <u>381,005</u> |
| | <u>\$521,479</u> |

Included in the amounts due from other governments in the Proprietary Funds are advances made during 1971 and 1972 by the Utility Fund to the Metropolitan Waste Control Commission (MWCC) for reserve capacity and for the sale of sewer interceptors at January 1, 1971. Amounts due from the MWCC are summarized as follows:

| | |
|--|------------------|
| | <u>1989</u> |
| Advances for Reserve Capacity | \$ 10,075 |
| Amounts due from sale of Interceptors | <u>370,930</u> |
| Total | \$281,005 |
| Current Portion | <u>27,506</u> |
| Non-Current Portion | <u>\$353,499</u> |

Advances for reserve capacity are to be repaid in varying amounts through 1997. The City will receive credits of \$42,343 annually from the Metropolitan Waste Control Commission through the year 2000, against its disposal charges, which include interest at 4%, as repayment for the sale of the interceptors.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 5 - Fixed Assets

A summary of proprietary fund type property, plant and equipment at December 31, 1989 follows:

| | <u>Enterprise</u> |
|---------------------------------------|---------------------|
| Land | \$ 900 |
| Buildings | 1,476,008 |
| Distribution and Collection System | 9,295,271 |
| Machinery and Equipment | <u>260,585</u> |
| Total | \$11,032,764 |
| Less: Accumulated Depreciation | <u>7,763,154</u> |
| Net Fixed Assets | <u>\$ 3,269,610</u> |

General fixed assets owned by the City are not included in the financial statements since records thereof are not maintained. Generally accepted accounting principles require their inclusion.

Note 6 - Long-Term Debt

The long-term debt obligations outstanding at year end are summarized as follows:

| | <u>Maturities</u> | <u>Rates</u> | <u>December 31, 1989</u> |
|---|-------------------|--------------|------------------------------|
| GENERAL OBLIGATION BONDS | | | |
| Tax Increment | | | |
| Refunding Bonds | 1986-2008 | 6.25-7.80 | \$5,865,000 |
| Tax Increment Bonds | | | |
| of 1987 | 1987-2009 | 6.25-8.75 | 1,820,000 |
| Community Center Bonds | | | |
| of 1989 | 1990-2005 | 6.80-7.30 | <u>2,000,000</u> |
| Total General Obligation Bonds | | | <u>\$9,055,000</u> |
| GENERAL OBLIGATION IMPROVEMENT BONDS | | | |
| Improvement Bonds | | | |
| of 1986 | 1986-1991 | 7.50 | 132,000 |
| Improvement Bonds | | | |
| of 1970 | 1970-1992 | 6.00-7.00 | <u>\$ 105,000</u> |
| Total General Obligation Improvement Bonds | | | <u>\$ 237,000</u> |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 6 - Long-Term Debt (Continued)

Changes in long-term debt during 1989 are summarized as follows:

| | Balance 01/01/89 | Issued | Retired | 12/31/89 |
|---------------------------------------|---------------------|--------------------|------------------|---------------------|
| General Obligation Bonds: | | | | |
| Tax Increment Refunding | \$5,865,000 | \$ | \$ | \$ 5,865,000 |
| Tax Increment Bonds of 1987 | 1,870,000 | | 50,000 | 1,820,000 |
| Community Center Bonds of 1989 | | 2,000,000 | | 2,000,000 |
| | <u>\$7,735,000</u> | <u>\$2,000,000</u> | <u>\$ 50,000</u> | <u>\$ 9,685,000</u> |
| General Obligation Improvement Bonds: | | | | |
| Improvement Bonds of 1986 | 191,000 | | 59,000 | 132,000 |
| Improvement Bonds of 1970 | \$ 140,000 | \$ | \$ 35,000 | \$ 105,000 |
| | <u>\$ 331,000</u> | <u>\$</u> | <u>\$ 94,000</u> | <u>\$ 237,000</u> |
| Total Bonds | \$8,066,000 | \$2,000,000 | \$144,000 | \$ 9,922,000 |
| Compensated Absences | \$ 294,145 | \$ 38,637 | \$ | \$ 332,782 |
| Total | <u>\$8,360,145</u> | <u>\$2,038,637</u> | <u>\$144,000</u> | <u>\$10,254,782</u> |

General Obligation Bonds - General Obligation Bonds are recorded in the General Long-Term Debt Account Group and are backed by the full faith and credit of the City.

Improvement Bonds - Special Assessment Improvement Bonds are recorded as a liability in the General Long-Term Debt Account Group and are payable primarily from special assessments levied and collected for local improvements. The City has a contingent liability relating to a pledge of full faith and credit on the improvement bonds. The general credit of the City is obligated only to the extent that liens foreclosed against properties involved in the improvement districts are insufficient to retire outstanding bonds.

Advance Refunding-Prior Years - In prior years the City refunded certain Tax Increment Financing Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the City's financial statements. At December 31, 1989, \$5,865,000 of Tax Increment Financing Bonds outstanding have been refunded and are considered defeased.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 6 - Long-Term Debt (Continued)

The annual requirements to amortize all debt outstanding as of December 31, 1989, including interest payments of \$8,807,062 are as follows:

| Year Ending December 31 | General Obligation | Special Assessment | Total |
|----------------------------|-----------------------|-----------------------|---------------------|
| 1990 | \$ 948,087 | \$ 41,125 | \$ 989,212 |
| 1991 | 889,235 | 38,675 | 927,910 |
| 1992 | 1,004,913 | 36,225 | 1,041,138 |
| 1993 | 1,028,410 | | 1,028,410 |
| 1994 | 1,009,892 | | 1,009,892 |
| 1995-1999 | 5,090,113 | | 5,090,113 |
| 2000-2004 | 5,128,659 | | 5,128,659 |
| 2005-2009 | <u>3,513,728</u> | | <u>3,513,728</u> |
| Total | <u>\$18,613,037</u> | <u>\$ 116,025</u> | <u>\$18,729,062</u> |

An amount of \$1,729,056 is available in the Debt Service funds to service the general obligation and improvement bonds.

Note 7 - Segment Information-Enterprise Funds

The City maintains one enterprise fund which accounts for City water and sewer operations. This fund is intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended December 31, 1989 is presented below:

| | |
|--|---------------------|
| Operating Revenues | <u>\$2,034,292</u> |
| Depreciation Expense | <u>\$ 336,340</u> |
| Operating Income(Loss) | <u>\$ (225,676)</u> |
| Net Income(Loss) | <u>\$ (199,858)</u> |
| Property, Plant and Equipment Additions | <u>\$ 100,266</u> |
| Net Working Capital | <u>\$1,046,565</u> |
| Total Assets | <u>\$4,952,280</u> |
| Fund Equity | |
| Contributed | \$2,937,063 |
| Retained Earnings | <u>1,834,629</u> |
| Total Fund Equity | <u>\$4,771,692</u> |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 8 - Fund Equity Reserves and Designations

The City records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use or is not appropriable for expenditures. The following is a schedule of all reserves used by the City and a description of each, as of December 31, 1988:

Fund Equity-Reserved:

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Project</u> |
|---|-------------------|----------------------------|-------------------------|----------------------------|
| Reserved for 1990 Budget | \$ 400,000 | | | |
| Reserved for Inventory | 15,166 | | | |
| Reserved for Compensated Absences | 332,782 | | | |
| Reserved for Equipment | | \$ 267,873 | | |
| Reserved for Debt Service | | | \$1,596,876 | |
| Reserved for Future Public Improvements | | | | \$8,178,400 |
| | <u>\$ 747,948</u> | <u>\$ 267,873</u> | <u>\$1,596,876</u> | <u>\$8,178,400</u> |

The City designates unreserved fund equity to indicate tentative plans for the use of current financial resources in the future. At December 31, 1989, the only Unreserved-Designated Fund Equity consisted of that portion designated for Working Capital to cover the operations from the beginning of the next fiscal year to the receipt of the first tax settlement.

Fund Equity-Unreserved/Designated:

| | <u>General</u> | <u>Enterprise</u> |
|-----------------------------------|--------------------|--------------------|
| Designated for Working Capital | <u>\$1,374,356</u> | <u>\$1,834,629</u> |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 9 - Contingent Liabilities

The City participates in two federally assisted grant programs, the Community Development Block Grant Program and the Drug Task Force Grant Program. Both programs are subject to compliance audits and adjustments by the grantors or their representatives, principally the Federal Government. The City's compliance with applicable grant requirements will be determined in a separate single audit to be performed on each of the programs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Note 10 - Joint Venture - Joint Water Commission

The City participates in a joint venture with the Cities of Golden Valley and New Hope to provide water services to the three cities. The "Golden Valley, Crystal and New Hope Joint Water Commission" is administered by a Joint Commission and consists of three members. Members of the commission are made up of one individual from each City, appointed by the City's Council, to serve a term of three years or until a successor is appointed and qualified.

Annually, the Commission is required to have an audit on the financial statements by an independent certified public accountant. The City of Crystal participated in 1989 by providing 28% of total revenues to cover expenditures. Participation by each City is based on actual water consumption with a surcharge to cover overhead costs of the commission.

The Combined Balance Sheet as of December 31, 1989, and the Statement of Revenues and Expenditures for the year ended December 31, 1989, are as follows:

GOLDEN VALLEY-CRYSTAL-NEW HOPE JOINT WATER COMMISSION
COMBINED BALANCE SHEET
December 31, 1989

| | |
|--------------------------------------|------------------------|
| ASSETS: | |
| Cash in Bank | \$ 146,270.77 |
| Accounts Receivable | 673,958.50 |
| Prepaid Expenses | 13,596.49 |
| Property, Plant and Equipment | <u>6,189,621.00</u> |
| TOTAL ASSETS | <u>\$ 7,023,446.76</u> |
| LIABILITIES AND FUND EQUITY: | |
| Liabilities- | |
| Accounts Payable | \$ 407,166.55 |
| Fund Equity- | |
| Investment in Fixed Assets | 6,189,621.00 |
| Fund Balance | <u>426,659.21</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 7,023,446.76</u> |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 10 - Joint Venture - Joint Water Commission (Continued)

GOLDEN VALLEY-CRYSTAL-NEW HOPE JOINT WATER COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended December 31, 1989

| | |
|---------------------------------|-----------------------------|
| REVENUES: | |
| Operating | \$ 1,831,856.58 |
| Non-Operating | 14,391.99 |
| Interest Revenue | <u>10,314.70</u> |
| TOTAL REVENUES | \$ <u>1,856,563.27</u> |
| EXPENDITURES: | |
| Water Purchased | \$ 1,624,167.35 |
| Other Operating Expenditures | <u>219,991.63</u> |
| TOTAL EXPENDITURES | \$ <u>1,844,158.98</u> |
| Excess Revenues of Expenditures | \$ 12,404.29 |
| FUND BALANCE, January 1 | <u>414,254.92</u> |
| FUND BALANCE, December 31 | \$ <u><u>426,659.21</u></u> |

The joint venture is considered a separate reporting entity by the City and, accordingly, this joint venture has not been included in these financial statements.

Note 11 - Deferred Compensation Plan

The City of Crystal offers its employees three deferred compensation plans which are in accordance with Internal Revenue Code Section 457. The three plans are Minnesota State, Great West and International City Management Association Retirement Corporation.

The plans permit employees to defer a portion of their salary until future years. Participation is optional. the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City, subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 11 - Deferred Compensation Plan (Continued)

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 12 - Defined Benefit Pension Plans - Statewide

A. Plan Description

All full-time and certain part-time employees of the City of Crystal are covered by defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer public employee retirement funds. PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by Statute are covered by the PEPFF. The payroll for employees covered by PERA and PEPFF plans for the year ended December 31, 1989, was \$2,206,015 and \$801,329 respectively; the City's total payroll was \$3,783,187.

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 five years of credited service. The defined retirement benefits are based on member's 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 coordinated and basic 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 rates for a Basic member is 2 percent of average salary for each of the first 10 years of service, 2.5 percent of each remaining year. For a Coordinated member, the annuity accrual is 1 percent of average salary for each of the first 10 years and 1.5 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic members and 1.5 percent for Coordinated members. For PEPFF members, the annuity accrual rate is 2.5 percent of average salary for each of the first 25 years and 2 percent for each remaining year. For PERF members whose annuity is calculated using Method 1, and for all PEPFF members, a full annuity is available when age plus years of service is equal to 90.

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

B. Contributions Required and Contributions Made

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. The City makes annual contributions to the pension plans equal to the amount required by State Statutes. According to Minnesota Statutes Chapter 356.215, Subd. 4(g) the date of full funding required for the PERF and the PEPFF is the year 2020. As part of the annual actuarial valuation, PERA's actuary determines the sufficiency of the statutory contribution rates towards meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate. Current Statutory contribution rates and actuarially required contribution rates for the plans are as follows:

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 1989

(Continued)

Note 12 - Defined Benefit Pension Plans - Statewide (Continued)

B. Contributions Required and Contributions Made (Continued)

| | <u>Statutory Rates</u> | | <u>Required Rate</u> |
|------------------|------------------------|-----------------|--------------------------|
| | <u>Employees</u> | <u>Employer</u> | |
| PERF | | | |
| Basic Plan | 4.27% | 4.67% | 9.42% |
| Coordinated Plan | 4.27% | 4.67% | 9.42% |
| PEPFF | 8.00% | 12.00% | 16.69% |

Total contributions made by the City during 1989 were:

| | <u>Amounts</u> | | <u>Percentage Of Covered Payroll</u> | |
|------------------|------------------|------------------|--|-----------------|
| | <u>Employees</u> | <u>Employer</u> | <u>Employees</u> | <u>Employer</u> |
| PERF | | | | |
| Basic Plan | \$ 18,401 | \$ 24,070 | 8.00% | 10.61% |
| Coordinated Plan | 81,153 | 86,084 | 4.10% | 4.35% |
| PEPFF | 63,161 | 95,115 | 7.88% | 11.87% |
| Totals | <u>\$162,715</u> | <u>\$205,269</u> | | |

The City's contribution for the year to the PERF represented .13 percent of total contributions required of all participating entities. For the PEPFF, contributions for the year represented .43 percent of total contributions required of all participating entities.

C. Funding Status and Progress

Pension Benefit Obligation

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employees Retirement Systems and employers. PERA does not make separate measurements of assets and pension benefit obligation for individual employers.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 12 - Defined Benefit Pension Plans - Statewide (Continued)

C. Funding Status and Progress (Continued)

The pension benefit obligations of the PERA as of June 30, 1989, were as follows:

| | <u>PERF</u> | <u>PEPFF</u> |
|--------------------------------|-------------------|--------------------|
| | (in thousands) | |
| Total Pension Benefit | | |
| Obligations | \$3,714,257 | \$ 582,299 |
| Net Assets Available for | | |
| Benefits, at Cost | | |
| (Market Values for: | | |
| PERF \$3,801,129 | | |
| PEPFF 694,227) | <u>2,934,977</u> | <u>637,227</u> |
| Unfunded (Assets in Excess of) | | |
| Pension Benefit Obligation | <u>\$ 585,134</u> | <u>\$ (71,950)</u> |

The measurement of the pension benefit obligation is based on an actuarial valuation as of June 30, 1989. Net assets available to pay pension benefits were valued as of June 30, 1989.

Change in Actuarial Methods

A number of benefit improvements became effective during fiscal year 1989. Some of the major improvements affecting each fund include a reduction in the period required for vesting from five years to three years; an option for members hired before July 1, 1989, to have their annuity calculated under a level benefit accrual formula; the interest rate credited on refunds of member contributions increased from 5 percent to 6 percent; and the provision for an automatic bounce back feature for all joint and survivor annuity options. In the PEPFF, age and/or service requirements were reduced for eligibility for a normal retirement annuity, and early retirement annuity, and for certain disability and survivor benefits.

D. Ten-Year Historical Trend Information

Ten-year historical trend information is presented in PERA's Comprehensive Annual Financial Report for the year ended June 30, 1989. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

E. Related Party Investments

During fiscal 1989 and as of June 30, 1989, PERA held no securities issued by the City or other related parties.

F. FICA Contributions

The City's contribution to the Federal Social Security Program (FICA) plan for fiscal 1989 was \$148,483.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 13 - Defined Benefit Pension Plan-Police Relief Association

The City contributes to the Crystal Police Relief Association (Association), a single-employer public employee retirement system that acts as a common investment and administrator for some of the City's police officers. The City's payroll for employees covered by the Association for the year ended December 31, 1989 was \$490,985; the City's total payroll was \$3,783,187.

A. General Information

Policemen of the City of Crystal hired prior to June 15, 1980, are members of the Crystal Police Department Relief Association. The Association is the administrator of a single-employer pension plan that operates under the provisions of Minnesota Statute 317.24. It is governed by a board of eight members elected by the members of the Association and three board members appointed by the City. The Police Chief, Mayor and Treasurer are ex-officio non-voting members of the board.

For financial reporting purposes, the Association's financial statements are not included with the City of Crystal's financial statements because the Association is not a component unit of the City.

As of December 31, 1989, membership data related to the Police Relief Association was as follows:

| | |
|---|--------|
| Retirees and Beneficiaries Currently | |
| Receiving Benefits and Terminated Employees | |
| Entitled to Benefits but not yet Receiving | 17 |
| Vested Active Plan Participants | 11 |
| Total | 28 |

B. Pension Benefits

Age and Service Retirement

Eligibility - Twenty years of service and fifty years of age.

Amount - For first 20 years of service, 36/80 of base pay at retirement. For each year in excess of 20, an additional 1/80 is added, up to a maximum on 43/80 of base by for 27 or more years of service.

Pay Used for Plan Purposes

For benefit determination purposes, "base pay" means the salary of a first grade patrolman for the second month of the previous fiscal year. For contribution purposes, it means the present rate of pay of a first grade patrolman.

Disability Retirement

Eligibility - Disabled to the extent that no longer able to perform the duties of a police officer before being eligible for age and service retirement.

Amount - 36/80 of base pay at time of disability. If service exceeds 21 years, the amount is recomputed as an age and service benefit at the time the retiree reaches age 50.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

| |
|--|
| Note 13 - Defined Benefit Pension Plan-Police Relief Association (Continued) |
|--|

B. Pension Benefits (Continued)

Members Death While Active, in Deferred Status, or Retired

Eligibility Spouse - Legally married to member at least one year prior to separation from service and residing with member at time of death. Benefits terminate upon remarriage.

Eligibility Child - Younger than age 18.

Amount Spouse - 19/80 of base pay at separation from service.

Amount Child - 6/80 of base pay per child. Children's maximum is 18/80 if spouse is receiving and 36/80 if no spouse is receiving.

Vested Deferred

Twenty years of service and separated before age 50. Maximum benefit is 40/80 of base pay. Payment beginning is deferred to attainment of age 50.

Post Retirement Adjustments ("Escalator")

Each time base pay is changed, payments to all benefit recipients are simultaneously changed by the same percent that base pay is changed.

Member Contributions

Members contribute 8 percent of their base pay. Total member contributions are refundable, without interest, if no monthly benefit is payable upon separation from service.

C. Funding Status and Progress

The amounts shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, assess progress being made in accumulating sufficient assets to pay benefits when due, and allow for comparisons among Public Employee Retirement Plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligations were determined as part of an actuarial valuation of the plan as of December 31, 1989 and 1988. Significant actuarial assumptions used in determining the pension benefit obligation include a rate of return on the investment of present and future assets of 5 percent per year compounded annually, projected salary increases of 3.5 percent per year compounded annually, attributable to inflation, and the assumption that benefits will increase 3.5 percent per year after retirement.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 1989

(Continued)

| |
|--|
| Note 13 - Defined Benefit Pension Plan-Police Relief Association (Continued) |
|--|

C. Funding Status and Progress (Continued)

At December 31, 1989 and 1988, the unfunded pension benefit obligations were \$567,261 and \$807,562, respectively, determined as follows:

| | <u>1989</u> | <u>1988</u> |
|------------------------------------|--------------------|-------------------|
| Pension Benefit Obligation: | | |
| Retirees and Beneficiaries | | |
| Currently Receiving Benefits | | |
| and Terminated Employees Not | | |
| Yet Receiving Benefits | \$4,470,408 | \$4,436,220 |
| Current Employees- | | |
| Accumulated Employee Con- | | |
| tributions Including Allocated | | |
| Investment Income | 323,496 | 292,927 |
| Employer Financed | <u>1,597,772</u> | <u>1,441,356</u> |
| Total Pension Benefit | | |
| Obligation | \$6,391,676 | \$6,170,503 |
| Net Assets Available for Benefits, | | |
| At Cost (Market was \$6,055,177 | | |
| and \$5,325,561 respectively) | <u>5,120,901</u> | <u>5,362,941</u> |
| Unfunded Pension Benefit | | |
| Obligation | <u>\$1,207,775</u> | <u>\$ 807,562</u> |

The total pension benefit obligation as of December 31, 1989 and 1988, were \$6,391,676 and \$6,170,503 respectively.

During 1989 and 1988, the plan experienced net changes of \$221,173 and \$203,641 in the pension benefit obligation.

D. Contribution Required and Contributions Made

Financial requirements of the Relief Association are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is to be funded by December 31, 2010. The City's minimum obligation is the financial requirement for the year less anticipated member contributions and state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the Relief Association. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resources to pay Relief Association benefits on a timely basis.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 13 - Defined Benefit Pension Plan-Police Relief Association (Continued)

D. Contribution Required and Contributions Made (Continued)

Total contributions of the Relief Association in 1988 and 1987 amounted to \$215,623 and \$158,119, of which \$184,815 and \$128,721 and \$30,808 and \$29,398 were made by the City of Crystal and its Association members, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 1987. The contributions represent funding for normal costs of \$62,289 and \$60,249 and the amortization of the unfunded actuarial accrued liability of \$122,526 and \$97,870. Contributions made by the City and its Association members represent 37.6 and 27.5 percent and 6.3 and 6.3 percent, respectively, of covered payroll for the years.

Significant actuarial assumptions used to compute pension contribution requirements are substantially the same as those used to determine the standardized measure of the pension obligation.

Note 14 - Defined Benefit Pension Plan-Firefighters Relief Association

The City contributes to the Crystal Firefighters Relief Association (Association), a single-employer public employee retirement system that acts as a common investment and administrator for the City's volunteer firefighters. The City's payroll for employees covered by the Association for the year ended December 31, 1989 was \$103,626; the City's total payroll was \$3,783,187.

A. General Information

Any regular active member of the Crystal Fire Department shall be eligible to apply for membership in the Crystal Firefighters Relief Association. The Association is the administrator of a single-employer pension plan that operates under the provisions of Minnesota Statute 421.01 through .29 (as amended). It is governed by a board of six members elected by the members of the Association. The Fire Chief, Mayor and the Finance Director are ex-officio non-voting members of the Board.

For financial reporting purposes, the Association's financial statements are not included with the City of Crystal's financial statements because the Association is not a component unit of the City.

As of December 31, 1989, membership data related to the Firefighters Relief Association was as follows:

Retirees and Beneficiaries:

| | |
|-------------------|-----------|
| Retired Members | 29 |
| Surviving Spouses | 2 |
| Deferred Members | 1 |
| Active Members | <u>38</u> |
| Total | <u>70</u> |

B. Pension Benefits

Age and Service Retirement Benefits

Eligibility - Twenty years of active service and fifty years of age.

Amount - \$15 for each year of active service to a maximum of \$450 per month or a lump sum of \$1,500 for each year of active service, not to exceed \$45,000.

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 14 - Defined Benefit Pension Plan-Firefighters Relief Association (Continued)

B. Pension Benefits (Continued)

Sick and Disability Benefits - Short-term

Eligibility - Sick or disabled to the extent that no longer able to perform any duties of regular occupation, and under care of a physician for seven consecutive days or more.

Amount - \$10 per day, commencing with the fourth day of illness, not to exceed \$1,000.

Sick and Disability Benefits - Permanent

Eligibility - Totally and permanently sick or disabled, on duty, to the extent that a physician or surgeon certifies to the board, that such illness or disability will permanently prevent the member from performing the duties in the Crystal Fire Department.

Amount - \$15 for each year of active service to age fifty at which time the benefit would be converted to a service pension based on number of years of active service, or a lump sum of \$1,500 for each year of active service.

Members Death Benefits While Active, in Deferred Status, or Retired

Eligibility - Surviving spouse, children or the estate if no survivors.

Amount - Active firefighter: \$1,500 for each year of active service, to be not less than \$7,500 and not to exceed \$30,000; Retired firefighter(receiving monthly pension): \$2,000 and one half of the monthly pension amount at the time of death.

Vested Deferred

Active service for 10 years or more, but less than 20 years. Benefit based on reduction factors for lump sum pension of \$1,500 or a monthly pension of \$15 per year of active service. Payment beginning is deferred to attainment of age 50.

C. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (i) help users assess the plan's funding status on a going-concern basis, (ii) assess progress being made in accumulating sufficient assets to pay benefits when due, and (iii) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as a part of an actuarial valuation of the plan as of December 31, 1988 (date of last actuarial survey). Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 5.0% per year compounded annually, and (b) the assumption that benefits will not increase after retirement.

CITY OF CRYSTAL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1989
 (Continued)

Note 14 - Defined Benefit Pension Plan-Firefighters Relief Association (Continued)

C. Funding Status and Progress (Continued)

At December 31, 1988, the unfunded pension benefit obligation was \$78,535, determined as follows:

| | |
|--|------------------|
| | <u>1988</u> |
| Pension Benefit Obligation: | |
| Retirees and Beneficiaries | |
| Currently Receiving Benefits | |
| and Terminated Employees Not | |
| Yet Receiving Benefits | \$1,325,653 |
| Current Employees- | |
| Accumulated Employee Contributions Including Allocated | |
| Investment Income | 0 |
| Employer Financed | <u>659,984</u> |
| Total Pension Benefit Obligation | \$1,985,637 |
| Net Assets Available for Benefits, | |
| At Cost (Market was \$1,810,760) | <u>1,907,102</u> |
| Unfunded Pension Benefit Obligation | <u>\$ 78,535</u> |

The total pension benefit obligation as of December 31, 1988 was \$1,985,637.

D. Contributions Required and Made

The Association's funding policy provides for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level dollar amount over a period of 21 years.

During the year ended December 31, 1988, contributions totalling \$87,425 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1985.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

Computed Contribution Comparative Schedule

| Fiscal Year | Valuation Date | <u>Contribution Rate</u> | | | <u>Dollar Contribution</u> | |
|--------------------|--------------------|--------------------------|-----------------|----------------------|----------------------------|---------------|
| | | Normal Cost | UAAL Dollars | Valuation Payroll | <u>For Fiscal Year</u> | |
| <u>December 31</u> | <u>December 31</u> | | | | <u>Computed</u> | <u>Actual</u> |
| 1990 | 1988 | \$47,953 | \$17,922 | \$ N/A | \$65,875 | |

CITY OF CRYSTAL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 1989
(Continued)

Note 14 - Defined Benefit Pension Plan-Firefighters Relief Association (Continued)

E. By-Law Changes

During 1989, a by-law change increased the monthly service pension from \$15 to \$17 monthly for each year of active service, with the maximum going from \$450 to \$510 per month. The lump sum pension increased from \$1,500 to \$2,500 for each year of active service, with the maximum increasing to \$75,000 from \$45,000. An actuarial survey has not been made and the effect of the changes on the pension benefit obligation cannot be determined at this time.

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GENERAL FUND

The General Fund accounts for the revenue and expenditures relating to normal governmental activities which are not accounted for in other funds. It is the main operating fund on the City.

City of Crystal
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 1989 and 1988

| | 1989 | 1988 |
|---|-------------|-------------|
| <hr/> | | |
| ASSETS | | |
| Cash and Temporary Investments | \$2,060,718 | \$2,251,929 |
| Receivables (Net of Uncollectibles): | | |
| Taxes: | | |
| Unremitted | 13,225 | 5,934 |
| Delinquent | 35,680 | 37,312 |
| Accounts | 25,286 | 4,405 |
| Special Assessments: | | |
| Delinquent | 652 | 1,192 |
| Due from Other Governments | 43,736 | 75,211 |
| Inventories | 15,166 | 10,863 |
| | <hr/> | |
| TOTAL ASSETS | \$2,194,463 | \$2,386,846 |
| | <hr/> | |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts Payable | \$34,305 | \$54,277 |
| Contracts Payable | | 5,276 |
| Deferred Revenue | 37,854 | 49,157 |
| | <hr/> | |
| Total Liabilities | \$72,159 | \$108,710 |
| | <hr/> | |
| Fund Equity: | | |
| Reserved for Inventory | \$15,166 | \$10,863 |
| Reserved for Compensated Absences | 332,782 | 294,145 |
| Reserved for Subsequent Years Budget | 400,000 | 600,000 |
| Unreserved - Designated for Working Capital | 1,374,356 | 1,373,128 |
| | <hr/> | |
| Total Fund Equity | \$2,122,304 | \$2,278,136 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND EQUITY | \$2,194,463 | \$2,386,846 |
| | <hr/> | |

City of Crystal
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL -

For the Year Ended December 31, 1989

(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | BUDGET | ACTUAL | VARIANCE | 1988 ACTUAL |
|--|-------------|-------------|-------------|----------------|
| REVENUES: | | | | |
| Taxes | \$1,549,538 | \$1,553,294 | \$3,756 | \$1,485,506 |
| Licenses and Permits | 199,175 | 239,638 | 40,463 | 222,369 |
| Intergovernmental | 2,798,820 | 2,807,311 | 8,491 | 2,202,532 |
| Charges for Services | 344,894 | 409,669 | 64,775 | 385,574 |
| Fines and Forfeitures | 230,000 | 177,599 | (52,401) | 212,295 |
| Interest | 140,000 | 128,640 | (11,360) | 106,825 |
| Miscellaneous | 124,500 | 154,425 | 29,925 | 152,240 |
| Total Revenues | \$5,386,927 | \$5,470,576 | \$83,649 | \$4,767,341 |
| EXPENDITURES: | | | | |
| Current- | | | | |
| General Government | \$1,014,319 | \$990,422 | \$23,897 | \$976,853 |
| Public Safety | 2,133,090 | 1,998,922 | 134,168 | 1,927,026 |
| Highways and Streets | 708,104 | 671,372 | 36,732 | 641,937 |
| Health and Sanitation | 143,330 | 132,657 | 10,673 | 139,652 |
| Recycling | 0 | 0 | 0 | 18,267 |
| Park and Recreation | 1,103,549 | 1,036,320 | 67,229 | 869,420 |
| Unallocated Expenditures | 800,612 | 706,088 | 94,524 | 761,959 |
| Total Expenditures | \$5,903,004 | \$5,535,781 | \$367,223 | \$5,335,114 |
| Excess(Deficiency) of Revenues Over(Under) Expenditures | (\$516,077) | (\$65,205) | (\$283,574) | (\$567,773) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers To Other Funds | (83,923) | (69,458) | (14,465) | (22,169) |
| Increase(Decrease) in Fund Balance | (\$600,000) | (\$134,663) | (\$298,039) | (\$589,942) |
| FUND BALANCE, January 1 | 2,278,136 | 2,278,136 | 0 | 2,868,078 |
| Residual Equity Transfer - HRA | | (21,169) | 21,169 | 0 |
| FUND BALANCE, December 31 | \$1,678,136 | \$2,122,304 | (\$276,870) | \$2,278,136 |

City of Crystal
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | | 1988 | |
|-------------------------------------|--------------------|--------------------|-----------------|--------------------|
| | BUDGET | ACTUAL | OVER (UNDER) | ACTUAL |
| GENERAL PROPERTY TAXES: | | | | |
| Taxes | \$1,159,538 | \$1,160,065 | \$527 | \$1,140,273 |
| Fiscal Disparities | 380,000 | 380,609 | 609 | 334,437 |
| Tax Forfeit Sales | 0 | 222 | 222 | 123 |
| Penalties and Interest | 10,000 | 12,398 | 2,398 | 10,673 |
| TOTAL GENERAL PROPERTY TAXES | \$1,549,538 | \$1,553,294 | \$3,756 | \$1,485,506 |
| LICENSES AND PERMITS: | | | | |
| Business Licenses and Permits | \$108,525 | \$129,054 | \$20,529 | \$108,758 |
| Non-Business Licenses and Permits | 90,650 | 110,584 | 19,934 | 113,611 |
| TOTAL LICENSES AND PERMITS | \$199,175 | \$239,638 | \$40,463 | \$222,369 |
| INTERGOVERNMENTAL: | | | | |
| Homestead Credit | \$557,000 | \$557,321 | \$321 | \$560,653 |
| Local Government Aid | 2,232,614 | 2,229,990 | (2,624) | 1,630,961 |
| State-Aid Street Maintenance | 9,206 | 20,000 | 10,794 | 10,918 |
| TOTAL INTERGOVERNMENTAL | \$2,798,820 | \$2,807,311 | \$8,491 | \$2,202,532 |
| CHARGES FOR SERVICES: | | | | |
| General Government | \$19,200 | \$21,799 | \$2,599 | \$12,042 |
| Public Safety | 6,000 | 8,508 | 2,508 | 9,530 |
| Highways and Streets | 55,000 | 61,997 | 6,997 | 53,372 |
| Weed Cutting | 1,500 | 1,872 | 372 | 648 |
| Health and Sanitation | 83,097 | 109,826 | 26,729 | 129,649 |
| Park and Recreation | 137,607 | 156,081 | 18,474 | 125,648 |
| Swimming Pool | 42,490 | 49,586 | 7,096 | 54,685 |
| TOTAL CHARGES FOR SERVICES | \$344,894 | \$409,669 | \$64,775 | \$385,574 |
| FINES AND FORFEITURES | | | | |
| Court Fines | \$230,000 | \$177,599 | (\$52,401) | \$212,295 |

(Continued)

City of Crystal
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | | 1988 | |
|--------------------------------|-------------|-------------|-----------------|-------------|
| | BUDGET | ACTUAL | OVER (UNDER) | ACTUAL |
| MISCELLANEOUS: | | | | |
| Interest on Investments | \$140,000 | \$128,640 | (\$11,360) | \$106,825 |
| Rental of Property | 0 | 630 | 630 | 450 |
| Leases | 9,600 | 9,600 | 0 | 0 |
| Sale of Property and Equipment | 25,000 | 29,786 | 4,786 | 19,456 |
| Refunds and Reimbursements- | | | | |
| Insurance | 25,000 | 40,924 | 15,924 | 54,175 |
| Administrative Costs | | | | |
| Recycling | 0 | 0 | 0 | 1,796 |
| Street Lighting Fund | 5,500 | 5,500 | 0 | 5,500 |
| Community Development Fund | 0 | 6,479 | 6,479 | 10,433 |
| HRA Fund | 0 | 0 | 0 | 853 |
| Utility Fund | 55,000 | 55,000 | 0 | 55,000 |
| Other | 4,400 | 6,506 | 2,106 | 4,577 |
| TOTAL MISCELLANEOUS | \$264,500 | \$283,065 | \$18,565 | \$259,065 |
| TOTAL REVENUES | \$5,386,927 | \$5,470,576 | \$92,140 | \$4,767,341 |

City of Crystal
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
CLASSIFIED AS TO ACTIVITY, CHARACTER AND OBJECT
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | | | 1989 EXPENDITURES CLASSIFIED BY CHARACTER AND OBJECT | | | | | 1988 ACTUAL |
|-----------------------------------|--------------------|--------------------|------------------|--|---------------------------------------|--------------------------------|-------------------|------------|--------------------|
| | BUDGET | ACTUAL | OVER (UNDER) | PERSONAL SERVICES | SUPPLIES, REPAIRS & MAINTENANCE | OTHER SERVICES & CHARGES | CAPITAL OUTLAY | OTHER | |
| GENERAL GOVERNMENT: | | | | | | | | | |
| Mayor and Council | \$102,816 | \$102,072 | \$744 | \$45,494 | \$974 | \$55,604 | | | \$98,331 |
| City Administration | 347,766 | 348,199 | (433) | 270,842 | 6,772 | 69,300 | \$1,285 | | 344,981 |
| Elections | 19,150 | 10,206 | 8,944 | 4,022 | 2,417 | 3,767 | | | 12,501 |
| Assessing | 123,976 | 113,510 | 10,466 | 97,251 | 833 | 15,426 | | | 117,027 |
| Finance | 141,371 | 132,482 | 8,889 | 99,667 | 6,011 | 26,565 | 239 | | 111,632 |
| Legal | 110,000 | 122,267 | (12,267) | 12,000 | | 110,267 | | | 148,512 |
| Commissions | 12,675 | 24,528 | (11,853) | | 276 | 24,252 | | | 12,247 |
| Plant Operation and Maintenance | 156,565 | 137,158 | 19,407 | 22,257 | 5,174 | 104,138 | 5,589 | | 131,622 |
| TOTAL GENERAL GOVERNMENT | \$1,014,319 | \$990,422 | \$23,897 | \$551,533 | \$22,457 | \$409,319 | \$7,113 | \$0 | \$976,853 |
| PUBLIC SAFETY: | | | | | | | | | |
| Police | \$1,751,900 | \$1,749,463 | \$2,437 | \$1,490,534 | \$44,659 | \$123,247 | \$91,023 | | \$1,568,789 |
| Fire | 240,994 | 136,294 | 104,700 | 104,457 | 6,713 | 12,243 | 12,881 | | 212,390 |
| Protective Inspection | 99,975 | 79,503 | 20,472 | 68,231 | 1,547 | 9,725 | | | 102,054 |
| Civil Defense | 40,221 | 33,662 | 6,559 | 28,956 | 3,181 | 1,525 | | | 43,793 |
| TOTAL PUBLIC SAFETY | \$2,133,090 | \$1,998,922 | \$134,168 | \$1,692,178 | \$56,100 | \$146,740 | \$103,904 | \$0 | \$1,927,026 |
| HIGHWAYS AND STREETS: | | | | | | | | | |
| Engineering | \$232,808 | \$228,871 | \$3,937 | \$206,822 | \$1,731 | \$20,318 | | | \$217,738 |
| Street Maintenance | 475,296 | 442,501 | 32,795 | 319,378 | 63,650 | 50,975 | \$8,498 | | 424,199 |
| TOTAL HIGHWAYS AND STREETS | \$708,104 | \$671,372 | \$36,732 | \$526,200 | \$65,381 | \$71,293 | \$8,498 | \$0 | \$641,937 |
| (Continued) | | | | | | | | | |

City of Crystal
GENERAL FUND

EXHIBIT A-4
(Continued)

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
CLASSIFIED AS TO ACTIVITY, CHARACTER AND OBJECT
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | | | 1989 EXPENDITURES CLASSIFIED BY CHARACTER AND OBJECT | | | | | 1988 ACTUAL |
|---------------------------------|-------------|-------------|-----------------|--|---------------------------------------|--------------------------------|-------------------|----------|----------------|
| | BUDGET | ACTUAL | OVER (UNDER) | PERSONAL SERVICES | SUPPLIES, REPAIRS & MAINTENANCE | OTHER SERVICES & CHARGES | CAPITAL OUTLAY | OTHER | |
| HEALTH AND SANITATION | \$143,330 | \$132,657 | \$10,673 | \$124,179 | \$3,411 | \$4,872 | \$195 | \$0 | \$139,652 |
| PARK AND RECREATION: | | | | | | | | | |
| Park Maintenance | \$491,049 | \$466,067 | \$24,982 | \$255,509 | \$40,388 | \$51,497 | \$118,673 | | \$396,847 |
| Recreation | 483,835 | 457,091 | 26,744 | 273,424 | 38,752 | 139,998 | 4,917 | | 375,660 |
| Swimming Pool | 76,505 | 69,586 | 6,919 | 35,487 | 14,106 | 13,958 | 6,035 | | 58,380 |
| Tree Disease and Weed Control | 52,160 | 43,576 | 8,584 | 7,042 | 892 | 35,642 | | | 38,533 |
| TOTAL PARK AND RECREATION | \$1,103,549 | \$1,036,320 | \$67,229 | \$571,462 | \$94,138 | \$241,095 | \$129,625 | \$0 | \$869,420 |
| RECYCLING | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,267 |
| UNALLOCATED EXPENDITURES | \$800,612 | \$706,088 | \$94,524 | \$340,229 | \$0 | \$350,903 | \$0 | \$14,956 | \$761,959 |
| TOTAL EXPENDITURES | \$5,903,004 | \$5,535,781 | \$367,223 | \$3,805,781 | \$241,487 | \$1,224,222 | \$249,335 | \$14,956 | \$5,335,114 |
| OTHER FINANCING USES: | | | | | | | | | |
| Transfers to Other Funds | 83,923 | 69,458 | 14,465 | | | | | 69,458 | 22,169 |
| TOTAL EXPENDITURES & OTHER USES | \$5,986,927 | \$5,605,239 | \$381,688 | \$3,805,781 | \$241,487 | \$1,224,222 | \$249,335 | \$84,414 | \$5,357,283 |

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds receive financial support from a number of sources including; federal, state and local grants; and fees and services.

CITY OF CRYSTAL
SPECIAL REVENUE FUNDS

Pension Fund - The Pension Fund accounts for the accumulation of resources necessary to finance the City's share of contributions to the Social Security Administration (FICA) and the Public Employees' Retirement Association (PERA).

Equipment Reserve Fund - The Equipment Reserve Fund was established to accumulate resources for the purchase of equipment by various City departments.

Post Audit Fund - The Post Audit Fund was established to account for property taxes levied to finance the cost of the annual independent audits required by state statute.

Park Reward Fund - The Park Reward Fund was set up to account for the expenditure of donations as a reward for reporting vandalism in Becker Park.

Arts and Entertainment Fund - The Arts and Entertainment Fund is used to accumulate resources for community park concerts.

Planning Fund - The Planning Fund is used to account for expenditures for planning services involving joint projects with other governmental units.

Street Lighting Fund - The Street Lighting Fund accounts for charges to property owners for street lighting, and the corresponding payment for street lighting costs.

Community Development Fund - The Community Development Fund was set up to account for revenues received from the Federal Government in accordance with the Housing and Community Development Block Grant Program (CDBG).

Infrastructure Fund - The Infrastructure Fund was established to accumulate resources for future projects upgrading the City's infrastructure system.

Recycling Fund - The Recycling Fund was established to account for charges to property owners for curb-side recycling charges, and the corresponding payment for the removal and processing of the recycleables.

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City of Crystal
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1989

EXHIBIT B-1

(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | PENSION | EQUIPMENT RESERVE | POST AUDIT | PARK REWARD | ARTS AND ENTERTAINMENT | PLANNING |
|---------------------------------------|----------|----------------------|---------------|----------------|---------------------------|----------|
| ASSETS | | | | | | |
| Cash and Temporary Investments | \$90,067 | \$272,610 | \$4,487 | \$585 | \$10,337 | \$25,599 |
| Receivables (Net of Uncollectible): | | | | | | |
| Taxes: | | | | | | |
| Unremitted | 1,594 | | 85 | | | |
| Delinquent | 4,790 | | 247 | | | |
| Accounts | | | | | | |
| Due from Other Governments | | | | | | |
| TOTAL ASSETS | \$96,451 | \$272,610 | \$4,819 | \$585 | \$10,337 | \$25,599 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Cash Deficits | | | | | | |
| Accounts Payable | \$373 | \$4,737 | | | | |
| Deferred Revenue | 4,790 | | \$247 | | | |
| Total Liabilities | \$5,163 | \$4,737 | \$247 | \$0 | \$0 | \$0 |
| Fund Balance: | | | | | | |
| Reserved-For Equipment | | \$267,873 | | | | |
| Unreserved-Undesignated | \$91,288 | | \$4,572 | \$585 | \$10,337 | \$25,599 |
| Total Fund Balance | \$91,288 | \$267,873 | \$4,572 | \$585 | \$10,337 | \$25,599 |
| TOTAL LIABILITIES AND FUND BALANCE | \$96,451 | \$272,610 | \$4,819 | \$585 | \$10,337 | \$25,599 |

(Continued)

City of Crystal
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1989

EXHIBIT B-1
(Continued)

(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | STREET LIGHTING | COMMUNITY DEVELOPMENT | INFRA- STRUCTURE | RECYCLING | TOTALS | |
|---------------------------------------|--------------------|--------------------------|---------------------|-----------|-------------|-----------|
| | | | | | 1989 | 1988 |
| <hr/> | | | | | | |
| ASSETS | | | | | | |
| Cash and Temporary Investments | \$8,927 | | \$734,021 | | \$1,146,633 | \$710,535 |
| Receivables (Net of Uncollectible): | | | | | | |
| Taxes: | | | | | | |
| Unremitted | | | 1,273 | | 2,952 | 1,108 |
| Delinquent | | | 2,910 | | 7,947 | 8,291 |
| Accounts | 8,253 | | 206 | \$10,648 | 19,107 | 9,165 |
| Due from Other Governments | | \$76,103 | | | 76,103 | 38,181 |
| | | | | | | |
| TOTAL ASSETS | \$17,180 | \$76,103 | \$738,410 | \$10,648 | \$1,252,742 | \$767,280 |
| <hr/> | | | | | | |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Cash Deficit | | \$69,052 | | \$10,531 | \$79,583 | \$24,836 |
| Accounts Payable | | 7,051 | | 117 | 12,278 | 13,345 |
| Deferred Revenue | | | \$2,910 | | 7,947 | 8,291 |
| | | | | | | |
| Total Liabilities | \$0 | \$76,103 | \$2,910 | \$10,648 | \$99,808 | \$46,472 |
| | | | | | | |
| Fund Balance: | | | | | | |
| Reserved-For Equipment | | | | | \$267,873 | \$267,221 |
| Unreserved-Designated | | | \$735,500 | | 735,500 | 324,385 |
| Undesignated | \$17,180 | | | | 149,561 | 129,202 |
| | | | | | | |
| Total Fund Balance | \$17,180 | \$0 | \$735,500 | \$0 | \$1,152,934 | \$720,808 |
| | | | | | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$17,180 | \$76,103 | \$738,410 | \$10,648 | \$1,252,742 | \$767,280 |
| <hr/> | | | | | | |

City of Crystal
SPECIAL REVENUE FUNDS

EXHIBIT B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | PENSION | EQUIPMENT RESERVE | POST AUDIT | PARK REWARD | ARTS AND ENTERTAINMENT | PLANNING |
|--|-----------|----------------------|---------------|----------------|---------------------------|----------|
| REVENUES | | | | | | |
| General Property Taxes | \$205,847 | | \$11,041 | | | |
| Intergovernmental Revenues | 158,038 | | 3,988 | | | |
| Charges for Services | | 32,253 | | | | |
| Interest | | 26,299 | | 29 | | 2,347 |
| Other | | | | | 5,563 | |
| Total Revenues | \$363,885 | \$58,552 | \$15,029 | \$29 | \$5,563 | \$2,347 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | \$351,010 | \$57,900 | \$14,200 | | | |
| Public Works | | | | | | |
| Rehabilitation Subsidies | | | | | | |
| Total Expenditures | \$351,010 | \$57,900 | \$14,200 | \$0 | \$0 | \$0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$12,875 | \$652 | \$829 | \$29 | \$5,563 | \$2,347 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers From (To) Other Funds | | | | | | |
| Increase (Decrease) in Fund Balance | \$12,875 | \$652 | \$829 | \$29 | \$5,563 | \$2,347 |
| FUND BALANCE, January 1 | 78,413 | 267,221 | 3,743 | 556 | 4,774 | 23,252 |
| FUND BALANCE, December 31 | \$91,288 | \$267,873 | \$4,572 | \$585 | \$10,337 | \$25,599 |

(Continued)

City of Crystal
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

EXHIBIT B-2
(Continued)

| | STREET LIGHTING | COMMUNITY DEVELOPMENT | STREET MAINTENANCE | INFRA- STRUCTURE | RECYCLING | TOTALS | |
|--|--------------------|--------------------------|-----------------------|---------------------|------------|-------------|-----------|
| | | | | | | 1989 | 1988 |
| REVENUES | | | | | | | |
| General Property Taxes | | | | \$165,227 | | \$382,115 | \$420,770 |
| Intergovernmental Revenues | | 148,535 | | 243,464 | 17,028 | 571,053 | 290,557 |
| Charges for Services | 105,182 | | | | 73,168 | 210,603 | 130,276 |
| Interest | | | | 48,322 | | 76,997 | 28,086 |
| Other | | | | 2,250 | | 7,813 | 3,000 |
| Total Revenues | \$105,182 | \$148,535 | \$0 | \$459,263 | \$90,196 | \$1,248,581 | \$872,689 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | \$5,500 | \$11,390 | | | | \$440,000 | \$410,933 |
| Public Works | 97,316 | | \$3,650 | \$48,148 | | 149,114 | 106,542 |
| Recycling | | | | | \$159,654 | 159,654 | |
| Rehabilitation Subsidies | | 137,145 | | | | 137,145 | 113,096 |
| Total Expenditures | \$102,816 | \$148,535 | \$3,650 | \$48,148 | \$159,654 | \$885,913 | \$630,571 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$2,366 | \$0 | (\$3,650) | \$411,115 | (\$69,458) | \$362,668 | \$242,118 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers From (To) Other Funds | | | | | 69,458 | 69,458 | 0 |
| Increase (Decrease) in Fund Balance | \$2,366 | \$0 | (\$3,650) | \$411,115 | \$0 | \$432,126 | \$242,118 |
| FUND BALANCE, January 1 | 14,814 | 0 | 3,650 | 324,385 | 0 | 720,808 | 478,690 |
| FUND BALANCE, December 31 | \$17,180 | \$0 | \$0 | \$735,500 | \$0 | \$1,152,934 | \$720,808 |

City of Crystal
PENSION FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-3

| | 1989 | 1988 |
|------------------------------------|----------|----------|
| <hr/> | | |
| ASSETS | | |
| Cash and Temporary Investments | \$90,067 | \$76,916 |
| Taxes Receivable: | | |
| Unremitted | 1,594 | 639 |
| Delinquent | 4,790 | 5,069 |
| Accounts Receivable | | 858 |
| <hr/> | | |
| TOTAL ASSETS | \$96,451 | \$83,482 |
| <hr/> | | |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts Payable | \$373 | |
| Deferred Revenue | 4,790 | \$5,069 |
| Fund Balance: | | |
| Unreserved-Undesignated | 91,288 | 78,413 |
| <hr/> | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$96,451 | \$83,482 |
| <hr/> | | |

City of Crystal
PENSION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|-----------|
| <hr/> | | |
| | BUDGET | ACTUAL |
| <hr/> | | |
| REVENUES | | |
| General Property Taxes | \$206,000 | \$205,847 |
| Intergovernmental Revenues: | | \$203,611 |
| State Grants- | | |
| Homestead Credit | 74,000 | 74,433 |
| Insurnace Premium Tax | 57,000 | 77,548 |
| <hr/> | | |
| Total Revenues | \$337,000 | \$363,885 |
| <hr/> | | |
| EXPENDITURES | | |
| Pension Contributions | 343,786 | 351,010 |
| <hr/> | | |
| Increase (Decrease) in Fund Balance | (\$6,786) | \$30,630 |
| <hr/> | | |
| FUND BALANCE, January 1 | 78,413 | 47,783 |
| <hr/> | | |
| FUND BALANCE, December 31 | \$71,627 | \$78,413 |
| <hr/> | | |

City of Crystal
EQUIPMENT RESERVE FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-4

| | 1989 | 1988 |
|------------------------------------|-----------|-----------|
| | ----- | ----- |
| ASSETS | | |
| Cash and Temporary Investments | \$272,610 | \$267,221 |
| | ----- | ----- |
| TOTAL ASSETS | \$272,610 | \$267,221 |
| | ===== | ===== |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts Payable | \$4,737 | |
| Fund Balance: | | |
| Reserved- | | |
| For Equipment | 267,873 | \$267,221 |
| | ----- | ----- |
| TOTAL LIABILITIES AND FUND BALANCE | \$267,873 | \$267,221 |
| | ===== | ===== |

City of Crystal
EQUIPMENT RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|-----------|
| | ----- | ----- |
| | BUDGET | ACTUAL |
| | ----- | ----- |
| REVENUES | | |
| Charges for Services: | | |
| Property and Equipment Rentals | \$40,000 | \$32,253 |
| Interest Earned | | 26,299 |
| | ----- | ----- |
| Total Revenues | \$40,000 | \$58,552 |
| | ----- | ----- |
| EXPENDITURES | | |
| General Government- | | |
| Capital Outlay | 43,000 | 57,900 |
| | ----- | ----- |
| Increase (Decrease) in Fund Balance | (\$3,000) | \$652 |
| | ----- | ----- |
| FUND BALANCE, January 1 | 267,221 | 271,691 |
| | ----- | ----- |
| FUND BALANCE, December 31 | \$264,221 | \$267,221 |
| | ===== | ===== |

City of Crystal
POST AUDIT FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-5

| | 1989 | 1988 |
|------------------------------------|---------|---------|
| ASSETS | | |
| Cash and Temporary Investments | \$4,487 | \$3,708 |
| Taxes Receivable: | | |
| Unremitted | 85 | 35 |
| Delinquent | 247 | 277 |
| TOTAL ASSETS | \$4,819 | \$4,020 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Deferred Revenue | \$247 | \$277 |
| Fund Balance: | | |
| Unreserved-Undesignated | 4,572 | 3,743 |
| TOTAL LIABILITIES AND FUND BALANCE | \$4,819 | \$4,020 |

City of Crystal
POST AUDIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|----------|----------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| General Property Taxes | \$11,000 | \$11,041 |
| Intergovernmental Revenues: | | |
| State Grants- | | |
| Homestead Credit | 4,000 | 3,988 |
| Total Revenues | \$15,000 | \$15,029 |
| EXPENDITURES | | |
| General Government- | | |
| Other Service and Charges | 14,500 | 14,200 |
| Increase (Decrease) in Fund Balance | \$500 | \$1,320 |
| FUND BALANCE, January 1 | 3,743 | 2,423 |
| FUND BALANCE, December 31 | \$4,243 | \$3,743 |

City of Crystal
PARK REWARD FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-6

| | 1989 | 1988 |
|--------------------------------|-------|-------|
| ASSETS | | |
| Cash and Temporary Investments | \$585 | \$556 |
| TOTAL ASSETS | \$585 | \$556 |
| FUND BALANCE | | |
| Fund Balance: | | |
| Unreserved-Undesignated | \$585 | \$556 |
| TOTAL FUND BALANCE | \$585 | \$556 |

City of Crystal
PARK REWARD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|--------|--------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| Interest Earned | \$0 | \$29 |
| Total Revenues | \$0 | \$29 |
| EXPENDITURES | 0 | 0 |
| Increase (Decrease) in Fund Balance | \$0 | \$29 |
| FUND BALANCE, January 1 | 556 | 529 |
| FUND BALANCE, December 31 | \$556 | \$556 |

City of Crystal
ARTS AND ENTERTAINMENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-7

| | 1989 | 1988 |
|--------------------------------|----------|---------|
| ASSETS | | |
| Cash and Temporary Investments | \$10,337 | \$4,774 |
| TOTAL ASSETS | \$10,337 | \$4,774 |
| FUND BALANCE | | |
| Fund Balance: | | |
| Unreserved-Undesignated | \$10,337 | \$4,774 |
| TOTAL FUND BALANCE | \$10,337 | \$4,774 |

City of Crystal
ARTS AND ENTERTAINMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|---------|-----------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| Donations | \$0 | \$5,563 |
| Total Revenues | \$0 | \$5,563 |
| EXPENDITURES | | |
| General Government- | | |
| Professional Services | 0 | 5,414 |
| Increase (Decrease) in Fund Balance | \$0 | (\$2,414) |
| FUND BALANCE, January 1 | 4,774 | 7,188 |
| FUND BALANCE, December 31 | \$4,774 | \$4,774 |

City of Crystal
PLANNING FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-8

| | 1989 | 1988 |
|--------------------------------|----------|----------|
| | ----- | ----- |
| ASSETS | | |
| Cash and Temporary Investments | \$25,599 | \$23,252 |
| | ----- | ----- |
| TOTAL ASSETS | \$25,599 | \$23,252 |
| | ===== | ===== |
| FUND BALANCE | | |
| Fund Balance: | | |
| Unreserved-Undesignated | \$25,599 | \$23,252 |
| | ----- | ----- |
| TOTAL FUND BALANCE | \$25,599 | \$23,252 |
| | ===== | ===== |

City of Crystal
PLANNING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|----------|----------|
| | ----- | ----- |
| | BUDGET | ACTUAL |
| | ----- | ----- |
| REVENUES | | |
| Interest Earned | \$2,000 | \$2,347 |
| | ----- | ----- |
| Total Revenues | \$2,000 | \$2,347 |
| | ----- | ----- |
| EXPENDITURES | 0 | 0 |
| | ----- | ----- |
| Increase (Decrease) in Fund Balance | \$2,000 | \$2,347 |
| | ----- | ----- |
| FUND BALANCE, January 1 | 23,252 | 21,874 |
| | ----- | ----- |
| FUND BALANCE, December 31 | \$25,252 | \$23,252 |
| | ===== | ===== |

City of Crystal
STREET LIGHTING FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-9

| | 1989 | 1988 |
|--------------------------------|----------|----------|
| ASSETS | | |
| Cash and Temporary Investments | \$8,927 | \$6,507 |
| Accounts Receivable | 8253 | 8,307 |
| TOTAL ASSETS | \$17,180 | \$14,814 |
| FUND BALANCE | | |
| Fund Balance: | | |
| Unreserved-Undesignated | \$17,180 | \$14,814 |
| TOTAL FUND BALANCE | \$17,180 | \$14,814 |

City of Crystal
STREET LIGHTING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|-----------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| Street Lighting Charges | \$105,054 | \$105,182 |
| Total Revenues | \$105,054 | \$104,557 |
| EXPENDITURES | | |
| General Government- | | |
| General and Administrative Charges | \$5,500 | \$5,500 |
| Public Works- | | |
| Other Services and Charges | 97,935 | 97,316 |
| Total Expenditures | \$103,435 | \$102,816 |
| Increase (Decrease) in Fund Balance | \$1,619 | \$2,366 |
| FUND BALANCE, January 1 | 14,814 | 16,408 |
| FUND BALANCE, December 31 | \$16,433 | \$17,180 |

City of Crystal
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-10

| | 1989 | 1988 |
|------------------------------------|----------|----------|
| ASSETS | | |
| Cash and Temporary Investments | \$0 | \$0 |
| Accounts Receivable | 76,103 | 38,181 |
| TOTAL ASSETS | \$76,103 | \$38,181 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Cash Deficit | \$69,052 | \$24,836 |
| Accounts Payable | 7,051 | 13,345 |
| Total Liabilities | \$76,103 | \$38,181 |
| Fund Balance: | | |
| Unreserved-Undesignated | 0 | 0 |
| TOTAL LIABILITIES AND FUND BALANCE | \$76,103 | \$38,181 |

City of Crystal
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|-----------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| Federal Grants- | | |
| Community Development Block Grant | \$306,115 | \$148,535 |
| Total Revenues | \$306,115 | \$123,529 |
| EXPENDITURES | | |
| General and Administrative Charges | \$11,390 | \$10,433 |
| Rehabilitation Subsidies | 137,145 | 113,096 |
| Total Expenditures | \$306,115 | \$123,529 |
| Increase (Decrease) in Fund Balance | \$0 | \$0 |
| FUND BALANCE, January 1 | | 0 |
| FUND BALANCE, December 31 | \$0 | \$0 |

City of Crystal
STREET MAINTENANCE FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-11

| | 1989 | 1988 |
|--------------------------------|------|---------|
| ASSETS | | |
| Cash and Temporary Investments | \$0 | \$3,650 |
| TOTAL ASSETS | \$0 | \$3,650 |
| FUND BALANCE | | |
| Fund Balance: | | |
| Unreserved-Undesignated | \$0 | \$3,650 |
| TOTAL FUND BALANCE | \$0 | \$3,650 |

City of Crystal
STREET MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|---------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| State Disaster Assistance | \$0 | \$0 |
| Total Revenues | \$0 | \$0 |
| EXPENDITURES | 3,650 | 0 |
| Increase (Decrease) in Fund Balance | (\$3,650) | \$0 |
| FUND BALANCE, January 1 | 3,650 | 3,650 |
| FUND BALANCE, December 31 | \$0 | \$3,650 |

City of Crystal
INFRASTRUCTURE FUND
COMPARATIVE BALANCE SHEETS
December 31, 1989 and 1988

EXHIBIT B-12

| | 1989 | 1988 |
|------------------------------------|-----------|-----------|
| <hr/> | | |
| ASSETS | | |
| Cash and Temporary Investments | \$734,021 | \$323,951 |
| Taxes Receivable: | | |
| Unremitted | 1,273 | 434 |
| Delinquent | 2,910 | 2,945 |
| Accounts Receivable - Other | 206 | 0 |
| | <hr/> | |
| TOTAL ASSETS | \$738,410 | \$327,330 |
| | <hr/> | |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Deferred Revenue | \$2,910 | \$2,945 |
| Fund Balance: | | |
| Unreserved-Undesignated | 735,500 | 324,385 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$738,410 | \$327,330 |
| | <hr/> | |

City of Crystal
INFRASTRUCTURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | 1989 | 1988 |
|-------------------------------------|-----------|-----------|
| | | |
| | <hr/> | <hr/> |
| | BUDGET | ACTUAL |
| | <hr/> | <hr/> |
| REVENUES | | |
| General Property Taxes | \$166,000 | \$165,227 |
| Intergovernmental Revenues: | | \$206,353 |
| State Aid Streets | 200,000 | 183,655 |
| Homestead Credit | 59,000 | 5,841 |
| Interest Earned | 0 | 10,938 |
| Miscellaneous Receipts | 0 | 2,250 |
| | <hr/> | |
| Total Revenues | \$425,000 | \$459,263 |
| EXPENDITURES | | |
| Public Works | 100,000 | 48,148 |
| | <hr/> | |
| Increase (Decrease) in Fund Balance | \$325,000 | \$411,115 |
| | <hr/> | |
| FUND BALANCE, January 1 | 324,385 | 107,144 |
| | <hr/> | |
| FUND BALANCE, December 31 | \$649,385 | \$324,385 |
| | <hr/> | |

City of Crystal
 RECYCLING FUND
 BALANCE SHEET
 December 31, 1989

EXHIBIT B-13

| | 1989 |
|------------------------------------|----------|
| ASSETS | |
| Cash and Temporary Investments | \$0 |
| Accounts Receivable | 10,648 |
| TOTAL ASSETS | \$10,648 |
| LIABILITIES AND FUND BALANCE | |
| Liabilities: | |
| Cash Deficit | \$10,531 |
| Accounts Payable | 117 |
| Total Liabilities | \$10,648 |
| Fund Balance: | |
| Unreserved-Undesignated | 0 |
| TOTAL LIABILITIES AND FUND BALANCE | \$0 |

City of Crystal
 RECYCLING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 1989

| | 1989 | |
|--|-------------|-----------|
| | BUDGET | ACTUAL |
| REVENUES | | |
| Grants | \$26,306 | \$17,028 |
| Recycling Revenue | 1,070,496 | 55,974 |
| Recycling Containers | | 17,194 |
| Other Financing Sources | | |
| Transfer from Other Funds - General | 83,923 | 69,458 |
| Total Revenues and Other Financing Sources | \$1,180,725 | \$159,654 |
| EXPENDITURES | | |
| Personal Services | \$36,819 | \$12,525 |
| Other Services and Charges | 1,103,906 | 79,929 |
| Capital Outlay | 40,000 | 67,200 |
| Total Expenditures | \$1,180,725 | \$159,654 |
| Increase (Decrease) in Fund Balance | \$0 | \$0 |
| FUND BALANCE, January 1 | 0 | 0 |
| FUND BALANCE, December 31 | \$0 | \$0 |

DEBT SERVICE FUNDS

The Debt Service Funds Account for the accumulation of resources for, and the payment of, interest and principal on general long-term obligations.

CITY OF CRYSTAL
DEBT SERVICE FUNDS

Swimming Pool Bonds - This debt service fund was established to account for the \$340,000 Swimming Pool Bonds issued August 1, 1967.

Tax Increment Bonds - This debt service fund was established to account for the \$1,879,000 Tax Increment Financing Bonds of 1987 and \$5,865,000 of Tax Increment Financing Refunding Bonds of 1988.

Community Center Bonds - This debt service fund was established to account for \$2,000,000 Community Center Bonds issued April 1, 1989.

Special Assessment Bonds - This debt service fund was established to account for the collection of special assessments against benefited property owners and the retirement of related bonds.

City of Crystal
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 1989

EXHIBIT C-1

(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | SWIMMING POOL BONDS | TAX INCREMENT BONDS | COMMUNITY CENTER BONDS | SPECIAL ASSESSMENT BONDS | TOTALS | |
|-------------------------------------|------------------------|------------------------|---------------------------|--------------------------------|-------------|-------------|
| | | | | | 1989 | 1988 |
| <hr/> | | | | | | |
| ASSETS | | | | | | |
| Cash and Temporary Investments | \$96,642 | \$850,727 | | \$985,199 | \$1,932,568 | \$1,576,572 |
| Receivables (Net of Uncollectible): | | | | | | |
| Taxes: | | | | | | |
| Unremitted | 10 | | | | 10 | 14 |
| Special Assessments: | | | | | | |
| Unremitted | | | | 122 | 122 | 289 |
| Delinquent | | | | 305 | 305 | 1,507 |
| Deferred | | | | 25,026 | 25,026 | 38,059 |
| Due From Other Governments | | | | 17,915 | 17,915 | 26,872 |
| | <hr/> | | | | | |
| TOTAL ASSETS | \$96,652 | \$850,727 | \$0 | \$1,028,567 | \$1,975,946 | \$1,643,313 |
| | <hr/> | | | | | |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accrued Interest on Bonds | | \$244,304 | \$106,373 | \$3,062 | \$353,739 | \$249,689 |
| Deferred Revenue | | | | 25,331 | 25,331 | 39,567 |
| | <hr/> | | | | | |
| Total Liabilities | \$0 | \$244,304 | \$106,373 | \$28,393 | \$379,070 | \$289,256 |
| | <hr/> | | | | | |
| Fund Balance: | | | | | | |
| Reserved for Debt Service | 96,652 | 606,423 | (106,373) | 1,000,174 | 1,596,876 | 1,354,057 |
| | <hr/> | | | | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$96,652 | \$850,727 | \$0 | \$1,028,567 | \$1,975,946 | \$1,643,313 |
| | <hr/> | | | | | |

City of Crystal
DEBT SERVICE FUNDS

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | SWIMMING POOL BONDS | TAX INCREMENT BONDS | COMMUNITY CENTER BONDS | SPECIAL ASSESSMENT BONDS | TOTALS | |
|-------------------------------------|------------------------|------------------------|---------------------------|--------------------------------|-------------|-------------|
| | | | | | 1989 | 1988 |
| <hr/> | | | | | | |
| REVENUES | | | | | | |
| General Property Taxes | \$126 | \$893,204 | | | \$893,330 | \$809,209 |
| Homestead Credit | | | | | 0 | 958 |
| Special Assessments | | | | 17,043 | 17,043 | 18,491 |
| Interest Earned | 8,853 | 19,535 | | 91,140 | 119,528 | 205,576 |
| Other | | | | | 0 | 2,417 |
| <hr/> | | | | | | |
| Total Revenues | \$8,979 | \$912,739 | \$0 | \$108,183 | \$1,029,901 | \$1,036,651 |
| <hr/> | | | | | | |
| EXPENDITURES | | | | | | |
| Debt Service: | | | | | | |
| Principal | | \$50,000 | | \$35,000 | \$85,000 | \$69,000 |
| Interest | | 586,590 | 106,373 | 7,554 | 700,517 | 813,512 |
| Other | | 1,206 | | 358 | 1,564 | 8,577 |
| <hr/> | | | | | | |
| Total Expenditures | \$0 | \$637,796 | \$106,373 | \$42,912 | \$787,081 | \$891,089 |
| <hr/> | | | | | | |
| Increase (Decrease) in Fund Balance | \$8,979 | \$274,943 | (\$106,373) | \$65,271 | \$242,820 | \$145,562 |
| FUND BALANCE, January 1 | 87,673 | 331,480 | | 934,903 | 1,354,056 | 3,472,007 |
| Residual Equity Transfer | | | | | | (2,263,513) |
| <hr/> | | | | | | |
| FUND BALANCE, December 31 | \$96,652 | \$606,423 | (\$106,373) | \$1,000,174 | \$1,596,876 | \$1,354,056 |
| <hr/> | | | | | | |

CAPITAL PROJECT FUNDS

Capital Project Funds account for financial resources to be used for the acquisition of major capital facilities.

CITY OF CRYSTAL
CAPITAL PROJECT FUNDS

Improvement No. 66 - The Improvement No.66 Fund is used to account for costs of certain street improvements planned by the City.

Community Center - The Community Center Fund is used to account for the cost of construction of the new Community Center.

Sealcoating - The Sealcoating Fund is used to account for the cost of sealcoating various sections of the City streets each year.

Revolving Fund - The Revolving Fund consist of the three parts as follows:

- 1.Public Improvement Account-To temporarily finance the cost of assessable public improvement projects.
- 2.Permanent Improvement Account-To purchase additional capital outlay items as necessary and to loan or transfer amounts to other City funds for any purpose other than operating expenditures.
- 3.Future Improvement Account-To accumulate resources to be used for any purpose designated by the City Council

City of Crystal
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
December 31, 1989

EXHIBIT D-1

(With Comparative Actual Amounts for the Year Ended December 31, 1988)

| | IMPROVEMENT NO. 66 | COMMUNITY CENTER | REVOLVING | TOTALS | |
|-------------------------------------|-----------------------|---------------------|-------------|-------------|-------------|
| | | | | 1989 | 1988 |
| <hr/> | | | | | |
| ASSETS | | | | | |
| Cash and Temporary Investments | \$381,125 | \$1,657,598 | \$6,154,262 | \$8,192,985 | \$7,092,550 |
| Receivables (Net of Uncollectible): | | | | | |
| Taxes: | | | | | |
| Unremitted | | | | 0 | 111 |
| Special Assessments: | | | | | |
| Unremitted | | | 6,244 | 6,244 | 3,661 |
| Delinquent | | | 40,359 | 40,359 | 27,535 |
| Deferred | | | 591,649 | 591,649 | 581,750 |
| Due From Other Governments | | | 2,720 | 2,720 | 0 |
| | | | | | |
| TOTAL ASSETS | \$381,125 | \$1,657,598 | \$6,795,234 | \$8,833,957 | \$7,705,607 |
| <hr/> | | | | | |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | | \$9,318 | | \$9,318 | \$36,929 |
| Contracts Payable | \$5,156 | | | 5,156 | 5,951 |
| Accrued Interest - Bonds | | | \$9,075 | 9,075 | 13133 |
| Deferred Revenue | | | 632,008 | 632,008 | 609,285 |
| | | | | | |
| Total Liabilities | \$5,156 | \$9,318 | \$641,083 | \$655,557 | \$665,298 |
| <hr/> | | | | | |
| Fund Balance: | | | | | |
| Reserved- | | | | | |
| Public Improvement Account | | | \$600,000 | \$600,000 | \$600,000 |
| Permanent Improvement Account | | | 1,000,000 | 1,000,000 | 1,000,000 |
| Project Completion | \$375,969 | \$1,648,280 | 4,554,151 | 6,578,400 | 5,440,309 |
| | | | | | |
| Total Fund Balance | \$375,969 | \$1,648,280 | \$6,154,151 | \$8,178,400 | \$7,040,309 |
| | | | | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$381,125 | \$1,657,598 | \$6,795,234 | \$8,833,957 | \$7,705,607 |
| <hr/> | | | | | |

City of Crystal
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 1989
(With Comparative Actual Amounts for the Year Ended December 31, 1988)

EXHIBIT D-2

| | IMPROVEMENT NO. 66 | COMMUNITY CENTER | SEALCOATING | REVOLVING | HRA | TOTALS | |
|--|-----------------------|---------------------|-------------|-------------|------------|-------------|-------------|
| | | | | | | 1989 | 1988 |
| REVENUES | | | | | | | |
| General Property Taxes | | | | | \$47,478 | \$47,478 | \$47,556 |
| State Street Aid | \$370,270 | | | | 18,641 | 388,911 | 228,406 |
| Special Assessments | | | | \$369,516 | | 369,516 | 364,470 |
| Interest Earned | | \$211,639 | | 565,119 | | 776,758 | 304,488 |
| Other | | 176 | | 201,799 | 56,994 | 258,969 | 21,996 |
| Total Revenues | \$370,270 | \$211,815 | \$0 | \$1,136,434 | \$123,113 | \$1,841,632 | \$966,916 |
| EXPENDITURES | | | | | | | |
| Debt Service: | | | | | | | |
| Principal | | | | \$59,000 | | \$59,000 | \$251,987 |
| Interest | | | | 10,269 | | 10,269 | 47,369 |
| Improvement Costs | \$68,423 | \$1,949,738 | \$359,123 | 86,676 | \$165,481 | 2,629,441 | 777,722 |
| Total Expenditures | \$68,423 | \$1,949,738 | \$359,123 | \$155,945 | \$165,481 | \$2,698,710 | \$1,077,078 |
| Excess of Revenues Over(Under) Expenditures | \$301,847 | (\$1,737,923) | (\$359,123) | \$980,489 | (\$42,368) | (\$857,078) | (\$110,162) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Bond Proceeds | | \$1,974,000 | | | | 1,974,000 | |
| Transfers from Other Funds | | | \$359,123 | \$291,589 | | \$650,712 | \$2,108,746 |
| Transfers to Other Funds | | | | (650,712) | | (650,712) | (2,108,746) |
| Total Other Financing Sources(Uses) | \$0 | \$1,974,000 | \$359,123 | (\$359,123) | \$0 | \$1,974,000 | \$0 |
| Increase(Decrease) in Fund Balance | \$301,847 | \$236,077 | \$0 | \$621,366 | (\$42,368) | \$1,116,922 | (\$110,162) |
| FUND BALANCE, January 1 | 74,122 | 1,412,203 | | 5,532,785 | 21,199 | 7,040,309 | 4,886,958 |
| Residual Equity Transfer | | | | | 21,169 | 21,169 | 2,263,513 |
| FUND BALANCE, December 31 | \$375,969 | \$1,648,280 | \$0 | \$6,154,151 | \$0 | \$8,178,400 | \$7,040,309 |

ENTERPRISE FUNDS

Enterprise Funds account for operations financed and operated in a manner similar to private business enterprises and that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Utility Enterprise Fund - The Utility Enterprise Fund accounts for the operations of the City owned water distribution and sewer collection systems.

EXHIBIT E-1

City of Crystal
UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
December 31, 1989 and 1988

| | 1989 | 1988 |
|--|--------------|--------------|
| ASSETS | ----- | ----- |
| Current Assets: | | |
| Cash and Temporary Investments | \$730,792 | \$661,030 |
| Accounts Receivable (Net of Uncollectibles)- | | |
| Customers | 434,862 | 408,367 |
| Other | 19,598 | 2,674 |
| Due from Metropolitan Waste Commission | 27,506 | 26,448 |
| Inventories | 14,395 | 10,611 |
| Total Current Assets | \$1,227,153 | \$1,109,130 |
| Property and Equipment: | | |
| Land and Land Improvements | \$900 | \$900 |
| Buildings and Structures | 1,476,008 | 1,383,651 |
| Equipment, Furniture and Fixtures | 260,585 | 252,676 |
| Distribution and Collection Systems | 9,295,271 | 9,295,271 |
| Total Property and Equipment | \$11,032,764 | \$10,932,498 |
| Less Accumulated Depreciation | (7,763,154) | (7,426,815) |
| Net Property and Equipment | \$3,269,610 | \$3,505,683 |
| Other Assets: | | |
| Metropolitan Waste Control Commission, less | | |
| Current Portion Shown Above | \$353,499 | \$382,484 |
| Investment in Joint Water Commission | 102,018 | 97,971 |
| Total Other Assets | \$455,517 | \$480,455 |
| TOTAL ASSETS | \$4,952,280 | \$5,095,268 |
| | ===== | ===== |
| LIABILITIES AND FUND EQUITY | | |
| Current Liabilities: | | |
| Accounts Payable | \$121,694 | \$86,045 |
| Contracts Payable | 40,154 | 15,286 |
| Compensated Absences | 18,740 | 22,387 |
| Total Current Liabilities | \$180,588 | \$123,718 |
| Fund Equity: | | |
| Contributed Capital | \$2,937,063 | \$3,242,815 |
| Retained Earnings- | | |
| Designated for Working Capital | 1,834,629 | 1,728,735 |
| Total Fund Equity | \$4,771,692 | \$4,971,550 |
| TOTAL LIABILITIES AND FUND EQUITY | \$4,952,280 | \$5,095,268 |
| | ===== | ===== |

City of Crystal
UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
For the Years Ended December 31, 1989 and 1988

EXHIBIT E-2

| | 1989 | | | 1988 |
|--|------------|-------------|-------------|-------------|
| | WATER | SEWER | TOTAL | |
| OPERATING REVENUES: | | | | |
| Charges for Sales and Services: | | | | |
| Water Sales | \$873,128 | | \$873,128 | \$924,556 |
| Sewer Charges | | 1,089,297 | 1,089,297 | 967,124 |
| Sale of Merchandise | 1,993 | | 1,993 | 3,834 |
| Penalties | 16,829 | 19,518 | 36,347 | 37,643 |
| Other Charges | 34,135 | (608) | 33,527 | 93,300 |
| Total Operating Revenues | \$926,085 | \$1,108,207 | \$2,034,292 | \$2,026,457 |
| OPERATING EXPENSES: | | | | |
| Source of Supply | \$523,711 | | \$523,711 | \$631,197 |
| Disposal Charges | | \$952,993 | 952,993 | 769,021 |
| Administration | 130,161 | 130,161 | 260,322 | 438,590 |
| Commodities | 122,985 | 63,617 | 186,602 | 80,331 |
| Depreciation | 176,117 | 160,223 | 336,340 | 338,403 |
| Total Operating Expenses | \$952,974 | \$1,306,994 | \$2,259,968 | \$2,257,542 |
| Operating Income (Loss) | (\$26,889) | (\$198,787) | (\$225,676) | (\$231,085) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest Earnings | \$40,409 | \$40,409 | \$80,818 | \$36,422 |
| Administrative Charges | (27,500) | (27,500) | (55,000) | (55,000) |
| Loss on Sale of Equipment | | | 0 | (23,366) |
| Total Nonoperating Revenues (Expenses) | \$12,909 | \$12,909 | \$25,818 | (\$41,944) |
| Net Income (Loss) Before Transfers | (\$13,980) | (\$185,878) | (\$199,858) | (\$273,029) |
| OPERATING TRANSFERS IN (OUT) | | | 0 | 21,070 |
| Net Income (Loss) | (\$13,980) | (\$185,878) | (\$199,858) | (\$251,959) |
| Depreciation on Contributed Assets | 155,761 | 149,991 | 305,752 | 309,265 |
| Net Income(Loss) to Retained Earnings | \$141,781 | (\$35,887) | \$105,894 | \$57,306 |
| RETAINED EARNINGS, January 1 | | | 1,728,735 | 1,671,429 |
| RETAINED EARNINGS, December 31 | | | \$1,834,629 | \$1,728,735 |

City of Crystal
UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|--|-------------|-------------|
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: | | |
| Cash Flows from Operating Activities- | | |
| Cash Received From Customers | \$1,985,273 | \$1,986,199 |
| Cash Payments to Suppliers for Goods and Services | (1,606,574) | (1,570,144) |
| Cash Payments to Employees for Services | (263,969) | (267,862) |
| Other Operating Revenues | 33,527 | 30,008 |
| Net Cash Provided by Operating Activities | \$148,257 | \$178,201 |
| Cash Flows from Noncapital Financing Activities- | | |
| Operating Transfers-Out to Other Funds | (\$55,000) | (\$55,000) |
| Net Cash Provided by Noncapital Financing Activities | (\$55,000) | (\$55,000) |
| Cash Flows from Capital and Related Financing Activities- | | |
| Acquisition of Capital Assets | (\$100,266) | (\$9,400) |
| Net Cash Used for Capital and Related Financing Activities | (\$100,266) | (\$9,400) |
| Cash Flows from Investing Activities- | | |
| Interest on Investments | \$80,818 | \$36,422 |
| Investment in Joint Water Commission | (4,047) | (5,169) |
| Net Cash Used in Investing Activities | \$76,771 | \$31,253 |
| Net Increase in Cash and Cash Equivalents | \$69,762 | \$145,054 |
| CASH AND CASH EQUIVALENTS, January 1 | 661,030 | 515,976 |
| CASH AND CASH EQUIVALENTS, December 31 | \$730,792 | \$661,030 |

(Continued)

City of Crystal
UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|--|-------------|-------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Income (Loss) | (\$225,676) | (\$231,085) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities- | | |
| Depreciation | 336,340 | 338,403 |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | (15,493) | 57,107 |
| (Increase) Decrease in Inventory | (3,784) | 424 |
| Increase (Decrease) in Accounts Payable | 35,649 | (3,791) |
| Increase (Decrease) in Contracts Payable | 24,868 | 15,286 |
| Increase (Decrease) in Accrued Expenses | (3,647) | 1,857 |
| Net Cash Provided by Operating Activities | \$148,257 | \$178,201 |

City of Crystal
WATER UTILITY DEPARTMENT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|---|------------|------------|
| OPERATING REVENUES: | | |
| Charges for Sales and Services: | | |
| Water Sales | \$873,128 | \$924,556 |
| Sales of Merchandise | 1,993 | 3,834 |
| Penalties | 16,829 | 18,011 |
| Other Charges | 34,135 | 25,546 |
| Total Operating Revenues | \$926,085 | \$971,947 |
| OPERATING EXPENSES: | | |
| Source of Supply | \$523,711 | \$631,197 |
| Administration | 130,161 | 145,958 |
| Commodities | 122,985 | 22,033 |
| Depreciation | 176,117 | 174,200 |
| Total Operating Expenses | \$952,974 | \$973,388 |
| Operating Income (Loss) | (\$26,889) | (\$1,441) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest Earnings | \$40,409 | \$18,073 |
| Administrative Charges | (27,500) | (27,500) |
| Total Nonoperating Revenues (Expenses) | \$12,909 | (\$9,427) |
| Net Income (Loss) | (\$13,980) | (\$10,868) |
| Depreciation on Contributed Assets Charged to Contribution Account | 155,761 | 155,761 |
| Income (Loss) Transferred to Retained Earnings | \$141,781 | \$144,893 |

City of Crystal
SEWER UTILITY DEPARTMENT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|--|-------------|-------------|
| OPERATING REVENUES: | | |
| Charges for Sales and Services: | | |
| Sewer Charges | \$1,089,297 | \$967,124 |
| Penalties | 19,518 | 19,632 |
| Other Charges | (608) | 628 |
| Total Operating Revenues | \$1,108,207 | \$987,384 |
| OPERATING EXPENSES: | | |
| Disposal Charges | \$952,993 | \$769,021 |
| Administration | 130,161 | 234,120 |
| Commodities | 63,617 | 49,453 |
| Depreciation | 160,223 | 158,695 |
| Total Operating Expenses | \$1,306,994 | \$1,211,289 |
| Operating Income (Loss) | (\$198,787) | (\$223,905) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest Earnings | \$40,409 | \$18,349 |
| Administrative Charges | (27,500) | (27,500) |
| Total Nonoperating Revenues (Expenses) | \$12,909 | (\$9,151) |
| Net Income (Loss) | (\$185,878) | (\$233,056) |
| Depreciation on Contributed Assets | | |
| Charged to Contribution Account | 149,991 | 149,991 |
| Income (Loss) Transferred to Retained Earnings | (\$35,887) | (\$83,065) |
| | ===== | ===== |

FIDUCIARY FUNDS

Expendable Trust Funds - Expendable Trust Funds account for both principal and revenues earned on that principal to be expended for purposes designated by a trust agreement.

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for other funds, governments, or individuals.

CITY OF CRYSTAL
EXPENDABLE TRUST FUNDS

Task Force Expendable Trust Fund - The Task Force Fund accounts for federal grant monies and confiscated funds for the Drug Enforcement Task Force.

Charitable Gambling Expendable Trust Fund - The Charitable Gambling Fund accounts for contributions made from charitable organizations as specified by the donor or in accordance with the lawful gambling contributions laws.

AGENCY FUNDS

Investment Trust Agency Fund - The Investment Trust Fund was established to serve as a convenient means of accounting for the City's investments and interest earnings.

Confiscated Funds Agency Fund - The Confiscated Funds Fund was established to account for the City's share of confiscated monies from drug busts and task force operations.

Police Relief Association Agency Fund - The Police Relief Association Fund was established to account for the collection of general property taxes and other revenues and subsequent remittance of these collections to the City of Crystal Police Relief Association.

Fire Relief Association Agency Fund - The Fire Relief Association Fund was established to account for the collection of general property taxes and other revenues and subsequent remittance of these collections to the City of Crystal Fire Relief Association.

Special Escrow Agency Fund - The Special Escrow Fund was established to account for monies held as developers' performance bonds.

City of Crystal
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 1989
(With Comparative Totals for December 31, 1988)

EXHIBIT F-1

| | EXPENDABLE TRUST | | | | AGENCY | | | TOTALS | |
|--|-----------------------|-----------------------------|---------------------|----------------------|---------------------------------|-------------------------------|-------------------|------------------|------------------|
| | DRUG TASK FORCE | CHARITABLE CONTRIBUTIONS | INVESTMENT TRUST | CONFISCATED FUNDS | POLICE RELIEF ASSOCIATION | FIRE RELIEF ASSOCIATION | SPECIAL ESCROW | 1989 | 1988 |
| ASSETS: | | | | | | | | | |
| Cash and Temporary Investments | \$7,240 | \$66,445 | | \$40,118 | | | \$20,789 | \$134,592 | \$152,410 |
| Receivables (Net of Uncollectibles): | | | | | | | | | |
| Taxes- | | | | | | | | | |
| Unremitted | | | | | \$681 | \$209 | | 890 | 385 |
| Delinquent | | | | | 2,516 | 586 | | 3,102 | 3,399 |
| Accounts | 9,250 | | | | | | | 9,250 | 1,223 |
| Interest | | | \$241,847 | | | | | 241,847 | 220,258 |
| TOTAL ASSETS | \$16,490 | \$66,445 | \$241,847 | \$40,118 | \$3,197 | \$795 | \$20,789 | \$389,681 | \$377,675 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| LIABILITIES AND FUND EQUITY: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Cash Deficit | | | \$241,847 | | | | | \$241,847 | \$218,345 |
| Accounts Payable | \$8,361 | \$1,913 | | | \$681 | \$209 | | 11,164 | 12,152 |
| Deferred Revenues | | | | | 2,516 | 586 | | 3,102 | 3,399 |
| Deposits Payable | | | | \$40,118 | | | \$20,789 | 60,907 | 55,439 |
| Total Liabilities | \$8,361 | \$1,913 | \$241,847 | \$40,118 | \$3,197 | \$795 | \$20,789 | \$317,020 | \$289,335 |
| Fund Balances: | | | | | | | | | |
| Unreserved-Undesignated | 8,129 | 64,532 | | | | | | 72,661 | 88,340 |
| TOTAL LIABILITIES AND FUND BALANCES | \$16,490 | \$66,445 | \$241,847 | \$40,118 | \$3,197 | \$795 | \$20,789 | \$389,681 | \$377,675 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

City of Crystal
TASK FORCE EXPENDABLE TRUST FUND
COMPARATIVE BALANCE SHEET
December 31, 1989 and 1988

EXHIBIT F-2

| | 1989 | 1988 |
|--------------------------------------|----------|----------|
| ASSETS: | | |
| Cash and Temporary Investments | \$7,240 | \$67,895 |
| Receivables (Net of Uncollectibles): | | |
| Accounts | 9,250 | |
| | ----- | ----- |
| TOTAL ASSETS | \$16,490 | \$67,895 |
| | ===== | ===== |
| LIABILITIES AND FUND EQUITY: | | |
| Liabilities: | | |
| Accounts Payable | \$8,361 | \$6,759 |
| | | |
| Fund Balances: | | |
| Unreserved-Undesignated | 8,129 | 61,136 |
| | ----- | ----- |
| TOTAL LIABILITIES AND FUND BALANCES | \$16,490 | \$67,895 |
| | ===== | ===== |

City of Crystal
TASK FORCE EXPENDABLE TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE
For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|-------------------------------------|------------|-----------|
| REVENUES: | | |
| Intergovernmental- | | |
| Grants | \$28,863 | \$96,211 |
| Task Force | 7,697 | 19,242 |
| Confiscated Funds | 280 | |
| Interest | 5,151 | 2,777 |
| Other Revenues | | 6,414 |
| | ----- | ----- |
| Total Revenues | \$41,991 | \$124,644 |
| | ----- | ----- |
| EXPENDITURES: | | |
| Personal Services | \$82,098 | \$18,041 |
| Supplies, Repairs and Maintenance | 508 | 2,805 |
| Other Services and Charges | 10,266 | 19,967 |
| Capital Outlay | 2,126 | 22,695 |
| | ----- | ----- |
| Total Expenditures | \$94,998 | \$63,508 |
| | ----- | ----- |
| Increase (Decrease) in Fund Balance | (\$53,007) | \$61,136 |
| | | |
| FUND BALANCE, January 1 | 61,136 | 0 |
| | ----- | ----- |
| FUND BALANCE, December 31 | \$8,129 | \$61,136 |
| | ===== | ===== |

City of Crystal
 CHARITABLE CONTRIBUTIONS EXPENDABLE TRUST FUND
 COMPARATIVE BALANCE SHEET
 December 31, 1989 and 1988

EXHIBIT F-3

| | 1989 | 1988 |
|--------------------------------------|----------|----------|
| ASSETS: | | |
| Cash and Temporary Investments | \$66,445 | \$29,076 |
| Receivables (Net of Uncollectibles): | | |
| Accounts | | 1,223 |
| | ----- | ----- |
| TOTAL ASSETS | \$66,445 | \$30,299 |
| | ===== | ===== |
| LIABILITIES AND FUND EQUITY: | | |
| Liabilities: | | |
| Accounts Payable | \$1,913 | \$3,095 |
| Fund Balances: | | |
| Unreserved-Undesignated | 64,532 | 27,204 |
| | ----- | ----- |
| TOTAL LIABILITIES AND FUND BALANCES | \$66,445 | \$30,299 |
| | ===== | ===== |

City of Crystal
 CHARITABLE CONTRIBUTIONS EXPENDABLE TRUST FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE
 For the Years Ended December 31, 1989 and 1988

| | 1989 | 1988 |
|-------------------------------------|----------|----------|
| REVENUES: | | |
| Charitable Contributions | \$11,069 | \$21,376 |
| Donations | 28,404 | 13,948 |
| | ----- | ----- |
| Total Revenues | \$39,473 | \$35,324 |
| | ----- | ----- |
| EXPENDITURES: | | |
| Supplies, Repairs and Maintenance | \$654 | \$202 |
| Other Services and Charges | 1,491 | 8,964 |
| Capital Outlay | | (1,046) |
| | ----- | ----- |
| Total Expenditures | \$2,145 | \$8,120 |
| | ----- | ----- |
| Increase (Decrease) in Fund Balance | \$37,328 | \$27,204 |
| | ----- | ----- |
| FUND BALANCE, January 1 | 27,204 | 0 |
| | ----- | ----- |
| FUND BALANCE, December 31 | \$64,532 | \$27,204 |
| | ===== | ===== |

City of Crystal
INVESTMENT TRUST AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 1989

EXHIBIT F-4

| | BALANCE January 1, 1989 | ADDITIONS | DELETIONS | BALANCE December 31, 1989 |
|--------------------------------------|-------------------------------|-------------|-------------|---------------------------------|
| ASSETS: | | | | |
| Receivables (Net of Uncollectibles): | | | | |
| Interest | \$220,258 | \$1,152,645 | \$1,131,056 | \$241,847 |
| TOTAL ASSETS | \$220,258 | \$1,152,645 | \$1,131,056 | \$241,847 |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Cash Deficit | \$218,345 | 1,152,645 | 1,129,143 | \$241,847 |
| Total Liabilities | \$218,345 | \$1,152,645 | \$1,129,143 | \$241,847 |

City of Crystal
 CONFISCATED FUNDS AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended December 31, 1989

EXHIBIT F-5

| | BALANCE January 1, 1989 | ADDITIONS | DELETIONS | BALANCE December 31, 1989 |
|--------------------------------|-------------------------------|-----------|-----------|---------------------------------|
| <hr/> | | | | |
| ASSETS: | | | | |
| Cash and Temporary Investments | \$33,014 | \$7,104 | \$0 | \$40,118 |
| | <hr/> | | | |
| TOTAL ASSETS | \$33,014 | \$7,104 | \$0 | \$40,118 |
| | <hr/> | | | |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Deposits Payable | \$33,014 | 7,104 | 0 | \$40,118 |
| | <hr/> | | | |
| Total Liabilities | \$33,014 | \$7,104 | \$0 | \$40,118 |
| | <hr/> | | | |

City of Crystal
POLICE RELIEF ASSOCIATION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 1989

EXHIBIT F-6

| | BALANCE January 1, 1989 | ADDITIONS | DELETIONS | BALANCE December 31, 1989 |
|--------------------------------------|-------------------------------|-----------|-----------|---------------------------------|
| <hr/> | | | | |
| ASSETS: | | | | |
| Cash and Temporary Investments | \$0 | \$173,559 | \$173,559 | \$0 |
| Receivables (Net of Uncollectibles): | | | | |
| Taxes - Unremitted | 315 | 681 | 315 | 681 |
| Delinquent | 2,772 | | 256 | \$2,516 |
| | <hr/> | | | |
| TOTAL ASSETS | \$3,087 | \$681 | \$571 | \$3,197 |
| | <hr/> | | | |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$315 | 681 | 315 | \$681 |
| Deferred Revenue | 2,772 | | 256 | 2,516 |
| | <hr/> | | | |
| Total Liabilities | \$3,087 | \$681 | \$571 | \$3,197 |
| | <hr/> | | | |

City of Crystal
FIRE RELIEF ASSOCIATION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 1989

EXHIBIT F-7

| | BALANCE January 1, 1989 | ADDITIONS | DELETIONS | BALANCE December 31, 1989 |
|--------------------------------------|-------------------------------|-----------|-----------|---------------------------------|
| <hr/> | | | | |
| ASSETS: | | | | |
| Cash and Temporary Investments | \$0 | \$97,910 | \$97,910 | \$0 |
| Receivables (Net of Uncollectibles): | | | | |
| Taxes - Unremitted | 66 | 209 | 66 | 209 |
| Delinquent | 627 | | 41 | \$586 |
| <hr/> | | | | |
| TOTAL ASSETS | \$693 | \$209 | \$107 | \$795 |
| <hr/> | | | | |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$66 | \$209 | \$66 | \$209 |
| Deferred Revenue | 627 | | 41 | 586 |
| <hr/> | | | | |
| Total Liabilities | \$693 | \$209 | \$107 | \$795 |
| <hr/> | | | | |

City of Crystal
SPECIAL ESCROW AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 1989

EXHIBIT F-8

| | BALANCE January 1, 1989 | ADDITIONS | DELETIONS | BALANCE December 31, 1989 |
|--------------------------------|-------------------------------|-----------|-----------|---------------------------------|
| ASSETS: | | | | |
| Cash and Temporary Investments | \$22,425 | \$2,864 | \$4,500 | \$20,789 |
| TOTAL ASSETS | \$22,425 | \$2,864 | \$4,500 | \$20,789 |
| | ===== | ===== | ===== | ===== |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Deposits Payable | \$22,425 | \$2,864 | \$4,500 | \$20,789 |
| Total Liabilities | \$22,425 | \$2,864 | \$4,500 | \$20,789 |
| | ===== | ===== | ===== | ===== |

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group accounts for general obligation bonds and other forms of long-term debt supported by general revenues. In addition, this debt group includes the long-term portion on the governmental fund type compensated absences.

City of Crystal
 GENERAL LONG-TERM DEBT ACCOUNT GROUP
 COMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT
 December 31, 1989 and 1988

| | 1989 | 1988 |
|---|--------------|-------------|
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT: | ----- | ----- |
| Amount Available in Debt Service Funds | \$1,597,056 | \$1,354,057 |
| Amount Available in Revolving Fund | 132,000 | 191,000 |
| Amount to be Provided by Future Revenues | 8,525,726 | 6,815,088 |
| | ----- | ----- |
| Total Available and to be Provided | \$10,254,782 | \$8,360,145 |
| | ===== | ===== |
| GENERAL LONG-TERM DEBT PAYABLE: | | |
| Bonds Payable- | | |
| General Obligation Bonds | \$2,000,000 | \$0 |
| General Obligation Tax Increment Bonds | 7,685,000 | 7,735,000 |
| Special Assessment Improvement Bonds | 237,000 | 331,000 |
| Compensated Absences: | | |
| Governmental Funds | 332,782 | 294,145 |
| | ----- | ----- |
| Total General Long-Term Debt Payable | \$10,254,782 | \$8,360,145 |
| | ===== | ===== |

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STATISTICAL SECTION

TABLE 1

City of Crystal
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)
Last Ten Fiscal Years

| FISCAL YEAR | GENERAL GOVERNMENT | PUBLIC SAFETY | PUBLIC WORKS | HEALTH AND SANITATION | PARK AND RECREATION | OTHER | CAPITAL OUTLAY | DEBT SERVICE | TOTAL |
|----------------|-----------------------|------------------|-----------------|--------------------------|------------------------|-------------|-------------------|-----------------|--------------|
| 1980 | \$575,821 | \$912,479 | \$365,458 | \$66,668 | \$475,236 | \$671,330 | \$283,075 | \$70,069 | \$3,420,136 |
| 1981 | \$594,817 | \$946,360 | \$417,577 | \$73,729 | \$544,760 | \$623,808 | \$440,041 | \$72,804 | \$3,713,896 |
| 1982 | \$694,340 | \$1,049,573 | \$452,060 | \$82,234 | \$522,170 | \$788,892 | \$1,085,343 | \$70,402 | \$4,745,014 |
| 1983 | \$717,574 | \$1,125,370 | \$474,694 | \$81,890 | \$536,951 | \$870,996 | \$377,656 | \$68,014 | \$4,253,145 |
| 1984 | \$797,384 | \$1,229,089 | \$512,761 | \$90,162 | \$608,243 | \$834,803 | \$317,622 | \$65,623 | \$4,455,687 |
| 1985 | \$867,282 | \$1,322,852 | \$574,020 | \$96,893 | \$630,580 | \$1,576,975 | \$346,130 | \$43,520 | \$5,458,252 |
| 1986 | \$921,138 | \$1,365,419 | \$533,451 | \$108,387 | \$665,012 | \$1,198,228 | \$223,143 | \$7,186,605 | \$12,201,383 |
| 1987 | \$985,644 | \$1,469,820 | \$673,765 | \$111,984 | \$744,769 | \$1,101,548 | \$347,668 | \$507,572 | \$5,942,770 |
| 1988 | \$1,361,143 | \$1,780,291 | \$732,051 | \$157,255 | \$807,777 | \$761,959 | \$365,209 | \$891,089 | \$6,856,774 |
| 1989 | \$1,423,309 | \$1,895,018 | \$811,988 | \$224,916 | \$906,695 | \$706,088 | \$453,680 | \$787,081 | \$7,208,775 |

(1) Includes General, Special Revenue and Debt Service Funds

TABLE 2

City of Crystal
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
Last Ten Fiscal Years

| FISCAL YEAR | TAXES | LICENSES AND PERMITS | INTER- GOVERNMENTAL | CHARGES FOR SERVICES | FINES AND FORFEITURES | SPECIAL ASSESSMENTS | OTHER | TOTAL |
|----------------|-------------|-------------------------|------------------------|-------------------------|--------------------------|------------------------|-------------|--------------|
| 1980 | \$1,048,635 | \$174,588 | \$2,042,391 | \$304,772 | \$101,952 | \$0 | \$196,157 | \$3,868,495 |
| 1981 | \$996,523 | \$226,273 | \$2,167,035 | \$351,635 | \$124,025 | \$0 | \$250,758 | \$4,116,249 |
| 1982 | \$1,120,151 | \$203,695 | \$2,719,416 | \$297,970 | \$149,379 | \$0 | \$325,796 | \$4,816,407 |
| 1983 | \$1,239,305 | \$202,162 | \$2,222,840 | \$386,533 | \$149,080 | \$0 | \$337,736 | \$4,537,656 |
| 1984 | \$1,389,890 | \$247,653 | \$2,283,809 | \$417,778 | \$229,719 | \$0 | \$319,380 | \$4,888,229 |
| 1985 | \$1,628,154 | \$327,328 | \$2,448,339 | \$448,875 | \$250,551 | \$0 | \$1,565,986 | \$6,669,233 |
| 1986 | \$1,929,789 | \$224,190 | \$2,510,579 | \$440,812 | \$229,387 | \$0 | \$6,106,501 | \$11,441,258 |
| 1987 | \$2,291,764 | \$210,701 | \$2,476,135 | \$479,927 | \$221,578 | \$0 | \$609,720 | \$6,289,825 |
| 1988 | \$2,715,485 | \$222,369 | \$2,494,047 | \$525,130 | \$212,295 | \$18,491 | \$488,864 | \$6,676,681 |
| 1989 | \$2,828,739 | \$239,638 | \$3,378,364 | \$620,272 | \$177,599 | \$17,043 | \$487,403 | \$7,749,058 |

(1) Includes General, Special Revenue and Debt Service Funds

TABLE 3

City of Crystal
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

| FISCAL YEAR | TOTAL TAX LEVY(1) | CURRENT TAX COLLECTIONS | PERCENT OF CURRENT TAXES COLLECTED | DELINQUENT TAX COLLECTIONS | TOTAL TAX COLLECTIONS | PERCENT OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY | OUTSTANDING DELINQUENT TAXES | PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY |
|----------------|----------------------|----------------------------|--|----------------------------------|--------------------------|---|------------------------------------|--|
| 1980 | \$1,681,377 | \$1,670,987 | 99.38% | \$8,642 | \$1,679,629 | 99.90% | \$10,390 | 0.62% |
| 1981 | 1,718,987 | 1,708,355 | 99.38% | 8,565 | 1,716,920 | 99.88% | 10,632 | 0.62% |
| 1982 | 1,863,787 | 1,794,180 | 96.27% | 13,292 | 1,807,472 | 96.98% | 69,607 | 3.73% |
| 1983 | 2,012,293 | 1,993,633 | 99.07% | 12,404 | 2,006,037 | 99.69% | 18,660 | 0.93% |
| 1984 | 2,211,046 | 2,189,575 | 99.03% | 9,112 | 2,198,687 | 99.44% | 21,471 | 0.97% |
| 1985 | 2,373,847 | 2,348,164 | 98.92% | 21,777 | 2,369,941 | 99.84% | 25,683 | 1.08% |
| 1986 | 2,496,117 | 2,471,701 | 99.02% | 22,784 | 2,494,485 | 99.93% | 24,416 | 0.98% |
| 1987 | 2,690,780 | 2,669,665 | 99.22% | 14,994 | 2,684,659 | 99.77% | 21,115 | 0.78% |
| 1988 | 2,757,567 | 2,719,890 | 98.63% | 12,576 | 2,732,466 | 99.09% | 49,002 | 1.78% |
| 1989 | 2,839,050 | 2,806,171 | 98.84% | 25,223 | 2,831,394 | 99.73% | 46,730 | 1.65% |

(1) Includes General and Special Levies

TABLE 4

City of Crystal
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
 Last Ten Fiscal Years

| FISCAL YEAR | REAL PROPERTY | | PERSONAL PROPERTY | | EXEMPTIONS REAL PROPERTY MKT VALUE(b) | TOTAL | | RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED MARKET VALUE |
|----------------|----------------------|---------------------------|----------------------|---------------------------|---|----------------------|---------------------------|---|
| | ASSESSED VALUE(a) | ESTIMATED MARKET VALUE | ASSESSED VALUE(a) | ESTIMATED MARKET VALUE | | ASSESSED VALUE(a) | ESTIMATED MARKET VALUE | |
| 1980 | \$100,585,415 | \$441,206,400 | \$2,187,539 | \$5,087,300 | \$29,891,450 | \$102,772,954 | \$446,293,700 | 23.03% |
| 1981 | \$112,560,546 | \$491,457,934 | \$2,271,303 | \$5,282,100 | \$29,891,450 | \$114,831,849 | \$381,908,185 | 30.07% |
| 1982 | \$121,406,881 | \$523,433,800 | \$2,345,392 | \$5,454,400 | \$29,891,450 | \$123,752,273 | \$405,135,927 | 30.55% |
| 1983 | \$120,025,794 | \$535,482,000 | \$2,416,815 | \$5,620,500 | \$29,891,450 | \$122,442,609 | \$418,659,891 | 29.25% |
| 1984 | \$123,492,668 | \$554,995,400 | \$2,600,769 | \$6,048,300 | \$29,891,450 | \$126,093,437 | \$434,950,263 | 28.99% |
| 1985 | \$128,261,713 | \$570,190,320 | \$2,754,150 | \$6,405,000 | \$29,891,450 | \$131,015,863 | \$445,579,457 | 29.40% |
| 1986 | \$132,798,823 | \$587,058,700 | \$2,873,647 | \$6,682,900 | \$50,381,200 | \$135,672,470 | \$458,069,130 | 29.62% |
| 1987 | \$135,666,772 | \$619,233,100 | \$3,362,127 | \$7,818,900 | \$50,381,200 | \$139,028,899 | \$488,023,101 | 28.49% |
| 1988 | \$17,331,699 | \$643,611,300 | \$415,908 | \$7,921,800 | \$50,381,200 | \$17,747,607 | \$633,785,493 | 2.80% |
| 1989 | \$12,042,031 | \$672,247,200 | \$440,163 | \$8,698,900 | \$50,381,200 | \$12,482,194 | \$668,463,906 | 1.87% |

(a) For property taxes payable in 1989 assessed value of property was replaced with gross tax capacity in determining property taxes. Gross tax capacity is approximately 12.5% of assessed value for most property classes and, like assessed value, was calculated by applying a statutory formula to the estimated market value of the property.

(b) Exempt properties are valued only once every six (6) years.

TABLE 5

City of Crystal
PROPERTY TAX RATE
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

| FISCAL YEAR | CITY OF CRYSTAL | ROBBINSDALE SCHOOL DISTRICT #281 | VOCATIONAL SCHOOL | HENNEPIN COUNTY | SPECIAL DISTRICTS (1) | TOTAL |
|----------------|--------------------|--|----------------------|--------------------|--------------------------|---------|
| 1980 | 16.755 | 41.473 | 1.681 | 31.195 | 3.385 | 94.489 |
| 1981 | 15.946 | 40.757 | 1.510 | 29.271 | 4.102 | 91.586 |
| 1982 | 15.123 | 50.774 | 1.469 | 29.183 | 4.384 | 100.933 |
| 1983 | 15.152 | 52.901 | 1.119 | 28.451 | 5.106 | 102.729 |
| 1984 | 16.908 | 58.326 | 1.446 | 29.689 | 5.318 | 111.687 |
| 1985 | 17.363 | 56.100 | 1.490 | 29.262 | 5.181 | 109.396 |
| 1986 | 17.670 | 59.450 | 1.535 | 29.688 | 5.878 | 114.221 |
| 1987 | 18.704 | 56.932 | 1.421 | 29.356 | 5.959 | 112.372 |
| 1988 | 18.591 | 58.433 | 1.493 | 31.667 | 6.738 | 116.922 |
| 1989 (2) | 14.759 | 49.189 | 1.223 | 27.101 | 5.797 | 98.069 |

(1) Includes Metropolitan Council, Metropolitan Transit District, Mosquito Control and Hennepin County Park Museum.

(2) Beginning with property taxes payable in 1989, taxes are determined by multiplying the Gross Tax Capacity by the Tax Capacity Rate, expressed as a percentage. This replaces the use of Assessed Value multiplied by Mill Rates.

TABLE 6

City of Crystal
 PRINCIPAL TAXPAYERS
 December 31, 1989

| TAXPAYER | TYPE OF PROPERTY | 1989 GROSS TAX CAPACITY | PERCENTAGE OF TAXABLE GROSS TAX CAPACITY |
|--|------------------------------------|-------------------------------|--|
| Crystal Shopping Center Association | Crystal Shopping Center | \$413,052 | 3.31% |
| Brutger Company | Apartments | 331,021 | 2.65% |
| B T & A Construction | Crystal Village Apartments | 304,561 | 2.44% |
| Crystal Gallery Developers | Crystal Gallery Shopping Center | 240,017 | 1.92% |
| T. Rowe Price Realty | Office/Warehouse Buildings | 224,850 | 1.80% |
| Cardinal Investments | Target Department Store | 218,450 | 1.75% |
| Smith-Strum Investment | Apartments | 195,570 | 1.57% |
| Individual | Apartments | 157,374 | 1.26% |
| Timesaver's Inc. | Industrial Complex | 140,329 | 1.12% |
| Anthony Development | Shopping Center/Restaurant | 128,719 | 1.03% |
| | | ----- | ----- |
| | | \$2,353,943 | 18.86% |
| | | ===== | ===== |

TABLE 7

City of Crystal
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
Last Ten Fiscal Years

| FISCAL YEAR | CURRENT SPECIAL ASSESSMENT BILLINGS | CURRENT SPECIAL ASSESSMENTS COLLECTED (1) | PERCENT OF CURRENT COLLECTIONS TO BILLINGS |
|----------------|--|--|---|
| 1980 | \$349,707 | \$328,737 | 94.0% |
| 1981 | 424,425 | 400,075 | 94.3% |
| 1982 | 420,188 | 405,527 | 96.5% |
| 1983 | 422,023 | 407,452 | 96.5% |
| 1984 | 394,139 | 376,512 | 95.5% |
| 1985 | 483,043 | 460,268 | 95.3% |
| 1986 | 445,448 | 428,512 | 96.2% |
| 1987 | 328,939 | 317,571 | 96.5% |
| 1988 | 316,577 | 305,061 | 96.4% |
| 1989 | 342,341 | 319,083 | 93.2% |

(1) Includes prepayments and foreclosures

TABLE 8

City of Crystal
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 1989

| | | | | |
|---|-------------|-------------|---------------|---------|
| Estimated Market Value | | | \$668,946,100 | ===== |
| Debt Limit - 2.00% of Estimated Market Value | | | \$13,378,922 | |
| Amount of Debt Applicable to Debt Limit: | | | | |
| Total Bonded Debt | | | \$9,922,000 | |
| Deductions (3): | | | | |
| Debt Service Fund | | | | |
| Cash and Investments | \$1,729,056 | | | |
| Less Amount Applicable to Tax | | | | |
| Increment Bonds | (606,423) | \$1,122,633 | | |
| Special Assessment Bonds | | 237,000 | | |
| Tax Increment Bonds | | 7,685,000 | 9,044,633 | |
| | | | ----- | |
| Total Amount of Debt Applicable to Debt Limit | | | \$877,367 | 877,367 |
| | | | ----- | |
| Legal Debt Margin | | | \$12,501,555 | ===== |

TABLE 9

City of Crystal
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT
 TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 Last Ten Fiscal Years

| FISCAL YEAR | POPULATION (1) | ASSESSED VALUE (2) | GROSS BONDED DEBT (3) | AMOUNT AVAILABLE IN DEBT SERVICE FUNDS(4) | G.O. REVENUE BONDS | NET BONDED DEBT | RATIO OF NET BONDED DEBT TO ASSESSED VALUE | NET BONDED DEBT PER CAPITA |
|----------------|----------------|-----------------------|-----------------------------|--|--------------------------|-----------------------|--|----------------------------------|
| 1980 | 25,543 | \$102,772,954 | \$340,000 | \$149,625 | \$0 | \$190,375 | 0.19% | \$7 |
| 1981 | 25,210 | 114,831,849 | 280,000 | 165,184 | 0 | 114,816 | 0.10% | 5 |
| 1982 | 24,910 | 123,752,273 | 220,000 | 181,019 | 0 | 38,981 | 0.03% | 2 |
| 1983 | 24,890 | 122,442,609 | 160,000 | 198,300 | 0 | (38,300) | -0.03% | (2) |
| 1984 | 24,850 | 126,039,437 | 100,000 | 194,394 | 0 | (94,394) | -0.07% | (4) |
| 1985 | 24,690 | 131,015,863 | 5,925,000 | 1,198,242 | 0 | 4,726,758 | 3.61% | 191 |
| 1986 | 24,826 | 135,672,470 | 6,503,000 | 86,279 | 0 | 6,416,721 | 4.73% | 258 |
| 1987 | 25,009 | 139,028,899 | 8,386,987 | 3,472,007 | 0 | 4,914,980 | 3.54% | 197 |
| 1988 | 24,900 | 17,747,607 | 8,066,000 | 1,545,057 | 0 | 6,520,943 | 36.74% | 262 |
| 1989 | 22,851 | 12,482,194 | 9,685,000 | 1,729,056 | 0 | 7,955,944 | 63.74% | 348 |

(1) Annual population estimates by the Metropolitan Council

(2) From Table 4

(3) Amount does not include Special Assessment or Revenue Bonds

(4) Amount available for repayment of General Obligation Bonds

TABLE 10

City of Crystal
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT (1)
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 Last Ten Fiscal Years

| FISCAL YEAR | PRINCIPAL | INTEREST (2) | TOTAL DEBT SERVICE | TOTAL GENERAL GOVERNMENTAL EXPENDITURES (3) | RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES |
|----------------|-----------|--------------|-----------------------|--|--|
| 1980 | \$55,000 | \$14,908 | \$69,908 | \$3,420,136 | 2.0% |
| 1981 | 60,000 | 12,620 | 72,620 | 3,713,896 | 2.0% |
| 1982 | 60,000 | 10,220 | 70,220 | 4,745,014 | 1.5% |
| 1983 | 60,000 | 7,820 | 67,820 | 4,253,145 | 1.6% |
| 1984 | 60,000 | 5,410 | 65,410 | 4,445,687 | 1.5% |
| 1985 | 40,000 | 3,390 | 43,390 | 5,458,252 | 0.8% |
| 1986 | 6,744,600 | 470,275 | 7,214,875 | 12,201,383 | 59.1% |
| 1987 | 20,000 | 486,854 | 506,854 | 5,942,770 | 8.5% |
| 1988 | 20,000 | 552,175 | 572,175 | 6,856,774 | 8.3% |
| 1989 | 50,000 | 692,963 | 742,963 | 7,205,125 | 10.3% |

(1) Excludes Special Assessment and Revenue Bonds

(2) Excludes bond issuance and other costs

(3) Includes General, Special Revenue and Debt Service Funds

TABLE 11

City of Crystal
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
December 31, 1989

| JURISDICTION | NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING | PERCENTAGE APPLICABLE TO GOVERNMENT | AMOUNT APPLICABLE TO GOVERNMENT |
|---------------------------------|---|---|---------------------------------------|
| ----- | | | |
| DIRECT: | | | |
| City of Crystal | \$9,922,000 | 100.0% | \$9,922,000 |
| | | | |
| OVERLAPPING: | | | |
| Hennepin County | 106,700,000 | 1.3% | 1,387,100 |
| Robbinsdale ISD #281 | 2,980,000 | 17.6% | 524,480 |
| SISD #287 (Vo-Tech) | 2,000,000 | 2.1% | 42,000 |
| Metropolitan Council | 33,895,000 | 0.8% | 271,160 |
| Metropolitan Transit Commission | 5,985,000 | 0.9% | 53,865 |
| Hennepin Park District | 3,800,000 | 1.9% | 72,200 |
| ----- | | | |
| Total | \$165,282,000 | | \$12,272,805 |
| | ===== | | ===== |

TABLE 12

City of Crystal
PROPERTY VALUE AND CONSTRUCTION
Last Ten Fiscal Years

| FISCAL YEAR | PROPERTY VALUE | | | COMMERCIAL CONSTRUCTION | | RESIDENTIAL CONSTRUCTION | | EXEMPT |
|----------------|----------------|---------------|---------------|-------------------------|-------------|--------------------------|-------------|-----------|
| | COMMERCIAL | RESIDENTIAL | TOTAL | NUMBER OF UNITS | VALUE | NUMBER OF UNITS | VALUE | VALUE |
| 1980 | \$33,629,800 | \$399,949,850 | \$433,579,650 | 51 | \$2,545,744 | 592 | \$2,139,333 | \$78,468 |
| 1981 | 39,123,800 | 438,083,150 | 477,206,950 | 62 | 4,229,834 | 528 | 2,506,334 | 647,340 |
| 1982 | 42,956,600 | 465,744,200 | 508,700,800 | 78 | 3,313,082 | 522 | 2,042,832 | 147,446 |
| 1983 | 50,803,100 | 488,783,300 | 539,586,400 | 53 | 1,612,880 | 582 | 2,380,411 | 314,509 |
| 1984 | 84,686,900 | 493,115,700 | 577,802,600 | 73 | 2,074,561 | 592 | 15,041,234 | 1,757,671 |
| 1985 | 59,943,220 | 493,401,800 | 553,345,020 | 96 | 7,989,314 | 633 | 11,489,159 | 887,808 |
| 1986 | 65,806,700 | 512,789,700 | 578,596,400 | 87 | 3,415,235 | 560 | 3,633,736 | 717,302 |
| 1987 | 69,166,400 | 534,488,100 | 603,654,500 | 64 | 1,570,773 | 573 | 6,566,169 | 274,703 |
| 1988 | 71,090,500 | 553,133,900 | 624,224,400 | 49 | 6,153,484 | 461 | 2,278,950 | 74,910 |
| 1989 | 76,528,100 | 574,820,200 | 651,348,300 | 67 | 2,590,810 | 492 | 2,076,694 | 3,321,850 |

TABLE 13

City of Crystal

MISCELLANEOUS STATISTICS

December 31, 1989

| | |
|---|------------------|
| Date of Incorporation | August 23, 1960 |
| Form of Government | Council/Manager |
| Number of Employees (Excluding Police and Fire) | |
| Permanent or Regular | 99 |
| Temporary or Part-time | 97 |
| Area in Square Miles | 5.72 Square Mile |
| City of Crystal Facilities and Services: | |
| Miles of Streets | 100 |
| Number of Street Lights | 832 |
| Fire Protection: | |
| Number of Stations | 2 |
| Number of Fire Personnel and Officers | 40 |
| Number of Calls Answered | 354 |
| Number of Inspections Conducted | 340 |
| Police Protection: | |
| Number of Stations | 1 |
| Number of Police Personnel and Officers | 41 |
| Number of Patrol Units | 13 |
| Number of Law Violations- | |
| Physical Arrests | 1,124 |
| Traffic Violations | 370 |
| Parking Violations | 676 |
| Parks and Recreation: | |
| Community Centers | 1 |
| Parks | 23 |
| Park Acreage | 221.74 Acres |
| Swimming Pools | 1 |
| Tennis Courts | 13 |
| Sewerage System: | |
| Miles of Sanitary Sewers | 90 Miles |
| Miles of Storm Sewers | 32 |
| Number of Service Connections | 7,769 |
| Water System: | |
| Miles of Water Mains | 92.5 Miles |
| Number of Service Connections | 7,570 |
| Number of Fire Hydrants | 766 |
| Daily Average Consumption in Gallons | 2.4M Gallons |
| Facilities and Services not included in the Reporting Entity: | |
| Education: | |
| Number of Elementary Schools | 2 |
| Number of Secondary Schools | 0 |
| Number of Special Education Schools | 2 |

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SUPPLEMENTAL INFORMATION

CITY OF CRYSTAL
SCHEDULE OF SOURCES AND USES OF PUBLIC FUNDS
FOR TAX INCREMENT FINANCING DISTRICT
BASS LAKE ROAD - BECKER PARK
INCEPTION TO DECEMBER 31, 1989

SCHEDULE 1

| | 1988 & PRIOR | 1989 | TOTAL |
|---|-----------------|-------------|--------------|
| | ----- | ----- | ----- |
| SOURCES OF FUNDS: | | | |
| Bond Proceeds | \$13,269,321 | \$0 | \$13,269,321 |
| Tax Increments | 2,203,641 | 959,323 | 3,162,964 |
| Interest Earned | 135,701 | 19,535 | 155,236 |
| Land Sales | 1,318,214 | 56,686 | 1,374,900 |
| Other Revenue | 93,380 | 308 | 93,688 |
| | ----- | ----- | ----- |
| Total Sources of Funds | \$17,020,257 | \$1,035,852 | \$18,056,109 |
| | ----- | ----- | ----- |
| USE OF FUNDS: | | | |
| Land/Building Acquisitions and Site Improvements | \$8,890,883 | \$165,481 | \$9,056,364 |
| Professional Services | 808,144 | | 808,144 |
| Debt Service- | | | |
| Principal | 5,865,000 | 50,000 | 5,915,000 |
| Interest | 1,751,758 | 586,590 | 2,338,348 |
| Fiscal Fees | 10,662 | 1,206 | 11,868 |
| Refunding Costs & Deposit with Trustee | 859,600 | | 859,600 |
| | ----- | ----- | ----- |
| Total Uses of Funds | \$18,186,047 | \$803,277 | \$18,989,324 |
| | ----- | ----- | ----- |
| Sources Over (Under) Uses | (\$1,165,790) | \$232,575 | (\$933,215) |
| | ----- | ----- | ----- |
| TRANSFERS FROM OTHER FUNDS: | | | |
| Spec Assess Revolving Fund | 925,983 | | 925,983 |
| Revenue Sharing Fund | 592,486 | | 592,486 |
| General Fund (Close HRA) | | 21,169 | 21,169 |
| | ----- | ----- | ----- |
| BALANCE | \$352,679 | \$253,744 | \$606,423 |
| | ===== | ===== | ===== |

SCHEDULE 1
(continued)

CITY OF CRYSTAL
SUPPLEMENTAL INFORMATION FOR TAX INCREMENT FINANCING DISTRICT
December 31, 1989

| | |
|--|--------------------------------|
| Name of District | Bass Lake Road- Becker Park |
| District Number | 2150 |
| Type of District | Redevelopment |
| Authorizing Statutes | 462.411 |
| Year Established | 1983 |
| Duration of District | 2003 |
| Assessed Value/Tax Capacity | |
| Current | \$1,809,745 |
| Original | (761,141) |
| | ----- |
| Captured and Retained | \$1,048,604 |
| | ===== |
| Financing | |
| Bonds Issued | \$13,600,000 |
| Bonds Retired Through Advanced Refunding | (5,865,000) |
| Bond Principal Retired | (50,000) |
| | ----- |
| Bonded Indebtedness - December 31, 1989 | \$7,685,000 |
| | ===== |

CITY OF CRYSTAL
SCHEDULE OF BONDED INDEBTEDNESS
For the Year Ended December 31, 1989

SCHEDULE 2

| DESCRIPTION | NET INTEREST RATE | DATED | BALANCE 01/01/89 | ISSUED 1989 | RETIRED 1989 | BALANCE 12/31/89 |
|---|-------------------------|-----------|---------------------|----------------|-----------------|---------------------|
| ----- | | | | | | |
| GENERAL OBLIGATION BONDS- | | | | | | |
| \$2,000,000 - Community Center Bonds - 1989A | 7.2789% | 01-Apr-89 | \$0 | \$2,000,000 | | \$2,000,000 |
| ----- | | | | | | |
| Total General Obligation Bonds | | | \$0 | \$2,000,000 | \$0 | \$2,000,000 |
| ----- | | | | | | |
| GENERAL OBLIGATION TAX INCREMENT BONDS- | | | | | | |
| \$5,865,000 - Tax Increment Refunding Bonds - 1986A | 7.6839% | 01-Jul-86 | \$5,865,000 | | | \$5,865,000 |
| \$1,870,000 - Tax Increment Bonds - 1987A | 8.5916% | 01-Nov-87 | 1,870,000 | | 50,000 | 1,820,000 |
| ----- | | | | | | |
| Total General Obligation Tax Increment Bonds | | | \$7,735,000 | \$0 | \$50,000 | \$7,685,000 |
| ----- | | | | | | |
| GENERAL OBLIGATION SPECIAL ASSESSMENT IMPROVEMENT BONDS- | | | | | | |
| \$1,020,000 - Special Assessment Improvements - 1970 | 6.7497% | 01-Feb-70 | \$140,000 | | \$35,000 | \$105,000 |
| \$191,000 - Special Assessment Improvements - 1986 | 7.5000% | 01-Jun-86 | 191,000 | | 59,000 | 132,000 |
| ----- | | | | | | |
| Total General Obligation Special Assessment Improvement Bonds | | | \$331,000 | \$0 | \$94,000 | \$237,000 |
| ----- | | | | | | |
| TOTAL | | | \$8,066,000 | \$2,000,000 | \$144,000 | \$9,922,000 |
| ===== | | | | | | |

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AUDITORS' REPORT ON LEGAL COMPLIANCE

City Council
City of Crystal
Crystal, Minnesota

We have audited the general purpose financial statements of the City of Crystal, Minnesota as of and for the year ended December 31, 1989, and have issued our report thereon dated April 30, 1990. The financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the financial statements based on our audit. Our audit was made in accordance with generally accepted auditing standards; the provisions of the Minnesota Legal Compliance Audit Guide for Local Government promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Sec. 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary.

The Minnesota Legal Compliance Audit Guide for Local Government covers five main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements. Our study included all of the listed categories. The results of our tests indicate that for the items tested, the City of Crystal complied with the material terms and conditions of applicable legal provisions. Further, for the items not tested, based on our audit and the procedures referred to above, nothing came to our attention to indicate that the City had not complied with such legal provisions.

This report is intended solely for the use of the City of Crystal and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

George M. Hansen Company, P.A.

April 30, 1990

*Harlene -
replacement*

PARK AND RECREATION ADVISORY COMMISSION

Agenda

November 7, 1990

Marketing Committee Meeting - 6:15 p.m.

1. Call regular meeting to order - 7:00 p.m.
2. Approval of minutes
3. Report from the Chairperson
4. Review monthly report
5. Review final revision of 5-year plan - attached
6. Review plan of concrete slab in front of Becker stage - attached
7. Review Crystal Frolics meeting - Bill
8. Discuss Commission's organizing/directing Honored Senior program for the Crystal Frolics - Liz
9. Review 1991 budget highlites for various divisions as presented to the City Council
10. Review financial results of Municipal Pool/Waterslide for 1990
- attached
11. Discuss a Community Center events sign - Gentry
12. Other business
 - a. City Council approves apparatus and equipment for North Bass Lake, North Lions and Skyway parks
 - b. Final approval of Park Commission description
 - c. Elections in December
13. Adjournment

MARTIN OLAV SABO

5th District, Minnesota

COMMITTEE ON APPROPRIATIONS

Subcommittees:

Defense Transportation

Treasury - Postal Service - General Government

COMMITTEE ON BUDGET

DEMOCRATIC STUDY GROUP

Chairman

DEPUTY MAJORITY WHIP



Congress of the United States

House of Representatives

Washington, D.C. 20515
October 29, 1990

2201 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-4755

462 Federal Courts Building
110 South 4th Street
Minneapolis, Minnesota 55401
(612) 348-1649

Mr. Jerry Duglar
City of Crystal
4141 Douglas Drive North
Crystal, Minnesota 55422

Dear Mr. Duglar:

Thank you for contacting me to express your support for extending the mortgage revenue bond program. I am happy to inform you that this provision was extended for another year in the budget package passed by Congress on October 27.

The federal budget deficit is our nation's most serious domestic problem. In order to solve this problem a variety of spending cuts and tax increases are needed. The President and Congress have agreed on a budget which provides \$40 billion in deficit reduction for 1991 and close to \$500 billion of deficit reduction over the next five years. The package contains more than two dollars of spending cuts for each dollar in new taxes.

Our budget crisis is serious and real and will only be solved through the efforts of all segments of our society. While I did not agree with every provision in the budget package, I voted for it because I believe it is essential that we solve our deficit problem so we can move forward as a nation.

Again, thank you for contacting me about this issue. I will continue to work for programs that provide housing assistance for America's neediest citizens.

Sincerely,

Martin Olav Sabo

Martin Olav Sabo
Member of Congress

MOS:me



NATIONAL LEAGUE OF CITIES

REPORT TO THE MEMBERSHIP

Autumn, 1990

Highlights of Service to Local Governments

Influencing National Policy

Through the five standing policy committees, NLC members develop the policy and legislative priorities that are carried from city and town halls to Congress and the President.

Advocating direct federal funding to local governments for federal law enforcement assistance money and for anti-drug abuse and prevention programs.

Supporting reauthorization of the Community Development Block Grant (CDBG) program and increased housing assistance for the poor.

Fighting to preserve the authority of small cities and towns in implementing their own sewer and waste water programs without interference from Rural Electric Cooperatives.

Promoting a seven day waiting period for the purchase of a handgun, and a ban on the importation, manufacture and sale of some assault weapons.

Guaranteeing discount pricing and seller financing to assist city governments who want to make use of affordable housing seized as part of the savings and loan bailout.

Ensuring that mandates on localities under a reauthorized Clean Air Act are minimized, and that cities have flexibility in demonstrating financial responsibility for leaking underground storage tanks.

Ensuring effective implementation of the Community Reinvestment Act provisions calling on financial institutions to meet the credit needs of their communities.

Enacting Public Law 101-381, that for the first time allows direct federal grants to cities hardest hit by the AIDS disease.

Supporting legislation to simplify the federal tax code, including a number of changes affecting tax-exempt municipal bonds and allowing local airports to institute a passenger facilities charge.

In a federal case concerning the 1990 Census, NLC is a co-plaintiff challenging the U.S. Department of Commerce to correct errors in the 1990 census count. In ruling on the case, the federal judge recognized NLC's concerns, and warned Commerce that the court would not tolerate any attempts to avoid a fair consideration of a statistical adjustment of the census numbers.

The NLC supported the City of Baltimore before the U.S. Supreme Court in a case that upheld the city's and NLC's position that city governments have a right to protect abused children that supersedes the constitutional rights of a potential criminal suspect.

Improving Local Governance

MEMBER TASK FORCES

The International Task Force anticipates the needs of city officials who will face the dynamic and highly competitive arena of global interaction and interdependence. The task force works in concert with the U.S. Department of State, International Trade Administration, United States Information Agency and Sister Cities International.

The Training Task Force is charged with assessing, and where appropriate improving, the education and training programs conducted by NLC. To date, the task force has questioned a broad base of local leaders on their training needs as part of the overall program evaluation process.

NLC Task Force on Children and Education compliments the "Children & Families in Cities Project" that began at NLC in 1986. This initiative collects and disseminates information for the benefit of municipal policymakers on issues of youth education, child care, child abuse and related matters. As part of the project, NLC co-sponsored a national conference on "Your City's Kids."

Solid Waste and Environmental Concerns:

Implemented an education and training program on siting municipal solid waste facilities, conducted four new environmental law compliance seminars to focus on liability issues, and focused on municipal solid waste programs during the 1990 City Innovations Conference.

Economic and Community Development :

"Development in the 90's," seminars that discussed emerging finance techniques, public asset management and the potential pitfalls of the public/private development process, were held in Savannah, GA, and Muskegon, MI. "City Commercial Centers Reborn," highlighting strategies for building viable downtowns and neighborhood business districts, were hosted in San Francisco, CA, and San Antonio, TX.

Conflict Resolution Initiative:

Provided city officials with on-site technical assistance in order to deal more effectively with tough local decisions involving diverse groups and opinions. Some of the communities served include Watertown, MA; Macon, GA; Elyria, OH; and Plymouth, MA.

Information Clearinghouse

MUNICIPAL REFERENCE SERVICE -- responds to hundreds of inquiries each month from cities and other public and private groups. Beyond reference and research activities, MRS keeps an index of city ordinances and works in cooperation with the University of Louisville to abstract news articles from 450 periodicals that are published monthly in Urban Affairs Abstracts.

PROGRAMS THAT WORK INITIATIVE -- Designed to enhance the network of information sharing, NLC has invited mayors, council members, and city staff to share programs and activities that may be a model for other communities. This information appears each week in the NLC newspaper.

AIDS PROJECT -- NLC's AIDS project is a collaborative effort among nine national public interest groups that serve elected public officials. The program shares resources, new data and creative strategies to resolve AIDS policy issues.

LOCAL EXCHANGE -- The comprehensive on-line computer information and communications network designed and operated by and for local government officials. Through LOCAL EXCHANGE, city leaders can access topical bulletin boards and a database of innovative local government programs. It also provides "gateway" services offered by other national associations.

AWARDS PROGRAMS -- To recognize and publicize excellence in city government, NLC hosts the annual City Innovations Competition, the James C. Howland Award for Urban Enrichment, and the CityVideos Competition in cooperation with A&E Cable Network.

Publications

ISSUE BRIEFS on plastics recycling, workplace policies on AIDS affecting public safety personnel, and leadership transitions in city government.

SURVEYS -- Each year NLC publishes the "Opinion Survey of Municipal Officials" and the "City Fiscal Conditions Survey."

Nation's Cities Weekly is the newspaper by which NLC keeps its members informed about legislation, training programs, city innovations and a range of organizational activities.

Environmental Decisions is the bi-monthly magazine dedicated to the critical issues of solid waste management, water treatment and air quality for local government leaders.

"A Report From the Front: Local Strategies in the War Against Drugs" : A compendium of 70 successful local government drug education, prevention and treatment initiatives.

"Caring for Children: Case Studies in Local Government Child Care Initiatives" The fourth in a series of books that provide city officials with examples on how to meet the needs of children and families.

"Local Officials Guide to Public Real Estate Asset Management" : A guide book outlining a comprehensive six-stage approach to effective public real estate management.

"Local Officials Guide to Community Traffic Safety Programs" : A joint project with the National Highway Traffic Safety Administration that uses case studies to provide guidance to municipalities interested in traffic safety programs.