

CITY OF CHASKA

STATE OF MINNESOTA

2010 COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

**CITY OF CHASKA
STATE OF MINNESOTA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

Prepared by:
Administrative Services Department

Noel J. Graczyk
Administrative Services Director,
Treasurer

Barbara J. Hand
Assistant Finance Director



CHASKA

Table of Contents
Comprehensive Annual Financial Report

City of Chaska, Minnesota

Year Ended December 31, 2010

	Page(s)
SECTION I: INTRODUCTORY	
Letter of Transmittal	1-6
GFOA Certificate of Achievement	7
Organizational and Administrative Structure	8
List of Elected and Appointed Officials	9
SECTION II: FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	11-12
MANAGEMENT’S DISCUSSION AND ANALYSIS	13-26
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	36
Statement of Net Assets – Proprietary Funds	38-41
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	42-43
Statement of Cash Flows – Proprietary Funds	44-47
Statement of Fiduciary Net Assets – Fiduciary Funds	50
Notes to the Financial Statements	51-87
OTHER REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Funding Progress – Other Post-Employment Benefit Plan	88
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
GOVERNMENTAL FUNDS:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91

Table of Contents
Comprehensive Annual Financial Report

City of Chaska, Minnesota

Year Ended December 31, 2010

Nonmajor Special Revenue Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	95
Nonmajor Debt Service Funds:	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	99
Combining Balance Sheet – Improvement Bond Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Improvement Bond Funds	101
Combining Balance Sheet – Tax Increment Bond Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Tax Increment Bond Funds	103
Nonmajor Capital Project Funds:	
Combining Balance Sheet	106-107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108-111
Combining Balance Sheet – Tax Increment Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Tax Increment Funds	113
Combining Balance Sheet – Special Assessment Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Assessment Funds	115
Nonmajor Budgeted Special Revenue Funds:	
MOUNT PLEASANT MAINTENANCE & CARE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	118
CHASKA EDA FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	119
EQUIPMENT ACQUISITION FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	120
 PROPRIETARY FUNDS:	
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets	122
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	123
Combining Statement of Cash Flows	124
 AGENCY FUNDS:	
Combining Statement of Net Assets	126
Combining Statement of Changes in Assets and Liabilities	127

Table of Contents
Comprehensive Annual Financial Report

City of Chaska, Minnesota

Year Ended December 31, 2010

SECTION III: STATISTICAL (UNAUDITED)	Page(s)
Net Assets by Component	130-131
Changes in Net Assets	132-133
Governmental Activities Tax Revenues by Source	135
Fund Balances of Governmental Funds	136-137
Changes in Fund Balances of Governmental Funds	138-139
General Governmental Tax Revenues by Source	141
Tax Capacity Value and Estimated Actual Value of Taxable Property	142-143
Property Tax Rates – Direct and Overlapping Governments	144-145
Principal Property Tax Payers	147
Property Tax Levies and Collections	148-149
Ratios of Outstanding Debt by Type	150-151
Ratios of General Bonded Debt Outstanding To Estimated Actual Taxable Value	153
Direct and Overlapping Governmental Activities Debt	154
Legal Debt Margin Information	155
Pledged Revenue Coverage	157
Demographic and Economic Statistics	158
Principal Employers	159
Full Time Equivalent City Government Employees by Function/Program	160-161
Operating Indicators by Function/Program	162-163
Capital Asset Statistics by Function/Program	164-165



CHASKA



City of Chaska

June 28, 2011

**To the Citizens of the City of Chaska,
Honorable Mayor and Council Members,
Mr. Matt Podhradsky, City Administrator**

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

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

The City of Chaska's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Chaska for the fiscal year ended December 31, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Chaska's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Chaska was founded in 1851, incorporated March 3, 1891, and since 1975 has operated under a Statutory Plan “A” form of government, as modified, in accordance with Minnesota State Statutes Chapter 412.023, Subdivision 5. The Chaska City Council consists of a Mayor, with a two-year term of office, and four Council Members, each with a four-year term of office. Elections are held on the Tuesday after the first Monday in November, of each even-numbered year. No more than two Council Members’ terms expire in any one-year.

The City Administrator is appointed by the Chaska City Council and serves as the City Clerk. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Service Director serves as the Treasurer.

The primary mission of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska, which has been nurtured in the community since its incorporation in 1891. Consistent with its mission, the City will strive to maintain its unique historical small town image and sense of community while supporting well-planned, orderly growth. To achieve it’s mission, the city has established six ongoing core strategies:

- Enhance Chaska’s high quality of life
- Plan orderly community development
- Maintain a sense of community and small town values
- Assure that quality basic municipal services are provided
- Maintain a commitment to excellence
- Develop and maintain partnerships

The City of Chaska provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. The City also operates nine enterprises: electric, water, sewer, and storm water utilities; a community center, two golf courses, a turbine generator utility and is an internet service provider. In addition to these governmental and enterprise activities, the Chaska City Council serves as the board of the Chaska Economic Development Authority (EDA). The EDA is included in this report as a blended component unit.

The annual budget serves as the foundation for the City of Chaska’s financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. Activities of the General Fund and certain special revenue funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

Factors Affecting Financial Condition

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

Local economy. Since the year 2000, the City of Chaska has seen a significant amount of growth in the community. At that time our population was approximately 17,500. By 2014, the City's population is forecast to increase to 24,995. This rapid increase in population came from the addition of approximately 500 housing units per year, between the years 2002 and 2006, as well as the addition of a significant amount of commercial development in the community. This commercial development included small boutique and service centers and such large users as Home Depot, SuperTarget, and Kohl's. Chaska saw the majority of its industrial development growth in the late 1980's and early 1990's. Nearly 8,000 jobs were created, with over 12,000 jobs total in the community. The industrial park was at full capacity in the 1990's, with the exception of only a couple of sites. Such companies as Entegris, FSI, Lifecore Biomedical, Beckman Coulter, and Lake Region Medical all offered several hundred jobs at each facility. The housing and commercial development, which occurred after 2000, was the result of both the strong housing economy and the number of jobs available in Chaska. The census growth in population was 35% from 2000-2010.

As with other communities across the country, the City of Chaska has seen a significant drop in new housing development since 2006. The most significant drop occurred over the past 36-month period. As previously mentioned, we had close to 500 housing units per year between 2002 and 2006. The average taxable market value in the community increased by an average of 10-12% annually. The projected decrease in taxable market value for 2011 is 6.68%. Over the past 12 months we have seen fewer than 50 new homes built in the community.

While many areas of the Twin Cities have seen very little, if any, development occurring, Chaska has been working through the planning process on several large commercial/industrial projects. This includes the addition of Ridgeview's 212 Medical Center on Highways 212 and 41. This will ultimately be a 350,000 sq. ft. medical facility that will house the only stand-alone emergency room in the State of Minnesota, along with surgical suites, imaging, and special medical uses. Ridgeview opened the first phase of 250,000 square feet in February of 2011. Additionally, Michael's Foods purchased the vacant 230,000 sq. ft. Mammoth industrial building in December 2008. They moved their entire "Simply Potatoes" line to the facility, with production beginning the first part of 2010. This has created approximately 400 new jobs in the community. An additional 35 jobs in research and development will move into Chaska in the future with Michael's Foods.

Other larger projects are currently in the planning process, including a 160-unit senior independent memory care and assisted living facility at the intersection of Hazeltine Boulevard and Highway 41. It is being slated for the summer of 2012. Aeon Homes is proposing to complete a redevelopment project in downtown Chaska at the southeast corner of First Street and Highway 41. This would add an additional 47 affordable senior units to the community. This is

also slated for 2012. The City also expects to see the development and building of Southwest Christian High School in 2011, creating a building that can house up to 600 students. Finally, the City of Chaska is seeing the next phase of corporate/industrial development go forward in the community this summer, with the first phase of infrastructure going into our Chaska Biotech Center development area. Eventually we expect this area to support 8,000-10,000 new jobs on approximately 400 acres adjacent to the new Highway 212 freeway corridor. In 2010, we saw the first phase go forward on the land just off of the northwest quadrant of 212 and Engler Boulevard to support the 250,000 square foot United Health Group (UHG) data center. This will create 25 new jobs, but more importantly; UHG will be a very large electric user, utilizing up to an estimated 20 Megawatts of electricity by 2015. This will provide financial benefit to both our Electric Enterprise Fund and the General Fund through our franchise fee. At the same time, it will provide the economic engine necessary to build the infrastructure that will support the first phase of the Chaska Biotech Center, which will support additional corporate/industrial growth. The City of Chaska will add additional infrastructure in the area during the late summer of 2011 to support additional growth in this area.

Long-term financial planning. Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. In addition, the forecast is used to establish the City's maximum tax levy, which is required through the Truth in Taxation public hearing process. In preparing the five-year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2011 budget and five-year forecast was developed based on the following objectives:

1. Maintain existing high-quality service levels, making reductions in service levels only when directly associated with decreased need for service.
2. Maintain a policy of keeping a constant tax rate for limiting growth of the tax levy, while also planning levy resources that at a minimum remain constant, thus not inhibiting our ability to maintain existing service levels.
3. Fund replacement of the City's existing capital investments.
4. Fund new programs only after existing, necessary programs are funded.
5. Address the implications of levy limits on local governments and the significant reduction in LGA and MVHC, while maintaining current services levels expected by residents.
6. Develop a plan that allows the City to discontinue drawing from General Fund reserves.
7. Continue to fund levy needs of the Street Reconstruction Program.

Key factors which impact both the costs of providing services and the City's revenue resources are changes in Chaska's population and households. The slow down in the volume of building activity and reduced permit revenue is just one of the key challenges in developing the 2011 and five-year budget forecast. Other budget challenges are the State's continued un-allocation of both Local Government Aid and Market Value Homestead Credit dollars as well as a reduction of taxable market values in the community.

The 2011-2015 forecast strives to balance existing service levels within the forecasted revenues while at the same time maintaining a low property tax rate. Chaska's tax levy continues to be one

of the lowest in the metropolitan area and significantly lower than neighboring communities. Results of customer service evaluations indicate that citizens are very happy with the level of services provided by the City.

The City recently updated its Comprehensive Plan which is part of a mandate from Metropolitan Council to make local plans consistent with its updated Regional Development Framework coupled with Chaska's rapid growth and changing conditions. Chaska's 2030 Comprehensive Plan guides the direction of the City in several major areas: land use, transportation, environment, parks and trails, and public facilities. Each of these areas is examined in a *comprehensive* manner, in order to take advantage of opportunities, avoid problems, and work toward building a stronger community.

Major Initiatives

In 2009, a wind turbine was installed as part of the Home Town Wind Power Program. The wind turbine was installed to help the City meet its renewable energy requirements established by the State of Minnesota. The State requires that all electric utilities need to produce 12% of their electricity from renewable sources by 2012 and 25% by the year 2025. While the Home Town Wind Power Program is only a small part of meeting our overall requirements, it is a first step in the process to make sure we are in compliance with all statutory requirements for renewable energy. The City of Chaska, through their power agency (MMPA), will be developing a utility-grade 100 MW wind farm called Oak Glen Wind Farm outside of Blooming Prairie, Minnesota, to also meet these goals. This will be commissioned in late 2011.

While we expect our next phase of growth in the community to be corporate/industrial, we also anticipate significant residential development to occur in the Heights of Chaska. This residential area will include 1,000 acres and has a master plan to include 2,000 to 3,000 housing units. Although we do not expect the housing development to begin occurring until there is a change in the economy and the current inventory of housing lots in the City is exhausted, this will be a significant development area that will have direct access to the Highway 212 freeway.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chaska for its comprehensive annual financial report (CAFR) for fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Letter Of Transmittal

City of Chaska, Minnesota

For the Year Ended December 31, 2010

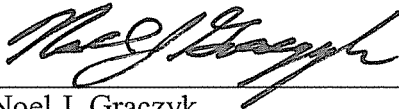
A Certificate of Achievement is valid for a period of one year only. The City of Chaska has received a Certificate of Achievement for the last twenty-one consecutive years (fiscal years ended 1989-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

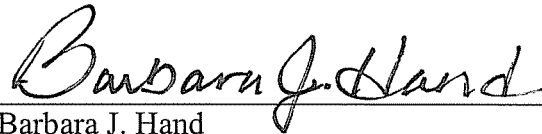
The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Services Department. Special recognition is in order to Lisa M. Nelson, Accountant, who assisted in the production of this report.

We would like to express appreciation to Matt Podhradsky, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully Submitted,



Noel J. Graczyk
Administrative Services Director
Treasurer
City of Chaska



Barbara J. Hand
Assistant Finance Director
City of Chaska

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

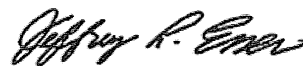
City of Chaska
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President



Executive Director

Organizational and Administrative Structure

City of Chaska

December 31, 2010

ORGANIZATIONAL STRUCTURE

City of Chaska Residents and Businesses

Elected Five Member City Council		
Appointed Boards	Council Selected Outside Professional Advisors	Appointed Positions
Planning Commission	Independent Financial Auditing Firm	City Attorney
Parks Recreation and Arts (Cable)	Financial Consulting Firm	City Administrator (City Clerk)
Human Rights Commission	Engineering Consulting Firm	

ADMINISTRATIVE STRUCTURE [472 Employees (115-6-4-347)]

City Administrator (City Clerk) (1-0-0-0)

<p>Assistant Administrator, Economic Development Coordinator (1-0-0-0)</p> <p>Administrative Services (14-5-0-0) (1-0-0-0) Administrative Services Director (Treasurer) (1-0-0-0) Assistant Finance Director (1-0-0-0) Accountant (1-0-0-0) Senior Accounting Clerk (3-0-0-0) Accounting Clerk (1-0-0-0) Utility Billing Coordinator (2-1-0-0) Utility Account Clerk (0-4-0-0) Customer Service Representative (1-0-0-0) Information Systems Manager (3-0-0-0) IS Network Engineer/Field Support</p> <p>Community Development (6-0-0-0) (1-0-0-0) Senior Clerk/Admin. Secretary (1-0-0-0) Fire Marshall (1-0-0-0) Building Official (2-0-0-0) Building Inspector (1-0-0-0) Utility Inspector</p> <p>Planning Services (2-0-0-0) (1-0-0-0) Director of Planning and Development (1-0-0-0) City Planner</p> <p>Engineering Services (2-0-0-0) (1-0-0-0) City Engineer (1-0-0-0) Civil Engineer II</p> <p>Police Services (27-1-0-0) [24 licensed officers] (1-0-0-0) Chief of Police (1-0-0-0) Captain (4-0-0-0) Patrol Sergeant (3-0-0-0) Detective (2-0-0-0) School Resource Officer (12-0-0-0) Patrol Officer (1-0-0-0) Community Partnership Officer (2-1-0-0) Secretary (1-0-0-0) Community Service Officer</p> <p>Public Works Services (16-0-0-19) (1-0-0-0) Public Works Superintendent (1-0-0-0) Public Works Foreman (1-0-0-0) Street Leadworker (1-0-0-0) Park Leadworker (1-0-0-0) Mechanic Foreman (2-0-0-0) Mechanic (9-0-0-0) Maintenance III (0-0-0-19) Laborer</p>	<p>Electric Utility Services (13-0-0-1) (1-0-0-0) Electrical Director (1-0-0-0) Assistant Electrical Director (1-0-0-0) Office/Inventory Clerk (1-0-0-0) Electric Foreman (6-0-0-0) Lineworker III (1-0-0-0) Lineworker I (1-0-0-0) Lead Lineworker (1-0-0-0) Metering/Substation Lineworker (0-0-0-1) Laborer</p> <p>Water and Sewer Utility Services (9-0-0-2) (1-0-0-0) Utility Superintendent (1-0-0-0) Water/Sewer Foreman (2-0-0-0) LeadWorker (5-0-0-0) Maintenance III and II (0-0-0-2) Laborer</p> <p>Parks Recreation and Arts (18-0-1-259) (1-0-0-0) Parks, Recreation and Arts Director</p> <p>Parks Recreation and Arts (4-0-0-23) (1-0-0-0) Assistant Park, Recreation, Arts Director (2-0-0-0) Recreation Program Support (1-0-0-0) Cable TV Coordinator (0-0-0-20) Rink Attendant, Outside (0-0-0-3) Cable TV Camera Operator</p> <p>Community Center (13-0-1-236) (1-0-0-0) Ice Arena Manager (1-0-0-0) Maintenance Supervisor (1-0-0-0) Facility Coordinator (1-0-0-0) Aquatics Coordinator (1-0-0-0) Front Desk Supervisor/Coordinator (2-0-0-0) Recreational Programmer (1-0-0-0) Fitness Coordinator (1-0-1-0) Activities Coordinator (0-0-0-16) Rink Attendant/Monitor/Referee (4-0-0-20) Custodian/Maintenance (0-0-0-77) Pool Staff and Instructors (0-0-0-16) Front Desk/Cashier (0-0-0-24) Day Care (0-0-0-25) Fitness Instructor (0-0-0-58) Activities Instructor/Assistant</p> <p>Golf Courses (6-0-3-66) (1-0-0-0) Golf Professional (1-0-1-0) Assistant Golf Professionals</p> <p>Chaska Town Course (3-0-2-54) (1-0-0-0) Golf Superintendent (2-0-2-0) Greenskeeper (0-0-0-39) Course Staff (0-0-0-15) Seasonal Labor</p> <p>Chaska Par Thirty (1-0-0-12) (1-0-0-0) Greenskeeper (0-0-0-9) Course Staff (0-0-0-3) Seasonal Labor</p>
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CHASKA VOLUNTEER FIRE DEPARTMENT

Chaska Volunteer Fire Department
 41 Active Volunteers

Key to Number of Employees:
 (Regular Full-Time - Regular Part-Time - Seasonal Full-Time - Seasonal Part-Time)

Elected Officials

MAYOR:	Term of Office	
	From	To
Mark Windschitl	01-25-2010	12-31-2010
COUNCIL MEMBERS:		
Gino Businaro, First Ward	01-01-2007	12-31-2010
Gregory Boe, Second Ward	01-01-2009	12-31-2012
Christopher Schulz, Third Ward	01-01-2007	12-31-2010
Richard Ford, Fourth Ward	01-01-2009	12-31-2012

Administrative Officials

	<u>NAME</u>
CITY STAFF:	
City Administrator (City Clerk)	Matt Podhradsky
Administrative Services Director (City Treasurer)	Noel Graczyk
Director of Planning and Development	Kevin Ringwald
City Engineer	William Monk
Chief of Police	Scott Knight
Fire Chief	Daniel Anderson
Public Works Superintendent	Timothy Wiebe
Director of Parks, Recreation & Arts	Thomas Redman
Electrical Director	Dan Geiger
Utility Superintendent	Dean Hylland
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority	Matt Podhradsky
INDEPENDENT CONSULTANT:	
City Attorney	Luke Melchert



CHASKA



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

City Council and Residents
City of Chaska, Minnesota

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

(continued)

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Malloy, Montague, Karowski, Radaswid & Co., P.A.

June 28, 2011

This section of the City of Chaska's annual financial report presents management's discussion and analysis (MD & A) of the City's financial performance during the fiscal year that ended December 31, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- The assets of the City exceeded liabilities by \$172.4 million.
- The City's total net assets increased by \$6.22 million or 3.74%.
- The City's total long-term liabilities decreased 26% due mainly to an advance refunding that occurred on the 2000A Electric Revenue Bonds. See discussion under the Long-Term Debt portion of the MD & A for further details.

Fund Level

- The City's governmental funds reported combined ending fund balances of \$6.7 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2.6 million, or 27% of total general fund expenditures of \$9.6 million.
- During the year, the City's governmental expenditures were \$4.7 million more than revenues before considering other financing sources and uses. The largest expenditure was for capital outlay for street and other city improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements – the basic financial statements, which includes the notes to the financial statements, and other supplementary schedules that are in addition to the basic financial statements themselves.

The Basic Financial Statements.

The first two basic financial statements (Statement of Net Assets and Statement of Activities) report on the *City as a whole* (government-wide) and provide both long-term and short-term information about the City's overall financial status. (See detailed discussion below in the *Reporting the City as a Whole* section regarding these statements.) The remaining basic financial statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

These fund financial statements can be divided into three categories: (See detailed discussion below in the *Fund Financial Statements* section regarding these fund types.)

1. Governmental funds.
2. Proprietary funds.
3. Fiduciary funds.

Notes to the financial statements.

The notes provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located immediately following Fiduciary Fund financial statements.

Other information.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. There is supplementary information that contains combining statements that report Nonmajor governmental funds, Nonmajor enterprise funds, and fiduciary funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.
- Governmental activities – Most of the City's basic services are included here, such as the police, fire, public works and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's Electric, Water, Sewer, and Storm Water Utilities, Chaska Community Center, Chaska Par 30, Chaska Town Course, Turbine Generator Utility, and Internet Service Provider are included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds (major funds) – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three broad categories of fund types:

1. ***Governmental funds*** – Governmental funds typically are used to account for tax-supported (governmental) activities. Most of the City's basic services are included in governmental funds, which focus on (a) how cash and other financial assets that can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, that explains the relationship (or differences) between them. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for funds determined to be major funds. In 2010 the City's major funds are: the General Fund, TIF District #4 Revolving Capital Project Fund, and TIF District #14 Downtown Redevelopment Fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements towards the end of this report.
2. ***Proprietary funds*** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Electric Utility, Water Utility, Chaska Community Center and Turbine Generator Utility, all of which are considered to be major funds. Individual fund data for each of the Nonmajor proprietary funds is provided in the form of combining statements towards the end of this report. The City has one Internal Service Fund that is reported in a single column in the proprietary fund financial statements and is used to account for the purchase of property, liability, and worker's compensation insurance for all City departments. Costs are then allocated to the departments.

3. **Fiduciary funds** – Fiduciary funds account for assets held on behalf of outside parties, including other governments, or other funds within the City. The City’s only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the City’s government-wide financial statement because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets The City’s combined net assets were \$172.4 million on December 31, 2010.

Table 1
City of Chaska’s Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 25,328,304	\$ 23,808,783	\$ 48,679,613	\$ 77,711,047	\$ 74,007,917	\$ 101,519,830
Capital assets	147,612,254	143,808,209	41,453,747	43,577,371	189,066,001	187,385,580
Total assets	172,940,558	167,616,992	90,133,360	121,288,418	263,073,918	288,905,410
Noncurrent liabilities	38,077,345	37,337,575	47,058,577	77,537,278	85,135,922	114,874,853
Other liabilities	2,733,584	4,804,043	2,813,437	3,052,882	5,547,021	7,856,925
Total liabilities	40,810,929	42,141,618	49,872,014	80,590,160	90,682,943	122,731,778
Net assets:						
Invested in capital assets, net of related debt	123,268,713	120,015,168	25,788,072	27,181,315	149,056,785	147,196,483
Restricted	14,860,130	11,721,027	3,013,936	4,441,294	17,874,066	16,162,321
Unrestricted (deficit)	(5,999,214)	(6,260,821)	11,459,338	9,075,649	5,460,124	2,814,828
Total net assets	\$ 132,129,629	\$ 125,475,374	\$ 40,261,346	\$ 40,698,258	\$ 172,390,975	\$ 166,173,632

Note: 2009 amounts were adjusted to reflect a prior period adjustment. (See **Note 17** of the basic financial statements.)

The City as a Whole –As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Chaska, assets exceeded liabilities by \$172.4 million on December 31, 2010, which represents an overall improvement of \$6.22 million. The City’s improved financial condition at year-end is the product of many factors. A portion of the improved condition is due to contributions from developers of infrastructure assets.

By far the largest portion of net assets (86% of net assets) reflects the City’s investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Chaska’s investment in its capital assets is reported net of related debt, it should be

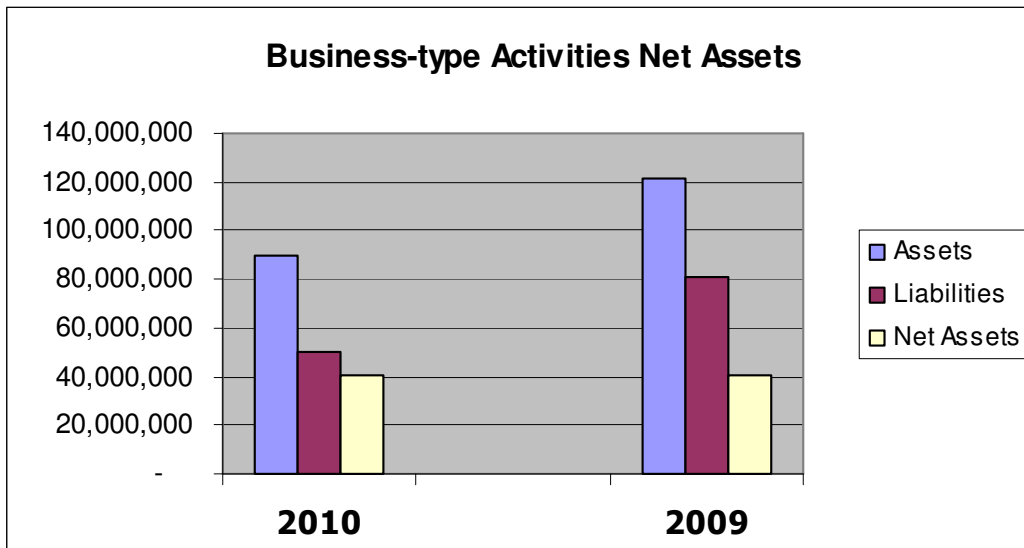
noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets (\$17,874,066) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets (\$5,460,124) may be used to meet the City’s ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all of the categories of net assets reported for the government as a whole.

Governmental activities – Total net assets of Governmental Activities increased \$6.66 million. Additions of city-wide infrastructure increased capital assets by \$3.8 million.

Business-type Activities – In 2010 net assets decreased by \$.44 million for business-type activities. The Electric fund had an increase in net assets of \$.8 million while the remaining eight enterprise funds had a decrease of net assets in the aggregate of \$1.2 million.



Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2010

Changes in net assets The City's combined change in net assets was an increase of \$6.2 million.

**Table 2
City of Chaska's Changes in Net Assets**

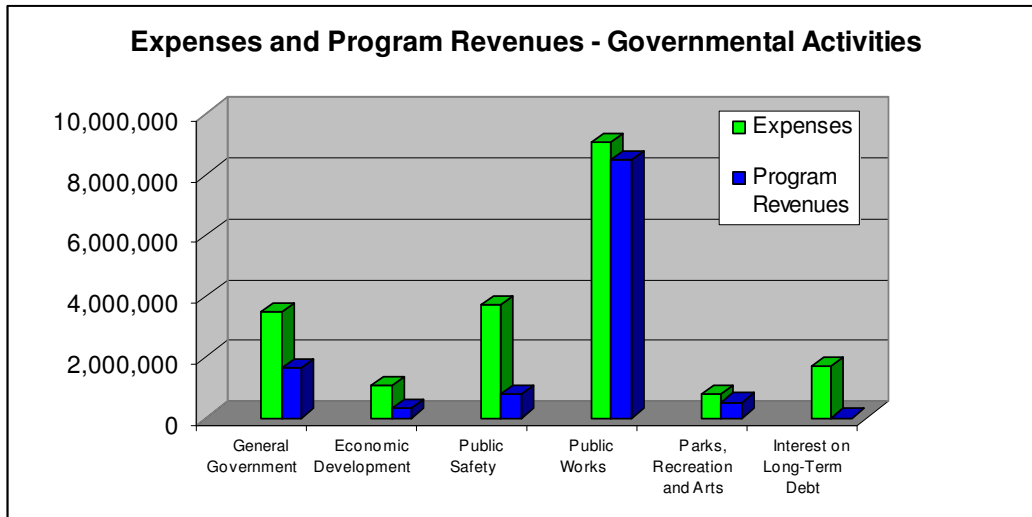
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 2,486,707	\$ 2,172,108	\$ 38,451,778	\$ 34,833,440	\$ 40,938,485	\$ 37,005,548
Operating Grants & Contributions	487,171	6,978,920	-	38,943	487,171	7,017,863
Capital Grants & Contributions	8,723,965	6,119,983	150,453	389,356	8,874,418	6,509,339
General revenues:						
Property taxes	10,610,785	9,783,114	-	-	10,610,785	9,783,114
Franchise taxes	2,723,653	2,469,386	-	-	2,723,653	2,469,386
Grants & Contributions Not Restricted	235,662	546,889	-	-	235,662	546,889
Other general revenues	411,272	568,461	1,203,275	1,621,883	1,614,547	2,190,344
Total revenues	<u>25,679,215</u>	<u>28,638,861</u>	<u>39,805,506</u>	<u>36,883,622</u>	<u>65,484,721</u>	<u>65,522,483</u>
Program expenses						
General Government	3,488,429	3,367,631	-	-	3,488,429	3,367,631
Economic Development	1,064,929	3,087,588	-	-	1,064,929	3,087,588
Public Safety	3,727,256	3,735,496	-	-	3,727,256	3,735,496
Public Works	9,054,937	8,743,805	-	-	9,054,937	8,743,805
Parks Recreation & Arts	787,377	736,427	-	-	787,377	736,427
Interest on long-term debt	1,696,164	2,213,343	-	-	1,696,164	2,213,343
Electric Utility	-	-	24,656,027	22,009,036	24,656,027	22,009,036
Water Utility	-	-	2,332,201	2,297,641	2,332,201	2,297,641
Sewer Utility	-	-	2,433,882	2,256,105	2,433,882	2,256,105
Community Center	-	-	3,855,291	3,835,074	3,855,291	3,835,074
Par 30 Golf	-	-	186,362	183,857	186,362	183,857
Chaska Town Course	-	-	2,067,297	2,024,269	2,067,297	2,024,269
Turbine Generator	-	-	2,948,406	3,443,190	2,948,406	3,443,190
Internet Service Provider	-	-	778,440	960,237	778,440	960,237
Storm Water Utility	-	-	190,380	106,706	190,380	106,706
Total expenses	<u>19,819,092</u>	<u>21,884,290</u>	<u>39,448,286</u>	<u>37,116,115</u>	<u>59,267,378</u>	<u>59,000,405</u>
Excess (deficiency) before transfers	5,860,123	6,754,571	357,220	(232,493)	6,217,343	6,522,078
Transfers	<u>794,132</u>	<u>228,759</u>	<u>(794,132)</u>	<u>(228,759)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	6,654,255	6,983,330	(436,912)	(461,252)	6,217,343	6,522,078
Net Assets, January 1	127,738,082	120,754,752	40,698,258	41,159,510	168,436,340	161,914,262
Prior Period Adjustment	<u>(2,262,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,262,708)</u>	<u>-</u>
Net Assets, December 31	<u>\$ 132,129,629</u>	<u>\$ 127,738,082</u>	<u>\$ 40,261,346</u>	<u>\$ 40,698,258</u>	<u>\$ 172,390,975</u>	<u>\$ 168,436,340</u>

The City as a Whole

- The City as a whole had total revenues of \$65.5 million for the year ended December 31, 2010, a slight decrease of \$37,762 from 2009.
- The total cost of all programs and services was \$59.3 million. The City's expenses are predominantly related to providing services (police, purchasing power for electric service, building inspections, street maintenance, snow removal, etc.) for the citizens of Chaska. The purely administrative activities of the City accounted for just 5.9 % of total costs, as compared to 5.7% of total last year.

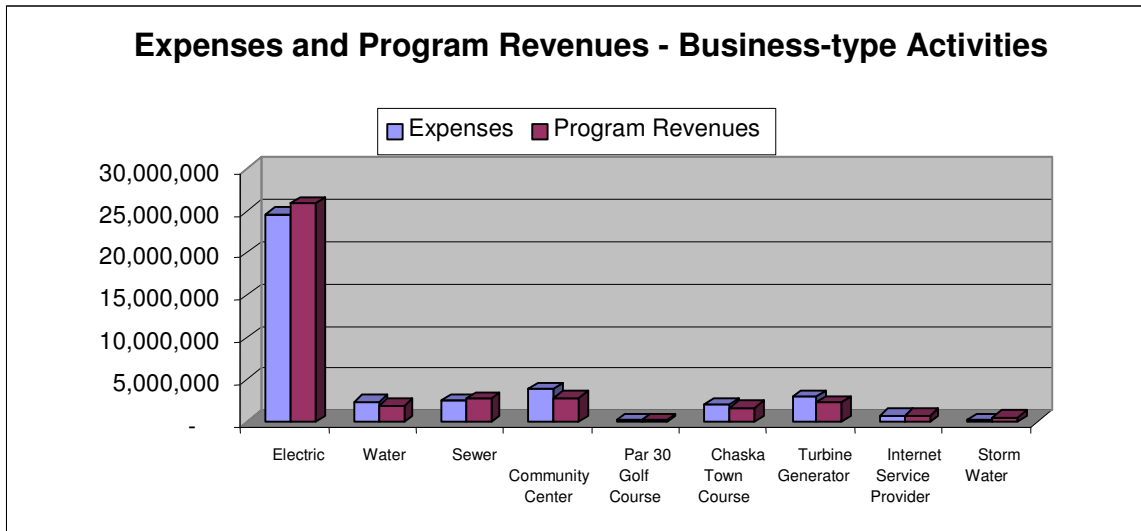
Governmental activities

- The largest source of revenue in governmental activities is Property Taxes. In 2010 41.3% of all revenues were from Property Taxes.
- Capital Grants and Contributions follows Property Taxes as the next major source of revenue at 34.0% of the total governmental activities revenue.
- Operating Grants and Contributions decreased significantly (\$6.5 million) due to accelerated lease revenue payments received in 2009 from the Chaska School District in order to pay-off the outstanding principal balance on the 1999 EDA Lease Revenue Bonds.
- The total costs of all programs and services were \$19.8 million. The cost of providing public safety and street maintenance/construction makes up 64.5% of this total.
- Total revenues surpassed expenses, increasing net assets by \$5.9 million before transfers.



Business-type activities

- Business-type activities showed revenue exceeding expenses before transfers of \$357,220. After transfers were made, net assets decreased by \$436,912.
- Other general revenues consist of investment earnings of \$1,203,275.
- Charges for services increased 10.4% over 2009 (\$3.6 million increase in revenue of which \$2.8 million relates to an increase in electric sales).



FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

As the City completed the year, its governmental funds reported a combined fund balance of \$6.7 million.

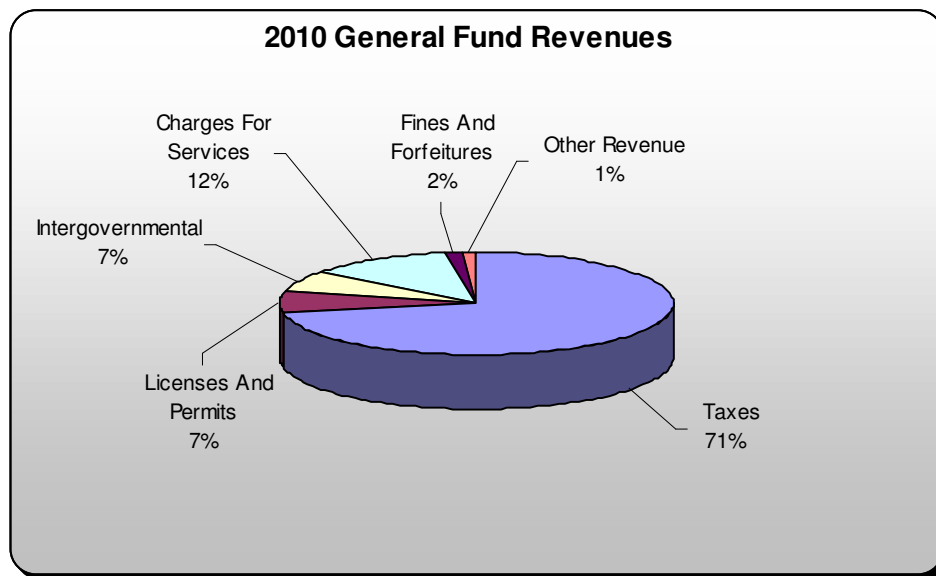
Significant reservations of fund balances are: \$1.3 million for future debt service payments, and \$4.5 million for future construction. See **Note 8** for more detail of reserved/unreserved fund balances.

The City completed the year with an increase in governmental fund balances of \$2.0 million.

Revenues for the City’s governmental funds were \$20.3 million, while total expenditures were \$25.0 million.

The **General Fund** is the chief operating fund of the City of Chaska. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2.6 million. The fund balance of the City of Chaska’s general fund increased by \$70,339. Key factors in the increase are:

- Revenue from electric franchise taxes was \$245,470 more than 2009. This increase was due to a 7.8% increase in kilowatt-hour (kWh) sales from 2009. Franchise tax revenue to the General Fund is calculated at .00849 per kWh sales in the Electric Fund.
- Total revenues and other financing sources were more than the final budgeted amount by \$434,317 due mainly to overages in franchise fee revenue of \$134,653, licenses and permits of \$88,084 and intergovernmental revenue of \$79,500.
- Total expenditures and other financing uses were more than the final budgeted amount by \$363,978. An unbudgeted transfer was done for \$357,000 to fund the street renovation program.



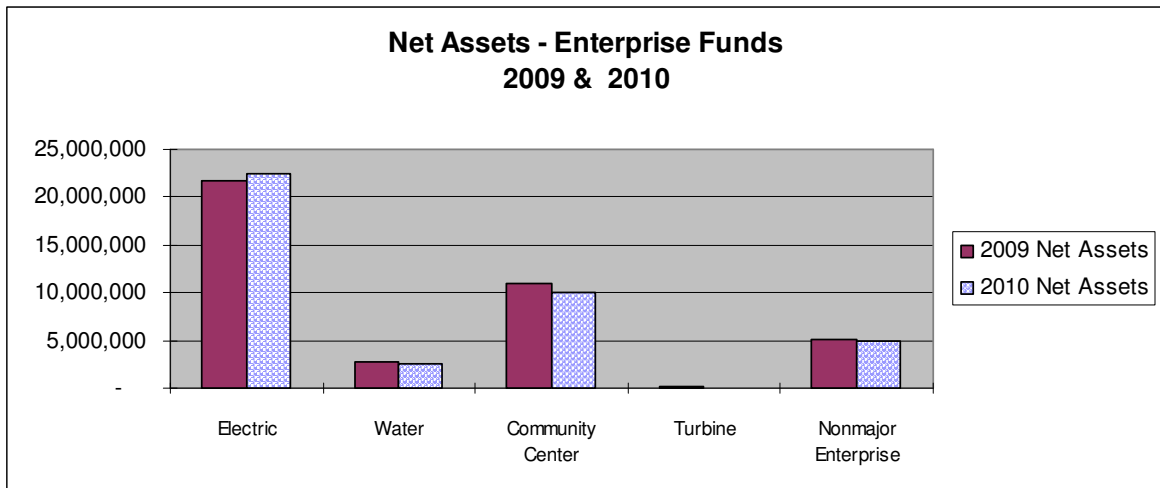
The **TIF District #4 Revolving** fund is the primary fund for collection of all tax increment revenue for all of District #4 projects, thereby producing a large revenue stream (\$5.3 million in tax increment revenue) for one particular fund. In 2008, the District's term was extended three years and the existing debt of the district was restructured. Due to the restructuring of the debt and the extension of the district, TIF District #4 is reporting a positive fund balance.

The **TIF District #14 Downtown Redevelopment** fund is the primary fund for collection of all tax increment revenue for all of District #14 projects. The projects included in this district have borrowed money (\$4.1 million) from the Electric Fund in order to purchase land for future redevelopment. These internal loan balances are expected to be paid in full when redevelopment occurs.

Proprietary Funds. The statements for proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined change decreased net assets of enterprise funds by \$415,199. Some of the reasons for this change in net assets are:

- The Electric Fund’s net assets increased by \$811,330 in 2010. In 2010, electric rates increased 2.25%; this along with increased demand contributed to an increase in operating income of \$155,741 from 2009.
- The Water Fund had an operating income of \$88,534. A new rate structure as well as implementing the required DNR inclining block rate to promote water conservation has given the Water Fund positive operating income for the first time since 2004.
- As part of the budgeting process, when calculating what fees will be, depreciation expense is not considered. As a direct result of this process, the Chaska Community Center reports operating revenue of \$2.8 million and operating expense (without depreciation) of \$2.7 million; resulting in an operating gain before depreciation of \$63,966. When factoring in depreciation expense (\$938,077), an operating loss results of (\$874,111).
- The Turbine Generator Fund has restricted net assets of \$2.7 million, which represents a restriction for debt service.



General Fund Budgetary Highlights

The final amended budget for the General Fund includes the original adopted budget plus any additional supplemental appropriations that were legislated by the City Council during the year. In 2010, the original budget was not amended; therefore projecting no change in fund balance.

While the City’s final amended budget for the general fund anticipated that revenues would equal expenditures and transfers, the City’s general fund actually had an excess of revenues over expenditures and transfers of \$70,339.

- Franchise Fee revenue was \$134,653 more than the final budget due mainly to higher electric sales.
- Licenses and Permits were \$88,084 more than the final budget related to an increase in building permit revenue.

- Investment Earnings were 85.5% less than the final budget amount.
- Expenditures in General Government were \$186,822 less than the final budget. One of the several factors that contributed to this is that repairs to the HVAC system and roof at City Hall were budgeted for in 2010 yet the work did not commence until 2011.
- Public Safety expenditures were \$155,452 more than the final budget. The majority (73%) of this overage was in police personal services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 3, at the end of 2010, the City had \$189.1 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities and electric, water and sewer lines. More detailed information on the City of Chaska’s capital assets can be found in **Note 4** of the basic financial statements.

**Table 3
Capital Assets at Year-End
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 43,852,388	\$ 43,622,988	\$ 364,805	\$ 364,805	\$ 44,217,193	\$ 43,987,793
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	5,114,838	5,463,941	29,687,439	31,598,703	34,802,277	37,062,644
Other Improvements	5,555,573	5,160,889	360,490	391,589	5,916,063	5,552,478
Furniture & Equipment	2,135,903	1,940,012	1,696,830	2,131,330	3,832,733	4,071,342
Infrastructure	83,000,456	83,078,476	9,323,977	9,090,944	92,324,433	92,169,420
Construction in Progress	7,848,069	4,436,876	20,206	-	7,868,275	4,436,876
Totals	\$ 147,612,254	\$ 143,808,209	\$ 41,453,747	\$ 43,577,371	\$ 189,066,001	\$ 187,385,580

Major capital asset events during the current fiscal year included the following:

- \$1,205,147 • New street projects (including North Meadows, Scenic View and Hundertmark Roads) recorded as Construction in Progress at Year End – North Meadows and Hundertmark roads are being paid for with proceeds of the 2010A General Obligation Improvement Bonds.
- \$1,137,410 • Infrastructure improvements for West Creek Corporate Center recorded as Construction in Progress.
- \$727,000 • Costs related to additional infrastructure in the Electric and Water Utility Funds.
- \$3,908,000 • Donated land, streets, water mains and hydrants constructed and contributed by developers.

Long-Term Debt

At year-end, the City had \$82.9 million in bonds and notes outstanding, as shown in Table 4. More detailed information about the City's long-term liabilities is presented in **Note 6** to the financial statements.

Table 4
City of Chaska's Outstanding Debt
(Does Not Include Premiums, Compensated Absences or Other Post-Employment Benefits)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds (Backed by the City)	\$ 1,300,000	\$ 1,580,000	\$ 12,700,000	\$ 13,425,000	\$ 14,000,000	\$ 15,005,000
General Obligation TI Bonds (Backed by the City)	16,585,000	19,325,000	-	-	16,585,000	19,325,000
General Obligation Imp. Bonds (Backed by the City)	19,230,000	14,580,000	-	-	19,230,000	14,580,000
Revenue bonds and notes (Backed by specific tax and fee revenues)	-	995,000	33,125,000	62,905,000	33,125,000	63,900,000
Totals	\$37,115,000	\$45,740,000	\$45,825,000	\$ 76,385,000	\$ 82,940,000	\$ 112,810,000

New debt resulted from four issues in 2010 as follows:

1. \$3,220,000 in General Obligation Improvement Bonds, Series 2010A with a net effective interest rate of 3.274% (2.00% to 4.00%). The proceeds from the 2010A bonds will be used to finance improvement projects to North Meadows, Hundertmark and Clover Ridge Drive North.
2. \$880,000 in General Obligation Capital Improvement Plan Refunding Bonds, Series 2010B with a net effective interest rate of 1.026% (.40% to 1.10%) The proceeds from the 2010B bonds refunded the series 2001 Chaska EDA Lease Revenue Bonds for interest cost savings.
3. \$2,180,000 in General Obligation Improvement Bonds, Series 2010C with a net effective interest rate of 3.061% (2.00% to 3.75%). The proceeds from the 2010C bonds will be used to finance improvement projects at the West Creek Corporate Center and to install a signal at State Highway 41 and 2nd Street.
4. \$405,000 in Taxable General Obligation Abatement Bonds, Series 2010D with a net effective interest rate of 5.05% (4.00% - 5.25%). These taxable bond proceeds will be used for private purpose development. Debt service will be paid from capitalized interest (2012-2013) and then the remaining twenty one years (2014-2033) using available tax abatement revenues generated from new develop that occurs on the improved sites.

All 2010 issues are backed by the full faith and credit of the City.

The City continues to pay down its debt, retiring \$36.6 million of outstanding bonds in 2010. Of that amount, \$29.8 relates to a refunding that occurred on October 1, 2010 in the Turbine Fund.

In 2005, the Turbine fund issued \$30,735,000 in Electric Revenue Refunding Bonds to enable the City to achieve a debt service savings of \$2,594,566, a present value savings of \$1,508,627. Both the 2005 refunding bonds and the refunded bonds (\$34,580,000 Electric Revenue Series 2000A Bonds) had been recorded as long-term debt in the Turbine Fund until the crossover date (October 1, 2010) when all except for \$100,000 of the Series 2000A bonds were refunded.

The City of Chaska's general obligation bonds carry a rating, as of last review, of an AA by Standard and Poor's Corporation and a Baa rating by Moody's Investors Services. The City's Electric revenue bonds were rated an A by Standard and Poor's and A3 by Moody's.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3% of market value. At December 31, 2010, the City's legal debt limit was \$72,226,000. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2011 budget. Specifically, three major revenue issues needed to be addressed:

1. An overall reduction of 6.68% in taxable market values in the community.
2. The State's continued un-allocation of both Local Government Aid and Market Value Homestead Credit dollars.
3. The continued slowdown in the construction activity, which has significantly reduced building permit revenue.

To address these issues in 2011, staff has identified approximately \$450,000 of deferrals of planned expenditures, including some scheduled equipment replacements, as well as a reduction of nearly \$200,000 in expenditures, including a reduction in our street maintenance activities. In addition, the proposed budget also continues to include not filling the 3 positions that were eliminated in 2009 from the Community Development department.

These factors were taken into account when adopting the General Fund budget for 2011. Projected revenues and other financing sources available for appropriation in the General Fund budget are \$9,744,066, an increase of .74% over the final 2010 budget of \$9,672,965. The City's property tax capacity rate for 2011 is 23.788%, a 7.95% increase over the 2010 rate. Budgeted expenditures are expected to rise nearly .74% to \$9,744,066, an increase of \$71,101 over the final 2010 budget. General assumptions that were used to calculate general fund expenditures were:

- On average, personnel costs would increase at an overall rate of 1.5% annually.
- Operating costs would increase at a rate of 1%, which is down from 2% utilized in the past several years.
- The City would maintain its current levels of service, only reducing in areas where we have seen a reduction in the need for services (i.e. Community Development reductions).
- The City would fully fund its equipment replacement schedule.
- Continue to contribute tax levy amount necessary to fund Street Reconstruction Program.
- No drawdown of General Fund reserves.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Chaska's Administrative Services Department.

Government-Wide Financial Statements

City of Chaska

December 31, 2010

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 13,823,539	\$ 8,583,732	\$ 22,407,271
Receivables:			
Taxes	459,026	-	459,026
Special Assessments	10,670,231	51,702	10,721,933
Accounts	229,943	4,468,756	4,698,699
Interest	7,566	4,864	12,430
Notes	689,709	-	689,709
Internal Balances	(4,417,708)	4,417,708	-
Due From Other Governments	126,270	66,365	192,635
Lease Receivable - Current	-	485,001	485,001
Inventories	-	1,156,361	1,156,361
Prepaid Items:			
Net Pension Obligation	374,106	-	374,106
Long Term Lease Receivable	-	24,924,149	24,924,149
Restricted Cash & Investments:			
Cash with Escrow Agent - Debt Service	-	3,344,543	3,344,543
Accrued Interest on Investments	-	43,165	43,165
Deferred Charges	603,757	1,133,267	1,737,024
Land Held For Resale	2,761,865	-	2,761,865
Capital Assets (net of accumulated depreciation):			
Land	43,852,388	364,805	44,217,193
Works of Art & Historical Treasures	105,027	-	105,027
Buildings	5,114,838	29,687,439	34,802,277
Other Improvements	5,555,573	360,490	5,916,063
Furniture & Equipment	2,135,903	1,696,830	3,832,733
Infrastructure	83,000,456	9,323,977	92,324,433
Construction in Progress	7,848,069	20,206	7,868,275
TOTAL ASSETS	172,940,558	90,133,360	263,073,918
LIABILITIES			
Accounts Payable	829,952	248,018	1,077,970
Salaries Payable	137,650	78,629	216,279
Deposits Payable	-	220,054	220,054
Accrued Interest Payable	447,685	427,022	874,707
Due To Other Governments	185,316	1,636,783	1,822,099
Unearned Revenue	1,132,981	202,931	1,335,912
Non-current Liabilities:			
Due Within One Year	5,781,045	2,051,455	7,832,500
Due in More than One Year	32,296,300	45,007,122	77,303,422
TOTAL LIABILITIES	40,810,929	49,872,014	90,682,943
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	123,268,713	25,788,072	149,056,785
Restricted for:			
Special Purposes	812,731	-	812,731
Capital Acquisition	907,751	-	907,751
Debt Service	8,925,218	3,013,936	11,939,154
Capital Projects	4,214,430	-	4,214,430
Unrestricted	(5,999,214)	11,459,338	5,460,124
TOTAL NET ASSETS	\$ 132,129,629	\$ 40,261,346	\$ 172,390,975

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 3,488,429	\$ 1,612,310	\$ 28,581	\$ 9,581	\$ (1,837,957)	\$ -	\$ (1,837,957)
Economic Development	1,064,929	154,000	70,173	71,497	(769,259)	-	(769,259)
Public Safety	3,727,256	232,360	328,387	194,663	(2,971,846)	-	(2,971,846)
Public Works	9,054,937	443,436	59,630	7,977,862	(574,009)	-	(574,009)
Parks, Recreation and Arts	787,377	44,601	400	470,362	(272,014)	-	(272,014)
Interest on Long-Term Debt	1,696,164	-	-	-	(1,696,164)	-	(1,696,164)
Total Governmental Activities	19,819,092	2,486,707	487,171	8,723,965	(8,121,249)	-	(8,121,249)
Business-type Activities:							
Electric	24,656,027	25,773,647	-	89,958	-	1,207,578	1,207,578
Water	2,332,201	1,890,992	-	12,597	-	(428,612)	(428,612)
Sewer	2,433,882	2,653,297	-	3,475	-	222,890	222,890
Community Center	3,855,291	2,801,498	-	-	-	(1,053,793)	(1,053,793)
Par 30 Golf Course	186,362	166,251	-	-	-	(20,111)	(20,111)
Chaska Town Course	2,067,297	1,643,670	-	44,423	-	(379,204)	(379,204)
Turbine Generator	2,948,406	2,269,732	-	-	-	(678,674)	(678,674)
Internet Service Provider	778,440	747,703	-	-	-	(30,737)	(30,737)
Storm Water	190,380	504,988	-	-	-	314,608	314,608
Total Business-type Activities	39,448,286	38,451,778	-	150,453	-	(846,055)	(846,055)
TOTAL	\$ 59,267,378	\$ 40,938,485	\$ 487,171	\$ 8,874,418	(8,121,249)	(846,055)	(8,967,304)
			General Revenues:				
			Property Taxes		10,610,785	-	10,610,785
			Franchise Taxes		2,723,653	-	2,723,653
			Grants & Contributions Not Restricted to Specific Functions		235,662	-	235,662
			Investment Earnings		54,613	1,203,275	1,257,888
			Other		356,659	-	356,659
			Transfers		794,132	(794,132)	-
			Total General Revenues & Transfers		14,775,504	409,143	15,184,647
			Change in Net Assets		6,654,255	(436,912)	6,217,343
			Net Assets - Beginning		127,738,082	40,698,258	168,436,340
			Prior Period Adjustment		(2,262,708)	-	(2,262,708)
			Net Assets - Beginning - as restated		125,475,374	40,698,258	166,173,632
			Net Assets - Ending		\$ 132,129,629	\$ 40,261,346	\$ 172,390,975

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



CHASKA

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	GENERAL	TIF DISTRICT #4 REVOLVING	DIST #14 DOWNTOWN REDEVELOPMENT	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash And Investments	\$ 2,719,429	\$ 1,829,286	\$ 23,582	\$ 5,112,581	\$ 9,684,878
Receivables:					
Taxes	186,925	217,748	17,761	36,592	459,026
Special Assessments	1,340	538,329	79,723	10,050,839	10,670,231
Accounts	83,558	109,119	1,075	36,191	229,943
Interest	1,796	798	-	1,710	4,304
Notes Receivable	10,416	385,825	-	293,468	689,709
Due from Other Funds	-	-	-	2,922,994	2,922,994
Due From Other Governments	29,159	-	-	97,111	126,270
Interfund Receivable	-	-	-	88,866	88,866
Land Held for Resale	-	-	2,761,865	-	2,761,865
TOTAL ASSETS	\$ 3,032,623	\$ 3,081,105	\$ 2,884,006	\$ 18,640,352	\$ 27,638,086
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts Payable	\$ 138,717	\$ -	\$ -	\$ 691,235	\$ 829,952
Salaries Payable	137,650	-	-	-	137,650
Due To Other Funds	-	-	-	2,922,994	2,922,994
Due To Other Governments	38,790	-	-	146,526	185,316
Interfund Payable	-	-	-	88,866	88,866
Deferred and Unearned Revenue	150,983	1,223,086	797,483	10,240,155	12,411,707
Advance from Other Funds	-	-	4,145,474	170,000	4,315,474
TOTAL LIABILITIES	466,140	1,223,086	4,942,957	14,259,776	20,891,959
FUND BALANCES:					
Reserved	-	1,858,019	2,761,865	5,993,821	10,613,705
Unreserved, Designated Reported In:					
General Fund	2,554,797	-	-	-	2,554,797
Special Revenue Funds	-	-	-	1,653,808	1,653,808
Unreserved, Undesignated Reported In:					
General Fund	11,686	-	-	-	11,686
Special Revenue Funds	-	-	-	(849,952)	(849,952)
Capital Project Funds	-	-	(4,820,816)	(2,417,101)	(7,237,917)
TOTAL FUND BALANCES	2,566,483	1,858,019	(2,058,951)	4,380,576	6,746,127
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,032,623	\$ 3,081,105	\$ 2,884,006	\$ 18,640,352	\$ 27,638,086

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

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balances - governmental funds \$ 6,746,127

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

Issuance costs are recorded as expenditures in the current period in the governmental funds.
Under full accrual, the expenditures are recorded as deferred charges and amortized over the life of the debt. 603,757

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Cost of Capital Assets	199,623,707
Less: Accumulated Depreciation	(52,011,453)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Delinquent Taxes	373,709
Police Contracted Services	5,744
Tax Increment Agreement	19,918
Special Assessments	10,587,084
Notes Receivable	292,271

Internal service funds are used by management to charge the costs of property & liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 4,141,923

Internal balances from business-type activities for internal service fund services. (102,234)

Governmental funds do not report an asset for net pension obligations. 374,106

Interest on long-term debt is included in the change in net assets as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due. (447,685)

Long-term liabilities, including bonds payable, compensated absences and other post-employment benefits, are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(5,781,045)
Due in more than one year	(32,296,300)

Net assets of governmental activities \$ 132,129,629

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	GENERAL	TIF DISTRICT #4 REVOLVING	DIST #14 DOWNTOWN REDEVELOPMENT	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes:					
Property	\$ 4,243,951	\$ 5,260,934	\$ 141,649	\$ 1,016,448	\$ 10,662,982
Franchise	2,723,653	-	-	-	2,723,653
Licenses and Permits	677,005	-	-	-	677,005
Intergovernmental	624,088	55,138	12,905	1,609,997	2,302,128
Charges for Services	1,150,226	-	-	498,016	1,648,242
Fines and Forfeitures	145,979	-	-	-	145,979
Special Assessments	763	-	-	1,575,980	1,576,743
Other Revenue	108,414	107,458	13,501	323,992	553,365
TOTAL REVENUES	9,674,079	5,423,530	168,055	5,024,433	20,290,097
EXPENDITURES					
CURRENT:					
General Government	3,012,864	-	-	73,735	3,086,599
Economic Development	-	161,368	344,950	419,989	926,307
Public Safety	3,697,083	-	-	-	3,697,083
Public Works	2,373,673	-	-	1,612,126	3,985,799
Parks, Recreation and Arts	471,323	-	-	118,675	589,998
DEBT SERVICE:					
Principal	-	-	-	5,055,000	5,055,000
Interest	-	45,629	171,713	1,470,294	1,687,636
Refunding Contribution	-	-	-	145,488	145,488
Issuance Costs & Fiscal Agent Fees	-	-	-	168,964	168,964
CAPITAL OUTLAY	-	-	-	5,650,639	5,650,639
TOTAL EXPENDITURES	9,554,943	206,997	516,663	14,714,910	24,993,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	119,136	5,216,533	(348,608)	(9,690,477)	(4,703,416)
OTHER FINANCING SOURCES (USES)					
Transfers In	433,203	100,109	-	6,706,985	7,240,297
Transfers Out	(482,000)	(2,500,360)	(102,159)	(3,338,459)	(6,422,978)
Bonds Issued	-	-	-	5,805,000	5,805,000
Refunding Bonds Issued	-	-	-	880,000	880,000
Premium on Bonds Issued	-	-	-	39,071	39,071
Payment on Refunded Bonds	-	-	-	(849,512)	(849,512)
Sale of Capital Assets	-	-	-	8,466	8,466
TOTAL OTHER FINANCING SOURCES AND (USES)	(48,797)	(2,400,251)	(102,159)	9,251,551	6,700,344
NET CHANGE IN FUND BALANCES	70,339	2,816,282	(450,767)	(438,926)	1,996,928
FUND BALANCES, January 1	2,496,144	(958,263)	(1,608,184)	4,819,502	4,749,199
FUND BALANCES, December 31	\$ 2,566,483	\$ 1,858,019	\$ (2,058,951)	\$ 4,380,576	\$ 6,746,127

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

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Total net change in fund balances - governmental funds \$ 1,996,928

Amounts reported for governmental activities in the Statement of Activities are different because:

Issuance costs are recorded as expenditures in the current period in the governmental funds.
Under full accrual, issuance costs are recorded as deferred charges and amortized over the life of the debt. 109,525

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Further detail on increases/decreases can be found in the note on capital assets. (Increases include donations of capital assets and Construction in Progress that is reclassified.)

Capital Outlay	8,517,344
Less: Depreciation Expense	(4,713,299)

Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period. Under the full accrual basis of accounting, these revenues are recognized when earned. 1,266,536

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Further detail on the additions and reductions can be found in the note on long-term debt.

Additions to long-term debt (reduces governmental fund balances)	(7,195,131)
Reductions to long-term debt (increases governmental fund balances)	6,455,361

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (8,528)

Net pension obligation activity is not recognized in the Governmental Funds but recognized as the expense/revenue is incurred in the Statement of Activities. (15,450)

Internal service funds are used by management to charge the costs of property & liability insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 219,256

Internal service fund profit allocated to business-type activities. 21,713

Change in net assets - governmental activities \$ 6,654,255

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

CITY OF CHASKA, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 4,211,111	\$ 4,243,951	\$ 32,840
Franchise	2,589,000	2,723,653	134,653
Licenses And Permits	588,921	677,005	88,084
Intergovernmental	544,588	624,088	79,500
Charges For Services	1,088,483	1,150,226	61,743
Fines And Forfeitures	129,469	145,979	16,510
Special Assessments	-	763	763
Other Revenue	163,393	108,414	(54,979)
TOTAL REVENUES	9,314,965	9,674,079	359,114
EXPENDITURES:			
Current:			
General Government	3,199,686	3,012,864	186,822
Public Safety	3,541,631	3,697,083	(155,452)
Public Works	2,456,404	2,373,673	82,731
Parks, Recreation and Arts	475,244	471,323	3,921
TOTAL EXPENDITURES	9,672,965	9,554,943	118,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(358,000)	119,136	477,136
OTHER FINANCING SOURCES (USES):			
Transfers In	358,000	433,203	75,203
Transfers Out	-	(482,000)	(482,000)
TOTAL OTHER FINANCING SOURCES (USES)	358,000	(48,797)	(406,797)
NET CHANGE IN FUND BALANCES	-	70,339	70,339
FUND BALANCES, January 1	2,496,144	2,496,144	-
FUND BALANCES, December 31	\$ 2,496,144	\$ 2,566,483	\$ 70,339

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

CITY OF CHASKA, MINNESOTA

**STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	ELECTRIC	WATER	COMMUNITY CENTER
ASSETS			
Current Assets:			
Cash And Investments	\$ 3,933,342	\$ 838,217	\$ 514,718
Restricted Assets:			
Cash And Investments With Escrow Agent	-	-	272,880
Accrued Interest On Investments	-	-	-
Receivables:			
Special Assessments	40,994	123	-
Accounts:			
Current	2,468,455	135,170	219,666
Unbilled	1,065,708	59,803	-
Allowance For Uncollectible Accounts	(24,694)	(1,385)	(2,276)
Interest	3,518	-	-
Due From Other Funds	1,535,122	-	-
Due From Other Governments	2,255	3,375	56,994
Interfund Receivable	28,217	-	-
Lease Receivable	-	-	-
Inventories	995,940	109,612	-
Total Current Assets	10,048,857	1,144,915	1,061,982
Noncurrent Assets:			
Restricted Cash And Investments with Escrow Agent	-	-	-
Lease Receivable	-	-	-
Advance To Other Funds	5,541,872	-	-
Deferred Charges	-	217,464	72,743
Capital Assets:			
Land	240,721	33,618	90,466
Buildings	5,079,031	17,255,218	21,989,179
Other Improvements	-	-	367,941
Furniture & Equipment	1,346,253	386,295	1,353,480
Infrastructure	14,943,258	3,435,338	-
Construction in Progress	20,206	-	-
Less: Accumulated Depreciation	(11,458,211)	(7,060,873)	(11,657,395)
Total Net Capital Assets	10,171,258	14,049,596	12,143,671
Total Noncurrent Assets	15,713,130	14,267,060	12,216,414
TOTAL ASSETS	25,761,987	15,411,975	13,278,396

			GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
<u>TURBINE GENERATOR</u>	<u>NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	
\$ 865,160	\$ 2,432,295	\$ 8,583,732	\$ 4,138,661
627,150	-	900,030	-
43,165	-	43,165	-
-	10,585	51,702	-
-	426,497	3,249,788	-
-	126,112	1,251,623	-
-	(4,300)	(32,655)	-
-	1,346	4,864	3,262
-	-	1,535,122	-
-	3,741	66,365	-
32,252	-	60,469	-
485,001	-	485,001	-
-	50,809	1,156,361	-
<u>2,052,728</u>	<u>3,047,085</u>	<u>17,355,567</u>	<u>4,141,923</u>
2,444,513	-	2,444,513	-
24,924,149	-	24,924,149	-
1,159,252	-	6,701,124	-
843,060	-	1,133,267	-
-	-	364,805	-
-	8,265,839	52,589,267	-
-	229,269	597,210	-
-	3,766,455	6,852,483	-
-	1,528,400	19,906,996	-
-	-	20,206	-
-	(8,700,741)	(38,877,220)	-
-	<u>5,089,222</u>	<u>41,453,747</u>	-
<u>29,370,974</u>	<u>5,089,222</u>	<u>76,656,800</u>	-
<u>31,423,702</u>	<u>8,136,307</u>	<u>94,012,367</u>	<u>4,141,923</u>

(Continued)

CITY OF CHASKA, MINNESOTA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	<u>ELECTRIC</u>	<u>WATER</u>	<u>COMMUNITY CENTER</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	119,880	5,586	74,914
Salaries Payable	26,258	7,034	27,046
Deposits Payable	115,653	-	36,263
Compensated Absences	97,440	32,694	44,940
Accrued Interest Payable	-	41,567	10,165
Due To Other Funds	-	-	-
Due To Other Governments	1,616,256	3,910	12,633
Interfund Payable	32,252	-	-
Revenue Bonds Payable	-	865,000	-
Unearned Revenue	40,994	123	55,499
Total Current Liabilities	<u>2,048,733</u>	<u>955,914</u>	<u>261,460</u>
Noncurrent Liabilities:			
Compensated Absences	40,727	12,527	47,355
Advance From Other Funds	1,159,252	-	-
Revenue Bonds Payable	-	11,835,000	2,900,000
Unamortized Premium On Revenue Bonds	-	61,680	3,995
Other Post Employment Benefits	16,956	6,363	14,252
Total Noncurrent Liabilities	<u>1,216,935</u>	<u>11,915,570</u>	<u>2,965,602</u>
TOTAL LIABILITIES	<u>3,265,668</u>	<u>12,871,484</u>	<u>3,227,062</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	10,171,258	1,287,916	9,239,676
Restricted For Debt Service	-	-	272,880
Unrestricted	12,325,061	1,252,575	538,778
TOTAL NET ASSETS	<u>\$ 22,496,319</u>	<u>\$ 2,540,491</u>	<u>\$ 10,051,334</u>

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

(Continued)

<u>TURBINE GENERATOR</u>	<u>NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND</u>
-	47,638	248,018	-
-	18,291	78,629	-
-	68,138	220,054	-
-	71,381	246,455	-
375,290	-	427,022	-
-	1,535,122	1,535,122	-
-	3,984	1,636,783	-
-	28,217	60,469	-
940,000	-	1,805,000	-
-	106,315	202,931	-
<u>1,315,290</u>	<u>1,879,086</u>	<u>6,460,483</u>	<u>-</u>
-	33,963	134,572	-
-	1,226,398	2,385,650	-
29,285,000	-	44,020,000	-
740,520	-	806,195	-
-	8,784	46,355	-
<u>30,025,520</u>	<u>1,269,145</u>	<u>47,392,772</u>	<u>-</u>
<u>31,340,810</u>	<u>3,148,231</u>	<u>53,853,255</u>	<u>-</u>
-	5,089,222	25,788,072	-
2,741,056	-	3,013,936	-
<u>(2,658,164)</u>	<u>(101,146)</u>	<u>11,357,104</u>	<u>4,141,923</u>
<u>\$ 82,892</u>	<u>\$ 4,988,076</u>	<u>40,159,112</u>	<u>\$ 4,141,923</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>102,234</u>	
Net assets of business-type activities		<u>\$ 40,261,346</u>	

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>ELECTRIC</u>	<u>WATER</u>	<u>COMMUNITY CENTER</u>
OPERATING REVENUES:			
Sales	\$ 25,773,647	\$ 1,887,617	\$ 2,801,498
OPERATING EXPENSES:			
Production	18,756,309	361,659	-
Distribution / Collections	1,758,186	456,113	-
Administration	961,979	308,399	2,737,532
Franchise Fees	2,501,470	-	-
Depreciation	644,746	672,912	938,077
TOTAL OPERATING EXPENSES	24,622,690	1,799,083	3,675,609
OPERATING INCOME (LOSS)	1,150,957	88,534	(874,111)
NON-OPERATING REVENUES:			
Investment Earnings	177,319	4,039	1,757
Intergovernmental	-	3,375	-
Payments	-	-	-
Gain on Sale Of Capital Assets	24,000	-	-
Miscellaneous Refunds And Reimbursements	15,599	880	-
TOTAL NON-OPERATING REVENUES	216,918	8,294	1,757
NON-OPERATING EXPENSES:			
Interest	73,804	517,741	121,740
Issuance Costs & Fiscal Agent Fees	-	20,218	5,679
Loss on Sale of Capital Assets	-	-	-
TOTAL NON-OPERATING EXPENSES	73,804	537,959	127,419
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,294,071	(441,131)	(999,773)
CAPITAL CONTRIBUTIONS	74,359	11,717	-
TRANSFERS IN (OUT)			
Transfers In	-	252,470	287,000
Transfers Out	(557,100)	(44,100)	(126,568)
TOTAL TRANSFERS IN (OUT)	(557,100)	208,370	160,432
CHANGE IN NET ASSETS	811,330	(221,044)	(839,341)
NET ASSETS, January 1	21,684,989	2,761,535	10,890,675
NET ASSETS, December 31	\$ 22,496,319	\$ 2,540,491	\$ 10,051,334

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

			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
TURBINE GENERATOR	OTHER NONMAJOR ENTERPRISE	TOTALS	
\$ 2,195,718	\$ 5,711,821	\$ 38,370,301	\$ 604,897
-	1,650,211	20,768,179	-
-	652,083	2,866,382	-
110,353	2,495,680	6,613,943	578,978
-	-	2,501,470	-
-	867,065	3,122,800	-
110,353	5,665,039	35,872,774	578,978
2,085,365	46,782	2,497,527	25,919
1,014,478	5,682	1,203,275	12,595
-	3,375	6,750	-
73,804	-	73,804	-
-	6,106	30,106	-
210	45,136	61,825	203,929
1,088,492	60,299	1,375,760	216,524
2,793,150	-	3,506,435	-
44,903	-	70,800	-
-	6,670	6,670	-
2,838,053	6,670	3,583,905	-
335,804	100,411	289,382	242,443
-	3,475	89,551	-
-	19,700	559,170	-
(405,000)	(220,534)	(1,353,302)	(23,187)
(405,000)	(200,834)	(794,132)	(23,187)
(69,196)	(96,948)	(415,199)	219,256
152,088	5,085,024	40,574,311	3,922,667
\$ 82,892	\$ 4,988,076	\$ 40,159,112	\$ 4,141,923
Change in net assets - total Enterprise Funds		(415,199)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(21,713)	
Change in net assets - Business-type Activities		\$ (436,912)	

CITY OF CHASKA, MINNESOTA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	ELECTRIC	WATER	COMMUNITY CENTER
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts From Customers And Users	\$ 25,408,056	\$ 1,865,205	\$ 2,748,061
Payments To Suppliers	(22,544,311)	(705,202)	(1,172,683)
Payments To Employees	(1,396,550)	(418,552)	(1,550,042)
Miscellaneous Receipts (Payments)	15,599	-	-
Net Cash Provided (Used) By Operating Activities	<u>1,482,794</u>	<u>741,451</u>	<u>25,336</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers From Other Funds	-	252,470	287,000
Transfers To Other Funds	(557,100)	(44,100)	-
Due From Other Funds	217,943	-	-
Due To Other Funds	-	-	-
Interfund Loans To Other Funds	(99,074)	-	-
Intergovernmental	-	3,375	-
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>(438,231)</u>	<u>211,745</u>	<u>287,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Deferred Issuance Charges	-	18,118	4,279
Capital Contributions	74,359	11,717	-
Principal Paid On Bonds	-	(725,000)	-
Interest And Fiscal Charges	-	(551,970)	(127,654)
Proceeds From Sale Of Capital Assets	24,000	-	-
Construction And Acquisition of Capital Assets	(704,737)	(196,524)	-
Lease Principal Received	-	-	-
Transfers From Other Funds	-	-	-
Transfers To Other Funds	-	-	(126,568)
Interfund Loans From Other Funds	(30,415)	-	-
Interest Payments On Interfund Loans	(73,804)	-	-
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(710,597)</u>	<u>(1,443,659)</u>	<u>(249,943)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest On Investments	<u>176,110</u>	<u>4,290</u>	<u>1,757</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	510,076	(486,173)	64,150
CASH AND CASH EQUIVALENTS, January 1	3,423,266	1,324,390	723,448
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 3,933,342</u>	<u>\$ 838,217</u>	<u>\$ 787,598</u>
CASH AND CASH EQUIVALENTS:			
Cash And Investments	\$ 3,933,342	\$ 838,217	\$ 514,718
Restricted Assets-Revenue Bonds:			
Cash And Investments	-	-	272,880
Total Cash And Cash Equivalents	<u>\$ 3,933,342</u>	<u>\$ 838,217</u>	<u>\$ 787,598</u>

			GOVERNMENTAL
			ACTIVITIES -
			INTERNAL
TURBINE	OTHER		SERVICE
GENERATOR	NONMAJOR	TOTALS	FUND
	ENTERPRISE		
\$ 2,195,718	\$ 5,698,013	\$ 37,915,053	\$ 604,897
(110,353)	(3,285,245)	(27,817,794)	(578,978)
-	(1,495,802)	(4,860,946)	-
210	713	16,522	203,929
<u>2,085,575</u>	<u>917,679</u>	<u>5,252,835</u>	<u>229,848</u>
-	-	539,470	-
(405,000)	(220,534)	(1,226,734)	(23,187)
-	-	217,943	-
-	(217,943)	(217,943)	-
104,219	-	5,145	-
-	3,375	6,750	-
<u>(300,781)</u>	<u>(435,102)</u>	<u>(675,369)</u>	<u>(23,187)</u>
42,153	-	64,550	-
-	3,475	89,551	-
(29,780,000)	-	(30,505,000)	-
(3,318,084)	-	(3,997,708)	-
-	6,106	30,106	-
-	(104,585)	(1,005,846)	-
445,350	-	445,350	-
-	19,700	19,700	-
-	-	(126,568)	-
-	(28,217)	(58,632)	-
-	-	(73,804)	-
<u>(32,610,581)</u>	<u>(103,521)</u>	<u>(35,118,301)</u>	<u>-</u>
<u>1,301,340</u>	<u>5,510</u>	<u>1,489,007</u>	<u>12,047</u>
(29,524,447)	384,566	(29,051,828)	218,708
33,461,270	2,047,729	40,980,103	3,919,953
<u>\$ 3,936,823</u>	<u>\$ 2,432,295</u>	<u>\$ 11,928,275</u>	<u>\$ 4,138,661</u>
\$ 865,160	\$ 2,432,295	\$ 8,583,732	\$ 4,138,661
3,071,663	-	3,344,543	-
<u>\$ 3,936,823</u>	<u>\$ 2,432,295</u>	<u>\$ 11,928,275</u>	<u>\$ 4,138,661</u>

(Continued)

CITY OF CHASKA, MINNESOTA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	ELECTRIC	WATER	COMMUNITY CENTER
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 1,150,957	\$ 88,534	\$ (874,111)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:			
Depreciation Expense	644,746	672,912	938,077
Allowance For Uncollectible Accounts	5,167	479	1,915
Miscellaneous Receipts	15,599	880	-
(Increase) Decrease In Assets:			
Special Assessments	(10,151)	(9)	-
Accounts Receivable	(527,526)	(19,516)	(56,793)
Due From Other Governments	144,318	(3,375)	(630)
Inventory	(199,304)	(1,330)	-
Increase (Decrease) In Liabilities:			
Accounts Payable	28,189	(6,033)	18,327
Salaries Payable	(12,627)	(4,015)	(14,079)
Deposits Payable	12,450	-	4,592
Compensated Absences Payable	20,991	7,221	8,168
Due To Other Governments	195,049	3,898	(1,631)
Unearned Revenue	10,151	9	(2,521)
Other Post Employment Benefits	4,785	1,796	4,022
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,482,794	\$ 741,451	\$ 25,336

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

(Continued)

<u>TURBINE GENERATOR</u>	<u>OTHER NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
\$ 2,085,365	\$ 46,782	\$ 2,497,527	\$ 25,919
-	867,065	3,122,800	-
-	796	8,357	-
210	713	17,402	203,929
-	(5,940)	(16,100)	-
-	(50,789)	(654,624)	-
-	47,650	187,963	-
-	9,013	(191,621)	-
-	(3,095)	37,388	-
-	(9,592)	(40,313)	-
-	8,136	25,178	-
-	19,244	55,624	-
-	(1,122)	196,194	-
-	(13,661)	(6,022)	-
-	2,479	13,082	-
<u>\$ 2,085,575</u>	<u>\$ 917,679</u>	<u>\$ 5,252,835</u>	<u>\$ 229,848</u>



CHASKA

CITY OF CHASKA, MINNESOTA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010**

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash And Cash Equivalents	<u>\$ 32,895</u>
<u>LIABILITIES</u>	
Deposits Payable	<u>\$ 32,895</u>

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

Note 1 Summary of Significant Accounting Policies

The City of Chaska (the City) operates under the Optional Plan A Statutory, as modified, form of government according to applicable State of Minnesota statutes. The Plan A, as modified, form prescribes a modified Administrator-Council form of organization. The Council consists of an elected mayor and four council members. The City provides the following services: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general administration. The City operates utilities in the areas of electric, water, sewer, and storm water and also operates a community center, two golf courses, internet service and a gas turbine generator.

The financial statements of the City are prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies that the City follows are described below to enhance the usefulness of the financial statements to the reader.

A) The Financial Reporting Entity

These financial statements present the City (primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of its operational or financial relationship with the City.

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

As a result of applying the component unit definition criteria above, one organization has been defined and is presented as if they were part of the City in this report as follows:

Blended component unit –

The Chaska Economic Development Authority (EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The EDA is included in these financial statements by reason of the EDA Board being comprised of City Council members. Activities of the EDA are financed by a tax levy of the City for that purpose. There are no other statements for the EDA other than those presented in this report.

B) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements. "Government-wide financial statements" (i.e. the Statement of Net

Assets and that Statement of Activities) report information based on the City as a whole and exclude fiduciary activity. Also, for the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance Fund. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The accounts of the City are organized on the basis of funds and separate "Fund Financial Statements" are provided for on three different broad fund categories (Governmental, Proprietary and Fiduciary). Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, liabilities, fund equity, revenues and expenditures/expenses. 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. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented in total in one column in the fund financial statements.

Major Governmental Funds

The City of Chaska reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.
- ***Capital Project Fund - TIF District #4 Revolving Fund*** - This fund was established in 1985 within the Chaska Flood Control Project Area. This fund is the primary fund for collection of all District #4 tax revenue which is used in turn to finance expenditures in other District #4 Funds that the City uses as a means to account for project costs.
- ***Capital Project Fund - TIF District #14 Downtown Redevelopment Fund*** - This fund was established in 2004 and has the objective of developing 50-80 quality owner-occupied homes promoting a mix of housing types and price points in the downtown area. The district's plan is to also develop excess TIF to support other downtown redevelopment projects.

Major Proprietary Funds

The City of Chaska reports the following major proprietary funds:

- **Electric Fund** – This fund is used to account for revenues and expenses of the City’s Electric Utility.
- **Water Fund** – This fund is used to account for revenues and expenses of the City’s Water Utility.
- **Chaska Community Center** – This fund is used to account for revenues and expenses of the Chaska Community Center.
- **Turbine Generator** – This fund is used to account for the operations of the City’s Turbine Generator Utility.

Other Funds – The City reports the following other funds:

- **Internal Service Funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City of Chaska has one Internal Service Fund – the Self-Insurance Fund. This fund is used to account for the purchase of property, liability, and workers’ compensation insurance for all City departments. Costs are allocated to individual departments.
- **Fiduciary Funds** account for assets held on behalf of outside parties, including other governments, or other funds within the City. The City’s only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of the City’s Fiduciary funds:
 - **Builders’ Deposit Fund.** This Agency fund is used to account for assets held in a custodial capacity in the form of deposits from builders that will be refunded upon project completion.
 - **Developers’ Fund.** This Agency fund is used to account for assets held in a custodial capacity in the form of billings to developers for contractual services.
 - **MCES Collection Fund.** This Agency fund is used to account for the collection of assets held in a custodial capacity in the form of sewer availability charges remitted monthly to the Metropolitan Council Environmental Services (MCES).

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise taxes and other administrative charges between the City’s Enterprise funds and other functions of the

government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C) Measurement Focus and Basis of Accounting

Government-Wide Financial Statements:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Economic resources measurement focus aims to reporting all inflows, outflows and balances affecting or reflecting an entity's net assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

Governmental Funds

Governmental Funds use a *current financial resources measurement focus* and the *modified accrual basis of accounting*. This means that only current assets and current liabilities are generally included on the balance sheets. As stated earlier, the government-wide financial statements use an economic resources measurement focus and the accrual basis of accounting. Therefore, a reconciliation on the governmental funds statements becomes necessary to explain the difference in balances between the government-wide statements and the governmental fund statements.

The reported fund balance (net current assets) is considered a measure of "available, spendable resources". Governmental funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., 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. Their revenues are recognized when they become measurable and available and thus susceptible to accrual. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City generally considers revenues as available if they are collected within 60 days after year-end. Grants and similar revenues are recognized when all requirements imposed by the provider have been met. Major revenues that are susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and interest on investments. Major revenues that are not susceptible to accrual include licenses and permits, fees and miscellaneous revenue. Such revenues are recorded only as received because they are not measurable until collected.

The City reports deferred revenue on its governmental balance sheet. Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned amounts are always reported as deferred revenue; earned amounts also are reported as deferred revenue until they are available to

liquidate liabilities of the current period. Examples of unearned revenue would be grant monies that are received prior to the occurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Expenditures are generally recognized under the modified accrual basis of accounting where the expenditure is recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and other post-employment benefits, which are recognized when due.

Proprietary and Fiduciary Funds

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Fiduciary funds also utilize the *accrual basis of accounting*. The City has only one Fiduciary Fund type, an agency fund, which is custodial in nature (assets equal liabilities) and does not have a measurement focus.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for all of the City of Chaska's enterprise funds and internal service fund are cost of sales and services, administrative expense, and depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

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

D) Budgetary Accounting

Budgets for the General fund and Special Revenue funds are adopted on a basis consistent with United States generally accepted accounting principles. The three non-major special revenue funds with budgets are the Mount Pleasant Maintenance & Care fund, the Chaska EDA fund and Equipment Acquisition fund (schedules are included in the financial statements). All annual appropriations lapse at fiscal year-end.

E) Cash and Investments

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota 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 fair value based on quoted market prices. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less. Interest on escrow investments is allocated specifically to the related fund.

F) Receivables**1. PROPERTY TAX**

Property tax levies are levied by the City Council and must be levied on or before five business days after December 20th. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

A portion of the property taxes levied is paid by the State of Minnesota through Market Value Credit, which is usually included in intergovernmental revenue in the financial statements.

The county spreads all levies over assessable property. Such taxes become a lien on the first of January and are recorded as receivables by the City at that date. Revenues are accrued in the year collectable net of delinquencies.

Property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year: on or before June 30, December 1, and before April 15 of the following year.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and fully offset by deferred revenue, because it is not known when they will be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

2. SPECIAL ASSESSMENTS

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. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes.

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

revenue because it is not known when they will be available to finance current expenditures.

3. TRADE RECEIVABLES

All trade receivables are shown net of an allowance for uncollectibles on the Statement of Net Assets. On December 31, 2010 the allowance for uncollectible accounts was \$33,615.

G) Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds”. The current portion of lending/borrowing arrangements (advances) are classified as “interfund receivables/payables”.

H) Inventory

Inventories in the enterprise funds are valued at cost, which approximates market, using a weighted method. Inventories are recorded as expenses when consumed.

I) Advances to Other Funds

Long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve in the governmental fund statements, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

J) Land Held for Resale

Land held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or attract new business. These assets are stated at the lower of cost or net realizable value.

K) Restricted Assets

In the government-wide statement of net assets and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

L) Capital Assets

Capital assets, which include land, building and structures, equipment and infrastructure assets (e.g. roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of, or materially extend the life of the asset are recorded as expenditures. The City uses the following capitalization policy:

Description	Capitalization Threshold
Machinery/Equipment and Vehicles	\$5,000
Building and Building Improvements	\$25,000
Land and Land Improvements	\$25,000
Public Domain Infrastructure	\$50,000

Depreciation of assets on the Government-wide statements for the primary government (governmental and business-type activities) and in the Proprietary funds financial statements is charged as an expense against operations over the estimated useful life of the asset using the straight-line method of depreciation. Depreciation has been provided for in these financial statements based on the following estimated useful lives:

Description	Life
Buildings and Structures	25 years
Furniture and Equipment	3-25 years
Improvements, other than Buildings	25-50 years
Public Domain Infrastructure	10-50 years

Capital Assets not being depreciated include land, works of art/historical treasures and construction in progress.

M) Compensated Absences

The City compensates all eligible employees upon termination for unused vacation, personal leave, and compensatory time. Union employees, by contract, are entitled to sick leave at the rate of eight (8) hours for each calendar month of full-time service (union employees who have chosen the personal leave benefit do not receive sick leave). All vacation, personal leave, and compensatory pay is recorded as an expense and liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. A liability for these amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O) Fund Balance

The difference between fund assets and liabilities is "Fund Balance" on the governmental fund statements. Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

P) Net Assets

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

Q) Interfund Transactions

Interfund services provided are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In the ordinary course of business transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in (out). Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net assets represents

interfund receivable or payable between the two types of activities: governmental and business-type.

Note 2 Compliance and Accountability

A) Budget

The City follows these procedures in establishing the annual budgetary data:

1. City Administrative Services Director prepares history of actual revenues and expenditures for the prior two years and an estimate for the current year.
2. Department heads review the history and estimate the coming year's revenues and expenditures and project for the subsequent five years. Department heads submit their five-year budgets to the City Administrative Services Director.
3. Department budgets are reviewed and combined into a total five-year budget by the City Administrator and City Administrative Services Director.
4. The City Administrator recommends the five-year budget to the City Council and revenue and expenditure targets for the new budget year are established.
5. Department heads prepare and submit detail budgets for the new budget year.
6. Department budgets are reviewed by the City Administrator and City Administrative Services Director and submitted to the City Council for approval.
7. Public hearings are conducted to obtain public comment.
8. The City Council may amend the recommended budget and then approves the final budget and required tax levy through passage of a resolution in accordance with Minnesota State Statutes on "Truth in Taxation".
9. Budgetary control is maintained by department heads for all assigned divisions (i.e., Mayor and Council, Communication, Administration, etc.). Department heads may reallocate budget appropriations between assigned intrafund divisions but may not reallocate between funds; thus, the legal level of control is at the fund level. Additional expenditures not authorized but proposed by department heads are not authorized unless additional revenues or reserves are identified and available. During the year, expenditures in various category levels (i.e., personal services, operating supplies, other services and charges, capital outlay and other financing uses) in several divisional areas exceeded the level of appropriation. These variances were not significant since additional revenues and reserves were identified and available to offset the additional expenditures.
10. Unused budgeted expenditure appropriations lapse at year-end.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2010, expenditures exceeded appropriations in the Chaska EDA special revenue fund by \$171,906. Variances in the Chaska EDA fund were funded by greater than expected revenue and anticipated future revenues.

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance/net asset position at December 31, 2010:

Special Revenue Funds:

Chaska EDA Fund	\$ 158,531
Park Development Fund	746,057

Capital Project Funds:

TIF Dist #10 - Nordic Track	88,866
TIF Dist #16 - Chaska Gateway	3,325
2008 Improvement Projects	246,078
2010 Improvement Projects	1,308,272
Major Road Construction	563,354
Annual Street Replacement	207,206

Enterprise Funds:

Internet Service Provider	2,414,184
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The deficits in the Special Revenue Funds relate to development of EDA properties that have not received full financing and parkland development which is supported by developer's fees and special assessments. Anticipated EDA revenue and assessment revenue collected in future years will eliminate these deficits.

The deficits in the Capital Project funds relate to capital projects that have incurred expenditures but have not received final financing or grant reimbursement. All funds are expected to recover their deficits. In addition, the deficits in the TIF Districts are due to the timing of tax increments and project costs for the district. Tax increment revenue collected in future years will eliminate these deficits.

The deficit in the Internet Service Provider fund is due to start-up costs for the wireless residential internet service which had its first full year of operations in 2005 and additional equipment purchases in 2006. Revenue from future operations will eliminate the deficit.

Note 3 Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide statement of net assets as "Cash and Investments".

A) Deposits

Deposits, investments and petty cash are reported on the City's financial statements as follows:

Statement of Net Assets - Government-Wide	
Cash and Investments	\$ 22,407,271
Restricted Cash and Investments	3,344,543
	<u>25,751,814</u>
Statement of Net Assets - Fiduciary Funds	
Cash and Investments	32,895
Total Cash and Investments	<u>\$ 25,784,709</u>

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may be lost.

Minnesota Statutes require that federal deposit insurance, corporate surety bond, or collateral protect all deposits. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes the legal investments described below under "credit risk", as well as; certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. The City's investment policies do not further address limiting exposure to custodial credit risk for deposits.

Deposit balances at December 31, 2010 are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Total Bank Deposits	\$ 4,392,728	\$ 3,809,471

At December 31, 2010, all deposits were insured, or collateralized by securities held by the City's agent in the City's name.

B) Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Interest Risk - Maturity Duration in Years			Total
	Rating	Agency	Less Than 1	1 to 5	More than 5	
Guaranteed Investment Contract	N/A	N/A	-	-	2,444,513	2,444,513
U.S. Government Agencies	AAA	S&P	-	-	4,633,317	4,633,317
Investments in Mutual Funds & Money Markets						
First American Treasury Obligations	AAAm	S&P	N/A	N/A	N/A	272,880
100% Treasury MM Fund	AAAm	S&P	N/A	N/A	N/A	1,005,774
Minnesota Municipal MM Fund	N/R	N/A	N/A	N/A	N/A	13,615,044
Total Investments			\$ -	\$ -	\$ 7,077,830	21,971,528
					Total Deposits	3,809,471
					Petty Cash	3,710
N/A - Not Applicable					Total Deposits and Investments	\$ 25,784,709
N/R - Not Rated						

The Minnesota Municipal Money Market Fund (4M Fund) is an external investment pool regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated 2a7-like pool and the fair value of the position in the pool is the same as the value of the pool shares.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not address limiting exposure to custodial credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued

by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City’s investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policies do not limit the concentration of investments. At year-end, the City had more than 5% of its investments in Federal Home Loan Mortgage Corp. and a Guaranteed Investment Contract with MBIA Inc. These investments comprise 21.09% and 11.13%, respectively, of the City’s total investments.

Interest Rate Risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

City of Chaska, Minnesota

December 31, 2010

Note 4 Capital Assets

Capital Asset activity for Governmental activities for the year ended December 31, 2010 is as follows:

	BALANCE JAN. 1, 2010	INCREASES	DECREASES	RECLASS & TRANSFERS	BALANCE DEC. 31, 2010
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 43,622,988	\$ -	\$ -	\$ 229,400	\$ 43,852,388
Works of Art/Treasures	105,027	-	-	-	105,027
Construction In Progress	4,436,876	7,838,069	(2,530)	(4,424,346)	7,848,069
Total capital assets, not being depreciated	<u>48,164,891</u>	<u>7,838,069</u>	<u>(2,530)</u>	<u>(4,194,946)</u>	<u>51,805,484</u>
Capital assets, being depreciated:					
Buildings	10,408,403	-	-	-	10,408,403
Other Improvements	10,226,191	34,699	-	733,734	10,994,624
Furniture & Equipment	7,288,055	620,015	(125,154)	-	7,782,916
Infrastructure	115,113,134	57,934	-	3,461,212	118,632,280
Total capital assets being depreciated	<u>143,035,783</u>	<u>712,648</u>	<u>(125,154)</u>	<u>4,194,946</u>	<u>147,818,223</u>
Less accumulated depreciation for:					
Buildings	(4,944,462)	(349,103)	-	-	(5,293,565)
Other Improvements	(5,065,302)	(373,749)	-	-	(5,439,051)
Furniture & Equipment	(5,348,043)	(393,281)	94,311	-	(5,647,013)
Infrastructure	(32,034,658)	(3,597,166)	-	-	(35,631,824)
Total accumulated depreciation	<u>(47,392,465)</u>	<u>(4,713,299)</u>	<u>94,311</u>	<u>-</u>	<u>(52,011,453)</u>
Total capital assets, being depreciated, net	<u>95,643,318</u>	<u>(4,000,651)</u>	<u>(30,843)</u>	<u>4,194,946</u>	<u>95,806,770</u>
Governmental activities capital assets, net	<u>\$ 143,808,209</u>	<u>\$ 3,837,418</u>	<u>\$ (33,373)</u>	<u>\$ -</u>	<u>\$ 147,612,254</u>

Notes To The Financial Statements

City of Chaska, Minnesota

December 31, 2010

Capital Asset activity for Business-Type activities for the year ended December 31, 2010 is as follows:

	BALANCE JAN. 1, 2010	INCREASES	DECREASES	RECLASS & TRANSFERS	BALANCE DEC. 31, 2010
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 364,805	\$ -	\$ -	\$ -	\$ 364,805
Construction In Progress	-	20,206	-	-	20,206
Total capital assets, not being depreciated	364,805	20,206	-	-	385,011
Capital assets, being depreciated:					
Buildings	52,589,267	-	-	-	52,589,267
Other Improvements	597,210	-	-	-	597,210
Furniture & Equipment	6,726,082	264,313	(137,912)	-	6,852,483
Infrastructure	19,180,025	726,971	-	-	19,906,996
Total capital assets, being depreciated	79,092,584	991,284	(137,912)	-	79,945,956
Less accumulated depreciation for:					
Buildings	(20,990,564)	(1,911,264)	-	-	(22,901,828)
Other Improvements	(205,621)	(31,099)	-	-	(236,720)
Furniture & Equipment	(4,594,752)	(686,499)	125,598	-	(5,155,653)
Infrastructure	(10,089,081)	(493,938)	-	-	(10,583,019)
Total accumulated depreciation	(35,880,018)	(3,122,800)	125,598	-	(38,877,220)
Total capital assets, being depreciated, net	43,212,566	(2,131,516)	(12,314)	-	41,068,736
Business-type activities capital assets, net	\$ 43,577,371	\$ (2,131,516)	\$ (12,314)	\$ -	\$ 41,453,747

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

Governmental Activities:

General Government	\$294,577
Economic Development	5,606
Public Safety	197,314
Public Works	4,044,662
Parks, Recreation & Arts	<u>171,140</u>

Total Depreciation Expense –
Governmental Activities \$4,713,299

Business-Type Activities:

Electric	\$644,746
Water	672,912
Community Center	938,077
Sewer	94,013
Chaska Par 30	8,200
Chaska Town Course	514,872
Internet Service Provider	<u>249,980</u>

Total Depreciation Expense –
Business-Type Activities \$3,122,800

Note 5 Lease Receivable Agreement

The City of Chaska has entered into a Lease Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project costs to the City of constructing the facility were \$29,144,986. The total lease principal after adjusting for issuance costs and interest earnings is \$28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two parties gives MMPA the annual option to continue this agreement for an additional twenty-year period beginning May 1, 2031. The agreement calls for annual payments of \$500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty additional years by giving the City ninety days written notice in advance of May 1st of the year the option will not be exercised. MMPA will continue to have this option for the twenty-year life of the agreement, even if it chooses not to exercise the option in one or more years during the term of the agreement.

Annual lease payments through April 1, 2031 are as follows:

Year Ending December 31,	Lease Receivable	
	Principal	Interest
2011	\$ 485,001	\$ 2,156,067
2012	528,181	2,112,887
2013	575,203	2,065,865
2014	626,413	2,014,655
2015	682,185	1,958,883
2016-2020	4,437,572	8,767,768
2021-2025	6,797,423	6,407,917
2026-2030	10,412,232	2,793,108
2031	864,940	15,478
Total	<u>\$ 25,409,150</u>	<u>\$ 28,292,628</u>

Note 6 Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds Payable:					
General Obligation Bonds:					
Equipment Certificates	\$ 1,580,000	\$ -	\$ (280,000)	\$ 1,300,000	\$ 300,000
Tax Increment Bonds	19,325,000	405,000	(3,145,000)	16,585,000	3,110,000
Improvement Bonds	14,580,000	6,280,000	(1,630,000)	19,230,000	1,985,000
Revenue Bonds	995,000	-	(995,000)	-	-
Plus: Premium	326,090	39,071	(44,290)	320,871	-
Total Bonds Payable	<u>36,806,090</u>	<u>6,724,071</u>	<u>(6,094,290)</u>	<u>37,435,871</u>	<u>5,395,000</u>
Compensated Absences	469,272	428,519	(342,994)	554,797	386,045
Other Post Employment Benefits	62,213	42,541	(18,077)	86,677	-
Governmental Activity					
Long-term Liabilities	<u>\$ 37,337,575</u>	<u>\$ 7,195,131</u>	<u>\$ (6,455,361)</u>	<u>\$ 38,077,345</u>	<u>\$ 5,781,045</u>
<u>Business-type Activities:</u>					
Bonds Payable:					
General Obligation Revenue Bonds	\$ 13,425,000	\$ -	\$ (725,000)	\$ 12,700,000	\$ 865,000
Revenue Bonds	62,905,000	-	(29,780,000)	33,125,000	940,000
Plus: Premium	848,602	-	(42,407)	806,195	-
Total Bonds Payable	<u>77,178,602</u>	<u>-</u>	<u>(30,547,407)</u>	<u>46,631,195</u>	<u>1,805,000</u>
Compensated absences	325,403	294,005	(238,381)	381,027	246,455
Other Post Employment Benefits	33,273	22,748	(9,666)	46,355	-
Business-type Activity					
Long-term Liabilities	<u>\$ 77,537,278</u>	<u>\$ 316,753</u>	<u>\$(30,795,454)</u>	<u>\$ 47,058,577</u>	<u>\$ 2,051,455</u>

For the Governmental Activities, compensated absences and other post-employment benefits are generally liquidated by the General Fund.

General Obligation Bonds:

General obligation debt is supported by the "full faith and credit" of the City. The City has obligated itself to levy ad valorem taxes in the event of any deficiency in the general obligation debt service funds.

City of Chaska, Minnesota

December 31, 2010

General Obligation Equipment Certificates:

The City issues equipment certificates to provide funding for the acquisition of equipment and vehicles for various departments.

General obligation equipment certificates currently outstanding are as follows:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Outstanding Amount</u>
Governmental Activities:					
G.O. Equipment Certificates	\$ 955,000	3.75%	12/15/06	12/01/13	\$ 525,000
G.O. Equipment Certificates	885,000	4.00-4.25%	11/15/08	02/01/16	<u>775,000</u>
					<u>\$ 1,300,000</u>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 300,000	\$ 48,975
2012	310,000	37,325
2013	285,000	25,388
2014	130,000	14,287
2015	135,000	8,819
2016	140,000	2,975
<u>Total</u>	<u>\$ 1,300,000</u>	<u>\$ 137,769</u>

General Obligation Tax Increment Bonds:

The City issues tax increment bonds to provide funding for the construction of streets and utilities, and the acquisition of property for business development. These bonds will be repaid through tax increments collected from properties in the benefiting tax increment district. The City is obligated for the payment of tax increment debt not covered by the collection of tax increments.

Notes To The Financial Statements

City of Chaska, Minnesota

December 31, 2010

General obligation tax increment bonds currently outstanding are as follows:

	Original Issue	Interest Rates	Issue Date	Final Maturity Date	Outstanding Amount
Governmental Activities:					
G.O. Tax Increment Bonds	\$ 890,000	4.00-6.20%	06/15/04	12/01/21	\$ 705,000
G.O. Taxable T.I. Bonds	565,000	6.25-7.50%	11/15/08	02/01/31	565,000
G.O. Taxable Abatement Bonds	405,000	4.00-5.25%	09/15/10	02/01/33	405,000
Governmental Activities - Refunding:					
G.O. T.I. Crossover Refunding	2,470,000	3.60-3.75%	06/15/04	12/01/13	1,845,000
G.O. T.I. Refunding	14,385,000	4.00-5.00%	11/01/08	02/01/15	12,330,000
G.O. Taxable T.I. Refunding	870,000	4.50-5.75%	11/01/08	02/01/15	735,000
					\$ 16,585,000

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2011	\$ 3,110,000	\$ 719,342
2012	3,165,000	596,804
2013	3,305,000	454,762
2014	2,785,000	297,068
2015	2,880,000	157,250
2016-2020	500,000	352,700
2021-2025	315,000	208,773
2026-2030	350,000	111,956
2031-2033	175,000	11,981
Total	\$ 16,585,000	\$ 2,910,636

General Obligation Improvement Bonds:

The City issues improvement bonds to provide funding for the construction of streets and utilities. These bonds will be repaid from amounts levied against the property owners benefited by construction. The City is obligated for the payment of debt not covered through the collection of special assessments. Any obligation by the City would be paid from property taxes.

City of Chaska, Minnesota

December 31, 2010

General obligation improvement bonds currently outstanding are as follows:

	Original Issue	Interest Rates	Issue Date	Final Maturity Date	Outstanding Amount
Governmental Activities:					
G.O. Taxable Improvement Bonds	\$ 555,000	2.75-4.90%	09/01/02	12/01/12	\$ 100,000
G.O. Improvement Bonds	455,000	1.50-3.75%	09/01/02	12/01/12	80,000
G.O. Improvement Bonds	8,595,000	3.50-4.13%	12/15/06	12/01/27	6,475,000
G.O. Improvement Bonds	3,645,000	3.00-5.13%	11/15/08	02/01/29	3,235,000
G.O. Improvement Bonds	3,220,000	2.00-4.00%	07/01/10	02/01/31	3,220,000
G.O. Improvement Bonds	2,180,000	2.00-3.75%	09/15/10	02/01/33	2,180,000
Governmental Activities - Refunding:					
G.O. Capital Improvement Plan Refunding Bonds	2,780,000	1.10-3.70%	03/01/04	12/01/15	1,335,000
G.O. Improvement Refunding	1,995,000	2.00-3.00%	10/01/09	12/01/20	1,725,000
G.O. Capital Improvement Plan Refunding Bonds	880,000	.40-1.10%	09/15/10	02/01/15	880,000
					<u>\$ 19,230,000</u>

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2011	\$ 1,985,000	\$ 629,929
2012	1,815,000	573,617
2013	1,765,000	521,171
2014	1,805,000	470,256
2015	1,850,000	413,926
2016-2020	5,160,000	1,382,954
2021-2025	2,885,000	709,368
2026-2030	1,605,000	207,553
2031-2033	360,000	17,363
Total	<u>\$ 19,230,000</u>	<u>\$ 4,926,137</u>

General Obligation Revenue Bonds:

In 2003, the City issued G.O. Revenue Bonds to expand its existing water system and construct a new water treatment plant.

City of Chaska, Minnesota

December 31, 2010

In 2009, the City issued G.O. Revenue Bonds to advance refund a portion of the 2003 bonds.

The City has two General Obligation Revenue Bonds Outstanding.

	Original Issue	Interest Rates	Issue Date	Final Maturity Date	Outstanding Amount
Business-type Activities:					
G.O. Water Revenue Bonds	\$ 15,150,000	2.25-4.40%	05/01/03	12/01/22	\$ 11,205,000
Business-type Activities - Refunding:					
G.O. Water Revenue Partial Advance Refunding Bonds	1,495,000	2.00-3.25%	10/01/09	12/01/22	<u>1,495,000</u>
					<u>\$ 12,700,000</u>

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

Year Ending December 31	Business-type Activities	
	Principal	Interest
2011	\$ 865,000	\$ 498,795
2012	890,000	469,308
2013	920,000	437,945
2014	945,000	403,445
2015	985,000	367,295
2016-2020	5,535,000	1,234,975
2021-2022	2,560,000	165,220
Total	<u>\$ 12,700,000</u>	<u>\$ 3,576,983</u>

Revenue Bonds:

Revenue bonds are supported by income derived from lease agreements or specific fee revenues to pay for debt service.

The City has three outstanding bond series issued for various purposes.

The 2000 Electric Revenue Bonds provided funding for the acquisition and construction of a gas turbine peaking power electric generation facility and distribution substation. On October 1, 2010 these bonds were partially advance refunded and a balance of \$100,000 will remain outstanding through October 1, 2030. The City receives lease payments from the Minnesota Municipal Power Agency (MMPA) who sells power generated at the facility. This facility is

City of Chaska, Minnesota

December 31, 2010

considered an asset of MMPA. The Turbine fund financial statement reports a lease receivable and the outstanding bonds.

The 2005 Electric Revenue Refunding bonds were sold to partially advance refund the 2000 Electric Revenue Bond (see discussion above). The purpose of the refunding was to enable the City to achieve debt service savings.

The 2007 EDA Lease Revenue bonds provide funding for a senior center addition to the Chaska Community Center.

Revenue bonds currently outstanding are as follows:

	Original Issue	Interest Rates	Issue Date	Final Maturity Date	Outstanding Amount
Business-type Activities:					
Electric Revenue Bonds	\$ 34,580,000	4.90-6.10%	07/01/00	10/01/30	\$ 100,000
EDA Lease Revenue Bonds	2,900,000	4.00-4.40%	06/01/07	12/01/27	2,900,000
Business-type Activities - Refunding:					
Electric Revenue Refunding Bonds	30,735,000	3.00-5.00%	04/01/05	10/01/30	<u>30,125,000</u>
					<u>\$ 33,125,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2011	\$ 940,000	\$ 1,623,135
2012	975,000	1,585,535
2013	1,155,000	1,546,535
2014	1,205,000	1,500,335
2015	1,250,000	1,451,075
2016-2020	7,235,000	6,294,008
2021-2025	9,300,000	4,239,265
2026-2030	11,065,000	1,673,630
Total	<u>\$ 33,125,000</u>	<u>\$ 19,913,518</u>

2010 Activity

On July 1, 2010 the City of Chaska issued \$3,220,000 in General Obligation Improvement Bonds, Series 2010A with a net effective interest rate of 3.274% (2.00% to 4.00%) to finance

three street and infrastructure improvement projects; North Meadows, Hundertmark and Clover Ridge Drive Extension North. The maturity date is February 1, 2031. These bonds are backed by the full faith and credit of the City.

On September 15, 2010 the City of Chaska issued \$880,000 in General Obligation Capital Improvement Plan Refunding Bonds, Series 2010B with a net effective interest rate of 1.026% (.40% to 1.10%) to refund the remaining outstanding maturities of the \$1,650,000 Public Facility Lease Revenue Bonds of 2001. The maturity date is February 1, 2015. The purpose of this current refunding is to take advantage of interest cost savings and to acquire the facility previously being leased by the City. This refunding will decrease future net debt service by \$65,089 resulting in a present value savings of \$69,472. These bonds are backed by the full faith and credit of the City.

On September 15, 2010 the City of Chaska issued \$2,180,000 in General Obligation Improvement Bonds, Series 2010C with a net effective interest rate of 3.061% (2.00% to 3.75%). The bonds were issued to finance (i) the developer portion of the West Creek project, (ii) the water trunk portion of the West Creek project, (iii) the sanitary sewer portion of the West Creek project, and (iv) the Highway 41 traffic signal. The maturity date is February 1, 2033. These bonds are backed by the full faith and credit of the City.

On September 15, 2010 the City of Chaska issued \$405,000 in General Obligation Taxable Tax Abatement Bonds, Series 2010D with a net effective interest rate of 5.05% (4.00% to 5.25%). Proceeds of the Abatement Bonds will be used to finance site-grading improvements on the private property related to the City's West Creek improvement project. Because of the private activity nature of the project, the Abatement Bonds will be taxable. The maturity date is February 1, 2033. These bonds are backed by the full faith and credit of the City and secured by a pledge of tax abatement revenue.

On October 1, 2010 all outstanding principal with the exception of \$100,000 of the \$34,580,000 Electric Revenue Series 2000A bonds were advance refunded. The refunding bonds (\$30,735,000) were issued on April 20th, 2005. The purpose of this refunding was to enable the City to achieve a debt service savings of \$2,594,566, a present value savings in 2005 of \$1,508,627.

NOTES PAYABLE:

The City also issues notes payable. For tax increment notes, the City pledges tax increment revenues captured by the tax increment districts to pay debt service on the notes issued to enhance economic development within the tax increment districts. Payments are first applied to accrued interest and then to principal balances. The note is cancelled at the end of the agreement term, whether or not they have been repaid.

As of December 31, 2010, the City has two outstanding notes payable, which are for North Meadows Apartments and Clover Field Sinclair, LP. The note for North Meadows Apartments was issued in 2002 at 6.5% interest with payments due through 2023. The outstanding balance as of December 31, 2010 is \$1,318,176. The note for Clover Field Sinclair, LP was issued in 2007 at 5.65% interest with payments due through 2029. The outstanding balance as of December 31,

2010 is \$3,577,291. These amounts have not been included in long-term debt because of the nature of the notes in that repayment is required only if sufficient tax increments are received.

The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

CONDUIT DEBT:

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (Collectively the "Revenue Bonds") to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2010, there were six series of IRBs outstanding. The aggregate principal amount payable for the one series issued after July 1, 1995, was \$1,055,000. The aggregate principal amount payable for the five series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$16,870,000.

As of December 31, 2010, there were nine series of HRBs outstanding. The aggregate principal amounts payable for the seven series issued after July 1, 1995 was \$13,605,000. The aggregate principal amount payable for the two series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,260,000.

The outstanding HRB balance includes one issue that is backed by the full faith and credit of the City. In 2010, the Carver County Housing and Redevelopment Authority issued \$2,850,000 in Housing Development Revenue Bonds. (These bonds refunded the \$2,695,691 Housing Revenue Bonds of 2000). This issue is secured by housing revenues and, if not so paid, by a tax levy. The bonds are secured by a general obligation pledge of the City.

City of Chaska, Minnesota

December 31, 2010

Note 7 Interfund Receivables, Payables and Transfers

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

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Other Nonmajor Governmental Electric	Other Nonmajor Governmental Other Nonmajor Proprietary	\$ 2,922,994 1,535,122	1 1
Total		\$ 4,458,116	

***Interfund Receivables/Payables:
Advances To/From Other Funds:***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interfund Receivables/ Payables</u>	<u>Advances To/From</u>	<u>Total</u>	<u>Purpose</u>
Other Nonmajor Governmental Electric Fund	Other Nonmajor Governmental District #14 Downtown Redevelopment	\$ 88,866 -	\$ - 4,145,474	\$ 88,866 4,145,474	2 3, 4
Electric Fund Turbine	Other Nonmajor Governmental Electric Fund	- 32,252	170,000 1,159,252	170,000 1,191,504	5 6
Electric Fund	Other Nonmajor Proprietary	28,217	1,226,398	1,254,615	7, 8
Total		\$ 149,335	\$ 6,701,124	\$ 6,850,459	

Explanation of Purpose for Receivables/Payables & Advances To/From Other Funds:

- (1) \$4,458,116 in the Due To/Due From Other Funds eliminate what would have been a negative cash balance in the fund.
- (2) This loan eliminates what would have been negative cash in TIF District funds. Repayment of the outstanding balance of \$88,866 will be made from tax increment generated by the district as it becomes available.
- (3) This 2004 loan from the Electric Fund to finance TIF District #14 project costs will be paid plus interest when the Block 53 property is developed. The amount outstanding as of 12/31/10 is \$1,478,054.
- (4) This 2007 loan from the Electric Fund provides interim financing for TIF District #14 project costs. The loan will be repaid from available cash as development of Block 6 occurs. The amount outstanding as of 12/31/10 is \$2,667,420.
- (5) In 2007, the Electric Fund loaned the Chaska EDA fund \$780,000 for construction costs related to a downtown property. \$610,000 was repaid in 2009. The outstanding balance of \$170,000 will be repaid as cash becomes available.

City of Chaska, Minnesota

December 31, 2010

- (6) A long-term interfund loan between the Electric Fund and the Turbine Fund was made in 2001 to finance a substation. Of the \$1,191,504 owed at 12/31/10, \$1,159,252 will not be paid within the year.
- (7) This interfund loan from the Electric Fund to Chaska.net was used to develop the expanded wireless internet service. The entire loan amount of \$1,169,964 is expected to remain outstanding throughout 2011.
- (8) In 2006, the City financed \$381,000 for equipment purchases for the Town Course through an interfund loan from the Electric Fund. Of the \$84,651 outstanding, \$56,434 will not be paid within the year.

Interfund Transfers:

	Transfers In:						Total
	Governmental Activities			Business-Type Activities			
Transfers Out:	General Fund	District #4 Revolving	Other Nonmajor	Water	Community Center	Other Nonmajor	
General Fund	\$ -	\$ -	\$ 482,000	\$ -	\$ -	\$ -	\$ 482,000
District #4 Revolving	-	-	2,500,360	-	-	-	2,500,360
District #14 Downtown Redevelopment	-	-	102,159	-	-	-	102,159
Other Nonmajor Governmental	88,682	100,109	2,871,198	252,470	26,000	-	3,338,459
Electric	-	-	276,400	-	261,000	19,700	557,100
Water	-	-	44,100	-	-	-	44,100
Community Center	-	-	126,568	-	-	-	126,568
Turbine	105,000	-	300,000	-	-	-	405,000
Other Nonmajor Business-Type	216,334	-	4,200	-	-	-	220,534
Internal Service Fund	23,187	-	-	-	-	-	23,187
	<u>\$ 433,203</u>	<u>\$ 100,109</u>	<u>\$ 6,706,985</u>	<u>\$ 252,470</u>	<u>\$ 287,000</u>	<u>\$ 19,700</u>	<u>\$ 7,799,467</u>

Explanation of Transfers:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 Reserved and Unreserved-Designated Fund Balance

The following table identifies fund balances of the Governmental Funds in greater detail than is presented on the face of the financial statements:

Governmental Fund Balances As of December 31, 2010							
	General	TIF Dist #4 Revolving	TIF Dist #14 Downtown Redevelopmt	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Fund Balances:							
Reserved for Debt Requirements	\$ -	\$ -	\$ -	\$ -	\$ 1,317,075	\$ -	\$ 1,317,075
Reserved for Economic Development	-	1,858,019	-	-	-	-	1,858,019
Reserved for Land Held for Resale	-	-	2,761,865	-	-	-	2,761,865
Reserved for Construction	-	-	-	-	-	4,473,805	4,473,805
Reserved for Mt. Pleasant Perpetual Care	-	-	-	202,352	-	-	202,352
Reserved for Concerts in the Park	-	-	-	589	-	-	589
Total Reserved Fund Balances:	-	1,858,019	2,761,865	202,941	1,317,075	4,473,805	10,613,705
Unreserved Fund Balances:							
Designated for Capital Outlay Acquisition	-	-	-	1,653,808	-	-	1,653,808
Designated for Compensated Balances	554,797	-	-	-	-	-	554,797
Designated for Working Capital	2,000,000	-	-	-	-	-	2,000,000
Total Designated Fund Balances:	2,554,797	-	-	1,653,808	-	-	4,208,605
Undesignated	11,686	-	(4,820,816)	(849,952)	-	(2,417,101)	(8,076,183)
Total Unreserved Fund Balances:	2,566,483	-	(4,820,816)	803,856	-	(2,417,101)	(3,867,578)
Total Fund Balances	<u>\$ 2,566,483</u>	<u>\$ 1,858,019</u>	<u>\$(2,058,951)</u>	<u>\$ 1,006,797</u>	<u>\$ 1,317,075</u>	<u>\$ 2,056,704</u>	<u>\$ 6,746,127</u>

Note 9 Risk Management

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

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

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the

deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

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

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

The Self Insurance fund, an internal service fund, which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 10 Committed Contracts

At December 31, 2010, the City had commitments for six uncompleted construction contracts with a remaining balance of \$940,195.

Note 11 Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

Note 12 Jointly Governed Organization

The City, in conjunction with ten other municipalities that provide distribution of electric services, comprise the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the eleven municipalities that operate electric distribution systems. MMPA's board of directors is comprised of one member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's purchases of power from MMPA for the year ended December 31, 2010 were \$18,761,148. MMPA issues an annual financial report that may be obtained by writing MMPA, 200 S. 6th Street, Suite 300, Minneapolis, MN 55402, or by calling (612) 349-6868.

Note 13 Defined Benefit Pension Plans – Statewide**A) Plan Description**

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

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

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

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

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

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

B) Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.0%, respectively, of their annual covered salary in 2010. PEPFF members were required to contribute 9.4% of their annual covered salary in 2010. In 2010, the City of Chaska was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.00% for Coordinated Plan members, and 14.1% for PEPFF members.

The City's contributions were equal to the contractually required contributions for each year as set by state statute and were as follows:

	<u>GERF</u>	<u>PEPFF</u>
December 31, 2008	\$ 379,651	\$ 242,240
December 31, 2009	431,165	294,150
December 31, 2010	438,146	284,587

Note 14 Defined Contribution Plan – Statewide

Five council members of the City of Chaska are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

City of Chaska, Minnesota

December 31, 2010

Total contributions made by the City of Chaska during fiscal year 2010 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$1,774	\$1,774	5.00%	5.00%	5.00%

Note 15 Other Post-Employment Benefits

In 2008, the City prospectively implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.

A) Plan Description

In addition to providing the pension benefits described in Note 13, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees through a single-employer defined benefit plan. The term *plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Section 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, and an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B) Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C) Participants

As of the actuarial valuation dated January 1, 2008 participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	5
Active Employees	<u>117</u>
Total	<u><u>122</u></u>
Participating employers	<u><u>1</u></u>

D) Funding Policy

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you go basis. The City Council may change the funding policy at any time.

E) Annual OPEB Costs and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The annual OPEB cost is accrued in the government-wide and proprietary funds financial statements as it is earned. OPEB benefits are recorded on a pay-as-you-go basis in the governmental funds. The net OPEB obligation as of December 31, 2010 was calculated as follows:

Annual Required Contribution	\$ 61,470
Interest on net OPEB obligation	3,819
Adjustment to Annual Required Contribution	<u>(5,522)</u>
Annual OPEB Cost	59,767
Contributions made during the year	<u>(22,221)</u>
Increase (decrease) in net OPEB obligation	37,546
Net OPEB obligation beginning of year	95,486
Net OPEB obligation end of year	<u><u>\$ 133,032</u></u>

The City first had an actuarial valuation performed for the plan as of January 1, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2010. The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2008 (year of implementation), 2009 and 2010 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percent Contributed</u>	<u>Net OBEB Obligation</u>
12/31/2008	\$ 61,470	16.97%	\$ 51,041
12/31/2009	60,560	26.61%	95,486
12/31/2010	59,767	37.18%	133,032

F) Funded Status and Funding Progress

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits; therefore, the actuarial value of assets is zero. The funded status of the plan is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)*</u>	<u>Total Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/08	-	\$484,551	\$484,551	0.0%	\$6,894,120	7.03%

*Using the projected unit credit cost method

Note: The first OPEB actuarial valuation was conducted as of January 1, 2008. There is no data available prior to the first valuation.

G) Actuarial Methods and Assumptions

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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

In the January 1, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 10% reduced by .50% each year

to arrive at an ultimate health cost trend rate of 5%. The actuarial value of assets was \$0.00. The plans unfunded actuarial accrued liability is being amortized using the level dollar amount over 30 years on an open basis. The remaining amortization period at January 1, 2008, was 30 years.

Note 16 Defined Benefit Pension Plans – Local

A) Plan Description

The City of Chaska contributes to the Chaska Fire Department Relief Association Pension Plan (CFDRAPP); a single-employer defined benefit pension plan administered by the Chaska Fire Department Relief Association (CFDRA) and governed by a board of nine trustees. The members of the CFDRA elect six trustees, each to a three year term. The Fire Chief, Mayor and Chief Financial Officer of the City are appointed by the City as ex-officio trustees. Ex-officio trustees are not permitted to hold any additional office in the CFDRA. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. These benefit provisions are established and can be amended by the CFDRA's Board of Trustees with approval by the Chaska City Council. The CFDRA issues a publicly available financial report that includes financial statements and required supplementary information for CFDRAPP. That report may be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by calling (952) 448-9200.

B) Funding Policy

The contribution requirements are established and may be amended by the Minnesota State Legislature. The CFDRA is comprised of volunteers; therefore, there are no covered payroll amounts or member contributions required.

C) Annual Pension Cost and Net Pension Obligations

For 2010, the City of Chaska's annual pension cost of \$286,795 was greater than the City's required contribution of \$246,000. The annual required contribution for the year was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return, (b) no projected salary increases and (c) no cost-of-living adjustments. Both (a) and (b) include an inflation component of 0.0%. The actuarial value of assets was determined using fair value based on current market value. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2009 was 9 years (December 31, 2018).

The City recognizes the State of Minnesota's contributions to the Chaska Fire Department Relief Association as revenue and expense.

Notes To The Financial Statements

City of Chaska, Minnesota

December 31, 2010

Total contributions to the CFDRAPP for the year ended December 31, 2010 were as follows:

<u>Contribution</u>	<u>Amount</u>
State of Minnesota	\$ 83,772
City of Chaska:	
Formula	122,573
Additional	65,000
Total City Contribution	<u>187,573</u>
Total Actual Contribution	<u>\$ 271,345</u>

D) Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>City</u>	<u>State</u>	<u>Total</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Pension Obligation</u>
12/31/2008	\$187,021	\$93,732	\$280,753	\$248,952	112.77%	(\$378,968)
12/31/2009	186,807	79,332	266,139	255,551	104.14%	(389,556)
12/31/2010	187,573	83,772	271,345	286,795	94.61%	(374,106)

Annual Required Contribution	\$ 246,000
Interest on net pension obligation	(19,478)
Adjustment to annual required contribution	60,273
Annual Pension Cost	<u>286,795</u>
Contributions made	(271,345)
(Increase) decrease in negative net pension obligation	<u>15,450</u>
Negative net pension obligation beginning of year	(389,556)
Negative net pension obligation end of year	<u><u>(\$374,106)</u></u>

E) Schedule of Funding Progress

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit per Month</u>	
						<u>Per Month of Service</u>	<u>Estimated Per Year of Service</u>
12/31/2008	12/31/07	\$3,757,850	\$4,829,810	\$1,071,960	77.8%	\$ 1.9750	\$ 23.70
12/31/2009	12/31/07	3,757,850	4,829,810	1,071,960	77.8%	1.9750	23.70
12/31/2010	12/31/09	3,660,038	4,862,491	1,202,453	75.3%	1.9750	23.70

The CFDRA is comprised of paid on-call volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll amounts or percentage calculations.)

Note 17 Prior Period Adjustment

Deferred Revenue previously recognized as revenue (increasing net assets) on the government-wide Statement of Activities was determined to be unearned revenue. A prior period adjustment in the amount of \$2,273,296 has reduced net assets to reflect this.

The negative net pension obligation on the Statement of Net Assets for the CFDRAPP is now being reported for the current fiscal period. Previously there was a one-year lag between what was reported in the City's government-wide financial statements and the current fiscal period. A prior period adjustment in the amount of \$10,588 has increased net assets to reflect this.

Both of these adjustments had no affect on the fund financial statements.

Schedule of Funding Progress - Other Post-Employment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Total Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/08	-	\$484,551	\$484,551	0.0%	\$6,894,120	7.03%

This schedule was implemented in 2008, and therefore only contains one year of data.

**Combining Fund Financial Statements
Nonmajor Special Revenue, Debt Service and Capital Project Funds**

City of Chaska

December 31, 2010

CITY OF CHASKA, MINNESOTA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash And Investments	\$ 1,245,076	\$ 1,259,435	\$ 2,608,070	\$ 5,112,581
Receivables:				
Taxes	27,043	629	8,920	36,592
Special Assessments	661,748	8,056,838	1,332,253	10,050,839
Accounts	4,382	-	31,809	36,191
Interest	782	-	928	1,710
Notes Receivable	30,000	38,787	224,681	293,468
Due from Other Funds	708,913	-	2,214,081	2,922,994
Due From Other Governments	14,427	48,572	34,112	97,111
Interfund Receivable	-	-	88,866	88,866
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,692,371</u>	<u>\$ 9,404,261</u>	<u>\$ 6,543,720</u>	<u>\$ 18,640,352</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 92,335	\$ -	\$ 598,900	\$ 691,235
Due To Other Funds	708,913	-	2,214,081	2,922,994
Due To Other Governments	641	-	145,885	146,526
Interfund Payable	-	-	88,866	88,866
Deferred and Unearned Revenue	713,685	8,087,186	1,439,284	10,240,155
Advance from Other Funds	170,000	-	-	170,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,685,574</u>	<u>8,087,186</u>	<u>4,487,016</u>	<u>14,259,776</u>
FUND BALANCES:				
Reserved	202,941	1,317,075	4,473,805	5,993,821
Unreserved, Designated Reported In:				
Special Revenue Funds	1,653,808	-	-	1,653,808
Unreserved, Undesignated Reported In:				
Special Revenue Funds	(849,952)	-	-	(849,952)
Capital Project Funds	-	-	(2,417,101)	(2,417,101)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>1,006,797</u>	<u>1,317,075</u>	<u>2,056,704</u>	<u>4,380,576</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,692,371</u>	<u>\$ 9,404,261</u>	<u>\$ 6,543,720</u>	<u>\$ 18,640,352</u>

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 530,330	\$ 23,298	\$ 462,820	\$ 1,016,448
Intergovernmental	136,473	50,424	1,423,100	1,609,997
Charges for Services	159,350	-	338,666	498,016
Special Assessments	76,991	1,151,719	347,270	1,575,980
Other Revenue	119,897	101,812	102,283	323,992
TOTAL REVENUES	1,023,041	1,327,253	2,674,139	5,024,433
<u>EXPENDITURES</u>				
CURRENT:				
General Government	12,120	24,551	37,064	73,735
Economic Development	278,209	-	141,780	419,989
Public Works	9,543	-	1,602,583	1,612,126
Parks, Recreation and Arts	118,675	-	-	118,675
DEBT SERVICE:				
Principal	-	5,055,000	-	5,055,000
Interest	-	1,470,294	-	1,470,294
Refunding Contribution	-	145,488	-	145,488
Issuance Costs & Fiscal Agent Fees	-	23,427	145,537	168,964
CAPITAL OUTLAY	867,035	-	4,783,604	5,650,639
TOTAL EXPENDITURES	1,285,582	6,718,760	6,710,568	14,714,910
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(262,541)	(5,391,507)	(4,036,429)	(9,690,477)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	523,700	4,884,058	1,299,227	6,706,985
Transfers Out	(839,045)	(261,225)	(2,238,189)	(3,338,459)
Bonds Issued	-	171,770	5,633,230	5,805,000
Refunding Bonds Issued	-	880,000	-	880,000
Premium on Bonds Issued	-	-	39,071	39,071
Payment on Refunded Bonds	-	(849,512)	-	(849,512)
Sale of Capital Assets	8,466	-	-	8,466
TOTAL OTHER FINANCING SOURCES AND USES	(306,879)	4,825,091	4,733,339	9,251,551
NET CHANGE IN FUND BALANCES	(569,420)	(566,416)	696,910	(438,926)
FUND BALANCES, January 1	1,576,217	1,883,491	1,359,794	4,819,502
FUND BALANCES, December 31	\$ 1,006,797	\$ 1,317,075	\$ 2,056,704	\$ 4,380,576



CHASKA

Nonmajor Special Revenue Funds

City of Chaska

December 31, 2010

Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for particular purposes.

**Mount Pleasant Maintenance
& Care Fund**

This fund is used to account for property tax levies and lot sales that are legally restricted to the maintenance of the cemetery and principal amounts received and related interest income for the care of the Mt. Pleasant Cemetery.

Chaska EDA Fund

This fund is used to report the administrative activities associated with the Chaska Economic Development Authority. The authority is authorized and levies ad valorem taxes to provide funds for operations.

Park Development Fund

This fund is used to account for grants and other dedicated revenues appropriated by budget for park and trail development.

Equipment Acquisition Fund

This fund is used to account for property tax levies appropriated by budget for capital equipment acquisition.

Grace Gibson Fund

This fund is used to account for assets received and related revenues and expenditures associated with Grace Gibson activities.

CITY OF CHASKA, MINNESOTA

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	PARK DEVELOPMENT	EQUIPMENT ACQUISITION	GRACE GIBSON	TOTALS
ASSETS						
Cash And Investments	\$ 256,934	\$ 11,439	\$ -	\$ 976,114	\$ 589	\$ 1,245,076
Receivables:						
Taxes:						
Unremitted	50	857	-	4,127	-	5,034
Delinquent	235	2,018	-	19,756	-	22,009
Special Assessments:						
Unremitted	-	-	72	-	-	72
Delinquent	-	-	13,211	-	-	13,211
Deferred:						
Certified To County	-	-	648,465	-	-	648,465
Accounts:						
Current	-	500	-	3,882	-	4,382
Interest	-	-	-	782	-	782
Other:						
Notes	-	30,000	-	-	-	30,000
Due From Other Funds	-	-	-	708,913	-	708,913
Due From Other Governments	4	48	-	14,375	-	14,427
TOTAL ASSETS	\$ 257,223	\$ 44,862	\$ 661,748	\$ 1,727,949	\$ 589	\$ 2,692,371
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ -	\$ 734	\$ 2,652	\$ 54,385	\$ -	\$ 57,771
Contracts Payable	-	-	34,564	-	-	34,564
Due To Other Funds	-	-	708,913	-	-	708,913
Due to Other Governments	-	641	-	-	-	641
Deferred and Unearned Revenue	235	32,018	661,676	19,756	-	713,685
Advance From Other Funds	-	170,000	-	-	-	170,000
TOTAL LIABILITIES	235	203,393	1,407,805	74,141	-	1,685,574
FUND BALANCES:						
Reserved:						
Reserved For Mt. Pleasant Perpetual Care	202,352	-	-	-	-	202,352
Reserved For Concerts In The Park	-	-	-	-	589	589
Unreserved:						
Designated For Capital Outlay Acquisition	-	-	-	1,653,808	-	1,653,808
Undesignated	54,636	(158,531)	(746,057)	-	-	(849,952)
TOTAL FUND BALANCES	256,988	(158,531)	(746,057)	1,653,808	589	1,006,797
TOTAL LIABILITIES AND FUND BALANCES	\$ 257,223	\$ 44,862	\$ 661,748	\$ 1,727,949	\$ 589	\$ 2,692,371

CITY OF CHASKA, MINNESOTA

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	PARK DEVELOPMENT	EQUIPMENT ACQUISITION	GRACE GIBSON	TOTALS
REVENUES:						
Taxes	\$ 5,845	\$ 72,511	\$ -	\$ 451,974	\$ -	\$ 530,330
Intergovernmental:						
Federal:						
Miscellaneous	-	-	-	125,456	-	125,456
State:						
Market Value Credit	9	2,709	-	733	-	3,451
Other	-	1,566	-	-	-	1,566
County:						
Miscellaneous	-	-	6,000	-	-	6,000
Charges For Services	1,350	154,000	-	4,000	-	159,350
Special Assessments	-	-	76,991	-	-	76,991
Other Revenues:						
Investment Earnings	729	2,495	-	4,149	2	7,375
Rents	-	6,000	3,360	67,115	-	76,475
Contributions And Donations	-	-	3,633	16,211	1,500	21,344
Miscellaneous	-	14,268	435	-	-	14,703
TOTAL REVENUES	7,933	253,549	90,419	669,638	1,502	1,023,041
EXPENDITURES:						
Current:						
General Government	-	-	-	12,120	-	12,120
Economic Development	-	278,209	-	-	-	278,209
Public Works	9,543	-	-	-	-	9,543
Parks, Recreation and Arts	-	-	117,175	-	1,500	118,675
Capital Outlay	-	122,561	116,658	627,816	-	867,035
TOTAL EXPENDITURES	9,543	400,770	233,833	639,936	1,500	1,285,582
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,610)	(147,221)	(143,414)	29,702	2	(262,541)
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	-	523,700	-	523,700
Transfers Out	-	-	(13,000)	(826,045)	-	(839,045)
Sale Of Capital Assets	-	-	-	8,466	-	8,466
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(13,000)	(293,879)	-	(306,879)
NET CHANGE IN FUND BALANCES	(1,610)	(147,221)	(156,414)	(264,177)	2	(569,420)
FUND BALANCES, January 1	258,598	(11,310)	(589,643)	1,917,985	587	1,576,217
FUND BALANCES, December 31	\$ 256,988	\$ (158,531)	\$ (746,057)	\$ 1,653,808	\$ 589	\$ 1,006,797



CHASKA

Debt Service Funds are used to accumulate resources and to record payment of bonded debt principal and interest.

Improvement Bond Funds

These funds service debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to be benefited from such improvements.

Tax Increment Bond Funds

These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.

**EDA Public Facilities Revenue
Bond Funds**

This fund services debt on the certificates of participation that were used to finance the City Hall and Municipal Services Building.

Equipment Certificate Funds

These funds service debt on the general obligation equipment certificates that were used to fund equipment purchases.

CITY OF CHASKA, MINNESOTA

**NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010**

	<u>IMPROVEMENT BONDS</u>	<u>TAX INCREMENT BONDS</u>	<u>\$1,650,000 EDA PUBLIC FACILITIES REVENUE BONDS 2001</u>	<u>\$955,000 GO EQUIPMENT CERTIFICATES 2006</u>	<u>\$885,000 GO EQUIPMENT CERTIFICATES 2008</u>	<u>TOTALS</u>
<u>ASSETS</u>						
Cash And Investments	\$ 1,031,457	\$ 55,716	\$ -	\$ 10,275	\$ 161,987	\$ 1,259,435
Receivables:						
Taxes:						
Delinquent	499	-	-	-	-	499
Unremitted	130	-	-	-	-	130
Special Assessments:						
Unremitted	8,938	-	-	-	-	8,938
Delinquent	69,680	2,738	-	-	-	72,418
Deferred:						
Certified To County	6,986,552	957,572	-	-	-	7,944,124
City Owned	31,358	-	-	-	-	31,358
Other:						
Notes	-	38,787	-	-	-	38,787
Due From Other Governments	48,572	-	-	-	-	48,572
TOTAL ASSETS	\$ 8,177,186	\$ 1,054,813	\$ -	\$ 10,275	\$ 161,987	\$ 9,404,261
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Deferred and Unearned Revenue	\$ 7,088,089	\$ 999,097	\$ -	\$ -	\$ -	\$ 8,087,186
FUND BALANCES:						
Reserved For Debt Service	1,089,097	55,716	-	10,275	161,987	1,317,075
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,177,186	\$ 1,054,813	\$ -	\$ 10,275	\$ 161,987	\$ 9,404,261

CITY OF CHASKA, MINNESOTA

NONMAJOR DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	IMPROVEMENT BONDS	TAX INCREMENT BONDS	\$1,650,000 EDA PUBLIC FACILITIES REVENUE BONDS 2001	\$955,000 GO EQUIPMENT CERTIFICATES 2006	\$885,000 GO EQUIPMENT CERTIFICATES 2008	TOTALS
REVENUES:						
Taxes	\$ 23,298	\$ -	\$ -	\$ -	\$ -	\$ 23,298
Intergovernmental:						
State:						
Market Value Credit	37	-	-	-	-	37
Local:						
Building Rent - Base Rent	15,000	-	-	-	-	15,000
Building Rent - Camera Rent	35,387	-	-	-	-	35,387
Special Assessments	972,846	178,873	-	-	-	1,151,719
Other Revenue:						
Payments	-	47,252	-	-	-	47,252
Investment Earnings	6,703	676	8	474	482	8,343
Leases	9,459	-	28,142	-	-	37,601
Miscellaneous	-	8,616	-	-	-	8,616
TOTAL REVENUES	1,062,730	235,417	28,150	474	482	1,327,253
EXPENDITURES:						
Current:						
General Government:						
Administrative Fees	20,751	3,800	-	-	-	24,551
Debt Service:						
Principal	1,630,000	3,145,000	-	170,000	110,000	5,055,000
Interest	533,619	833,799	42,927	26,062	33,887	1,470,294
Refunding Contribution	-	-	145,488	-	-	145,488
Issuance Costs & Fiscal Agent Fees	19,117	350	3,960	-	-	23,427
TOTAL EXPENDITURES	2,203,487	3,982,949	192,375	196,062	143,887	6,718,760
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,140,757)	(3,747,532)	(164,225)	(195,588)	(143,405)	(5,391,507)
OTHER FINANCING SOURCES (USES):						
Transfers In	1,549,225	2,679,523	150,000	201,033	304,277	4,884,058
Transfers Out	-	(40,375)	(220,850)	-	-	(261,225)
Bonds Issued	125,719	46,051	-	-	-	171,770
Refunding Bonds Issued	30,488	-	849,512	-	-	880,000
Payment on Refunded Bonds	-	-	(849,512)	-	-	(849,512)
TOTAL OTHER FINANCING SOURCES (USES)	1,705,432	2,685,199	(70,850)	201,033	304,277	4,825,091
NET CHANGE IN FUND BALANCES	564,675	(1,062,333)	(235,075)	5,445	160,872	(566,416)
FUND BALANCES, January 1	524,422	1,118,049	235,075	4,830	1,115	1,883,491
FUND BALANCES, December 31	\$ 1,089,097	\$ 55,716	\$ -	\$ 10,275	\$ 161,987	\$ 1,317,075

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - IMPROVEMENT BONDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

	\$555,000 GO TAXABLE IMPROVEMENT BONDS 2002	\$455,000 GO IMPROVEMENT BONDS 2002	\$2,780,000 GO IMPROVEMENT CURRENT REFUNDING BONDS 2004	\$8,595,000 GO IMPROVEMENT BONDS 2006	\$3,645,000 GO IMPROVEMENT BONDS 2008	\$2,045,000 GO IMPROVEMENT REFUNDING BONDS 2009	\$3,220,000 GO IMPROVEMENT BONDS 2010	\$880,000 GO CIP REFUNDING BONDS 2010	\$2,180,000 GO IMPROVEMENT BONDS 2010	TOTALS
ASSETS										
Cash And Investments	\$ 37,928	\$ 1,000	\$ 1,825	\$ 15,019	\$ 379,373	\$ 2,356	\$ 226,968	\$ 239,961	\$ 127,027	\$ 1,031,457
Receivables:										
Taxes:										
Delinquent	-	-	-	499	-	-	-	-	-	499
Unremitted	-	-	-	130	-	-	-	-	-	130
Special Assessments:										
Unremitted	-	-	-	5,051	1,490	2,397	-	-	-	8,938
Delinquent	-	-	-	14,619	34,424	20,637	-	-	-	69,680
Deferred:										
Certified To County	101,855	10,385	-	1,895,584	826,893	2,349,750	1,802,085	-	-	6,986,552
City Owned	-	-	-	31,358	-	-	-	-	-	31,358
Due From Other Governments	-	-	45,351	16	-	-	-	3,205	-	48,572
TOTAL ASSETS	\$ 139,783	\$ 11,385	\$ 47,176	\$ 1,962,276	\$ 1,242,180	\$ 2,375,140	\$ 2,029,053	\$ 243,166	\$ 127,027	\$ 8,177,186
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
Deferred and Unearned Revenue	\$ 101,855	\$ 10,385	\$ -	\$ 1,942,060	\$ 861,317	\$ 2,370,387	\$ 1,802,085	\$ -	\$ -	\$ 7,088,089
FUND BALANCES:										
Reserved For Debt Service	37,928	1,000	47,176	20,216	380,863	4,753	226,968	243,166	127,027	1,089,097
TOTAL LIABILITIES AND FUND BALANCES	\$ 139,783	\$ 11,385	\$ 47,176	\$ 1,962,276	\$ 1,242,180	\$ 2,375,140	\$ 2,029,053	\$ 243,166	\$ 127,027	\$ 8,177,186

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - IMPROVEMENT BONDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	\$555,000 GO TAXABLE IMPROVEMENT BONDS 2002	\$455,000 GO IMPROVEMENT BONDS 2002	\$2,780,000 GO IMPROVEMENT CURRENT REFUNDING BONDS 2004	\$8,595,000 GO IMPROVEMENT BONDS 2006	\$3,645,000 GO IMPROVEMENT BONDS 2008	\$2,045,000 GO IMPROVEMENT REFUNDING BONDS 2009	\$3,220,000 GO IMPROVEMENT BONDS 2010	\$880,000 GO CIP REFUNDING BONDS 2010	\$2,180,000 GO IMPROVEMENT BONDS 2010	TOTALS
REVENUES:										
Taxes	\$ -	\$ -	\$ -	\$ 23,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,298
Intergovernmental:										
State:										
Market Value Credit	-	-	-	37	-	-	-	-	-	37
Local:										
Building Rent - Base Rent	-	-	15,000	-	-	-	-	-	-	15,000
Building Rent - Camera Rent	-	-	35,387	-	-	-	-	-	-	35,387
Special Assessments	66,564	5,665	-	268,651	208,320	211,871	211,775	-	-	972,846
Other Revenue:										
Investment Earnings	103	-	578	299	130	38	3,636	611	1,308	6,703
Leases	-	-	-	-	-	-	-	9,459	-	9,459
TOTAL REVENUES	66,667	5,665	50,965	292,285	208,450	211,909	215,411	10,070	1,308	1,062,730
EXPENDITURES:										
Current:										
General Government:										
Administrative Fees	-	1,700	2,750	-	-	-	16,301	-	-	20,751
Debt Service:										
Principal	50,000	40,000	235,000	625,000	410,000	270,000	-	-	-	1,630,000
Interest	7,200	4,340	52,435	274,887	141,644	53,113	-	-	-	533,619
Issuance Costs & Fiscal Agent Fees	-	-	-	-	350	-	525	18,242	-	19,117
TOTAL EXPENDITURES	57,200	46,040	290,185	899,887	551,994	323,113	16,826	18,242	-	2,203,487
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,467	(40,375)	(239,220)	(607,602)	(343,544)	(111,204)	198,585	(8,172)	1,308	(1,140,757)
OTHER FINANCING SOURCES (USES):										
Transfers In	-	40,375	268,000	625,939	254,536	111,142	28,383	220,850	-	1,549,225
Bonds Issued	-	-	-	-	-	-	-	-	125,719	125,719
Refunding Bonds Issued	-	-	-	-	-	-	-	30,488	-	30,488
TOTAL OTHER FINANCING SOURCES (USES)	-	40,375	268,000	625,939	254,536	111,142	28,383	251,338	125,719	1,705,432
NET CHANGE IN FUND BALANCES	9,467	-	28,780	18,337	(89,008)	(62)	226,968	243,166	127,027	564,675
FUND BALANCES, January 1	28,461	1,000	18,396	1,879	469,871	4,815	-	-	-	524,422
FUND BALANCES, December 31	\$ 37,928	\$ 1,000	\$ 47,176	\$ 20,216	\$ 380,863	\$ 4,753	\$ 226,968	\$ 243,166	\$ 127,027	\$ 1,089,097

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - TAX INCREMENT BONDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

	\$1,555,000 GO TAXABLE TI CROSSOVER REFUNDING BONDS 2002	\$890,000 GO TAXABLE TI BONDS 2004	\$2,470,000 GO TAXABLE TI CROSSOVER REFUNDING BONDS 2004	\$14,385,000 GO TI CURRENT REFUNDING BONDS 2008	\$870,000 GO TAXABLE TI CURRENT REFUNDING BONDS 2008	\$565,000 GO TAXABLE TI BONDS 2008	\$405,000 GO TAXABLE ABATEMENT BONDS 2010	TOTALS
ASSETS								
Cash And Investments	\$ -	\$ 1,000	\$ 1,227	\$ 5,001	\$ 1,000	\$ 1,001	\$ 46,487	\$ 55,716
Receivables:								
Special Assessments:								
Delinquent	-	-	949	1,789	-	-	-	2,738
Deferred:								
Certified To County	-	-	-	957,572	-	-	-	957,572
Other:								
Notes	-	-	-	38,787	-	-	-	38,787
TOTAL ASSETS	\$ -	\$ 1,000	\$ 2,176	\$ 1,003,149	\$ 1,000	\$ 1,001	\$ 46,487	\$ 1,054,813
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Deferred and Unearned Revenue	\$ -	\$ -	\$ 949	\$ 998,148	\$ -	\$ -	\$ -	\$ 999,097
FUND BALANCES:								
Reserved For Debt Service	-	1,000	1,227	5,001	1,000	1,001	46,487	55,716
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 1,000	\$ 2,176	\$ 1,003,149	\$ 1,000	\$ 1,001	\$ 46,487	\$ 1,054,813

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - TAX INCREMENT BONDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	\$1,555,000 GO TAXABLE TI CROSSOVER REFUNDING BONDS 2002	\$890,000 GO TAXABLE TI BONDS 2004	\$2,470,000 GO TAXABLE TI CROSSOVER REFUNDING BONDS 2004	\$14,385,000 GO TI CURRENT REFUNDING BONDS 2008	\$870,000 GO TAXABLE TI CURRENT REFUNDING BONDS 2008	\$565,000 GO TAXABLE TI BONDS 2008	\$405,000 GO TAXABLE ABATEMENT BONDS 2010	TOTALS
REVENUES:								
Special Assessments	\$ -	\$ -	\$ -	\$ 178,873	\$ -	\$ -	\$ -	\$ 178,873
Other:								
Payments	-	-	-	47,252	-	-	-	47,252
Investment Earnings	-	-	227	-	-	13	436	676
Miscellaneous	-	-	8,616	-	-	-	-	8,616
TOTAL REVENUES	-	-	8,843	226,125	-	13	436	235,417
EXPENDITURES:								
Current:								
General Government:								
Administrative Fees	-	-	-	3,800	-	-	-	3,800
Debt Service:								
Principal	280,000	50,000	625,000	2,055,000	135,000	-	-	3,145,000
Interest	13,160	43,575	90,150	604,688	41,738	40,488	-	833,799
Issuance Costs & Fiscal Agent Fees	-	-	-	-	-	350	-	350
TOTAL EXPENDITURES	293,160	93,575	715,150	2,663,488	176,738	40,838	-	3,982,949
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(293,160)	(93,575)	(706,307)	(2,437,363)	(176,738)	(40,825)	436	(3,747,532)
OTHER FINANCING SOURCES (USES):								
Transfers In	292,160	93,575	659,833	1,448,633	176,738	8,584	-	2,679,523
Transfers Out	-	-	-	(40,375)	-	-	-	(40,375)
Bonds Issued	-	-	-	-	-	-	46,051	46,051
TOTAL OTHER FINANCING SOURCES (USES)	292,160	93,575	659,833	1,408,258	176,738	8,584	46,051	2,685,199
NET CHANGES IN FUND BALANCE	(1,000)	-	(46,474)	(1,029,105)	-	(32,241)	46,487	(1,062,333)
FUND BALANCES, January 1	1,000	1,000	47,701	1,034,106	1,000	33,242	-	1,118,049
FUND BALANCES, December 31	\$ -	\$ 1,000	\$ 1,227	\$ 5,001	\$ 1,000	\$ 1,001	\$ 46,487	\$ 55,716

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

Tax Increment Funds	These funds receive revenue from general property taxes in the form of tax increment. These revenues are used by the Chaska Economic Development Authority to promote industrial development via providing financing aids to developers.
Special Assessments Funds	These funds are used for the construction of improvements and assessment collections from properties benefiting from the improvements.
Major Road Construction Fund	This fund is used to account for the City's allocation of the State collected highway user tax for Minnesota State Aid (MSA) designated road construction.
Permanent Improvement Revolving Funds	These funds are used to collect the building permit revenues charged for the purpose of construction of the City's water, sewer and storm sewer systems. Three separate funds are shown: a Water Fund, a Sewer Fund, and a Storm Water Fund.
Storm Sewer Area Fund	This fund is used to collect the building permit revenues charged for the purpose of construction and maintenance of the City's storm sewer system.
Highway 312 R.A.L.F. Loan Fund	This fund is used to account for land acquisitions for the new Highway 312 funded by the Metropolitan Council Right-Of-Way Acquisition Loan Fund (R.A.L.F.)
Public Facilities Capital Improvement Fund	This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.
Commercial Revolving Loan Fund	This fund is used to accumulate commercial grant and loan payment proceeds.
Industrial Revolving Loan Fund	This fund is used to accumulate industrial grant and loan payment proceeds.

(Continued)

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**Fire Protection Systems
Fund**

This fund is used to account for receipts and expenditures for the fire protection systems.

**Improvement Revolving
Fund**

This fund is used to fund un-bonded improvement projects.

Highway 312 Improvements

This fund is used to account for the receipts and expenditures for Highway 312.

Annual Street Replacement

This fund is used to account for the receipts and expenditures for Annual Street Replacement costs.

CITY OF CHASKA, MINNESOTA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

106

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT
ASSETS								
Cash and Investments	\$ 1,399,833	\$ 99,059	\$ -	\$ 378,089	\$ 54,750	\$ 29,260	\$ 253,400	\$ 132,096
Receivables:								
Taxes:								
Delinquent	7,595	-	-	-	-	-	-	-
Unremitted	1,325	-	-	-	-	-	-	-
Special Assessments:								
Unremitted	-	-	-	95	67	42	-	-
Delinquent	-	-	-	34,004	5,168	4,384	-	-
Deferred:								
Certified To County	-	609,000	-	101,113	59,156	295,430	-	-
City Owned	-	-	-	-	-	-	-	-
Accounts:								
Current	19,918	10,592	-	-	-	-	-	-
Interest	-	-	-	-	-	928	-	-
Other:								
Notes	-	-	-	-	-	-	-	-
Due From Other Funds	3,325	997,602	-	-	-	1,114,946	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,431,996	\$ 1,716,253	\$ -	\$ 513,301	\$ 119,141	\$ 1,444,990	\$ 253,400	\$ 132,096
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$ -	\$ 450,153	\$ -	\$ 2,568	\$ 1,596	\$ 1,473	\$ -	\$ -
Due To Other Funds	3,325	1,549,194	563,354	-	-	-	-	-
Due To Other Governments	-	-	-	-	-	269	-	-
Interfund Payable	88,866	-	-	-	-	-	-	-
Deferred and Unearned Revenue	27,513	609,000	-	135,117	64,324	299,814	-	-
TOTAL LIABILITIES	119,704	2,608,347	563,354	137,685	65,920	301,556	-	-
FUND BALANCES:								
Reserved:								
Reserved For Construction	1,404,483	662,256	-	375,616	53,221	1,143,434	253,400	132,096
Unreserved:								
Undesignated	(92,191)	(1,554,350)	(563,354)	-	-	-	-	-
TOTAL FUND BALANCES	1,312,292	(892,094)	(563,354)	375,616	53,221	1,143,434	253,400	132,096
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,431,996	\$ 1,716,253	\$ -	\$ 513,301	\$ 119,141	\$ 1,444,990	\$ 253,400	\$ 132,096

(Continued)

COMMERCIAL REVOLVING LOANS	INDUSTRIAL REVOLVING LOANS	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	HWY 312 IMPROVEMENTS	ANNUAL STREET REPLACEMENT	TOTALS	
\$ 21,933	\$ 54,453	\$ 98,740	\$ 42,889	\$ 43,568	\$ -	\$ -	\$ 2,608,070	ASSETS
-	-	-	-	-	-	-	7,595	Cash and Investments
-	-	-	-	-	-	-	1,325	Receivables:
-	-	58	-	388	-	-	650	Taxes:
-	-	3,764	-	11,654	-	-	58,974	Delinquent
-	-	20,236	94,974	83,966	-	-	1,263,875	Unremitted
-	-	-	-	8,754	-	-	8,754	Special Assessments:
1,299	-	-	-	-	-	-	31,809	Unremitted
-	-	-	-	-	-	-	928	Delinquent
79,065	145,616	-	-	-	-	-	224,681	Deferred:
-	-	-	-	98,208	-	-	2,214,081	Certified To County
-	-	-	-	-	-	34,112	34,112	City Owned
-	-	-	-	88,866	-	-	88,866	Accounts:
\$ 102,297	\$ 200,069	\$ 122,798	\$ 137,863	\$ 335,404	\$ -	\$ 34,112	\$ 6,543,720	Current
								Interest
								Other:
								Notes
								Due From Other Funds
								Due From Other Governments
								Interfund Receivable
								TOTAL ASSETS
								LIABILITIES AND FUND BALANCES
								LIABILITIES:
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,110	\$ 598,900	Accounts Payable
-	-	-	-	-	-	98,208	2,214,081	Due To Other Funds
-	145,616	-	-	-	-	-	145,885	Due To Other Governments
-	-	-	-	-	-	-	88,866	Interfund Payable
80,168	-	24,000	94,974	104,374	-	-	1,439,284	Deferred and Unearned Revenue
80,168	145,616	24,000	94,974	104,374	-	241,318	4,487,016	TOTAL LIABILITIES
								FUND BALANCES:
22,129	54,453	98,798	42,889	231,030	-	-	4,473,805	Reserved:
-	-	-	-	-	-	(207,206)	(2,417,101)	Reserved For Construction
22,129	54,453	98,798	42,889	231,030	-	(207,206)	2,056,704	Unreserved:
								Undesignated
\$ 102,297	\$ 200,069	\$ 122,798	\$ 137,863	\$ 335,404	\$ -	\$ 34,112	\$ 6,543,720	TOTAL LIABILITIES AND FUND BALANCES

CITY OF CHASKA, MINNESOTA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT
REVENUES:								
General Property Taxes:								
Tax Increment	\$ 462,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State:								
Municipal State Aid	-	-	549,457	-	-	-	-	-
Other	13,720	50,980	-	-	-	-	-	-
Local:								
Other	-	317,483	-	-	-	61,000	-	-
Acreage And Connection Charges	-	-	-	315,471	23,195	-	-	-
Special Assessments	-	110,936	-	41,647	19,110	11,278	-	-
Other Revenues:								
Investment Earnings	3,421	411	-	1,869	514	4,356	60	383
Miscellaneous	2,454	503	-	-	-	30,000	-	-
TOTAL REVENUES	482,415	480,313	549,457	358,987	42,819	106,634	60	383
EXPENDITURES:								
Current:								
General Government:								
Administrative Fees	3,419	14,196	905	722	484	2,676	-	-
Professional Services	-	-	-	-	-	-	-	5,594
Economic Development:								
Professional Services	11,930	-	-	-	-	-	-	-
Miscellaneous	93,699	-	-	-	-	-	-	-
Public Works:								
Professional Services	-	954,474	-	31,367	36,022	106,941	-	-
Miscellaneous	-	8,746	-	-	-	-	-	-
Debt Service:								
Issuance Costs and Fiscal Agent Fees	-	113,551	-	-	-	-	-	-
Capital Outlay:								
Land Purchase/Land Writedowns	-	500,000	-	-	-	-	-	-
System Improvements:								
General	-	-	-	-	-	-	-	2,144
Water	-	42,112	-	-	-	-	-	-
Streets	-	2,381,841	-	-	-	43,805	-	-
Storm Sewer	-	78,335	-	-	-	18,854	-	-
TOTAL EXPENDITURES	109,048	4,093,255	905	32,089	36,506	172,276	-	7,738

(Continued)

CITY OF CHASKA, MINNESOTA

(Continued)

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	373,367	(3,612,942)	548,552	326,898	6,313	(65,642)	60	(7,355)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	755,417	-	-	-	-	-	-
Transfers Out	(100,109)	(322,424)	(355,649)	(508,366)	(160,651)	(110,664)	-	-
Bonds Issued	-	4,181,935	-	-	-	-	-	-
Premium on Bonds Issued	-	17,893	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(100,109)	4,632,821	(355,649)	(508,366)	(160,651)	(110,664)	-	-
NET CHANGE IN FUND BALANCES	273,258	1,019,879	192,903	(181,468)	(154,338)	(176,306)	60	(7,355)
FUND BALANCES, January 1	1,039,034	(1,911,973)	(756,257)	557,084	207,559	1,319,740	253,340	139,451
FUND BALANCES, December 31	\$ 1,312,292	\$ (892,094)	\$ (563,354)	\$ 375,616	\$ 53,221	\$ 1,143,434	\$ 253,400	\$ 132,096

COMMERCIAL REVOLVING LOANS	INDUSTRIAL REVOLVING LOANS	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	HWY 312 IMPROVEMENTS	ANNUAL STREET REPLACEMENT	TOTALS	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,820	REVENUES:
-	-	-	-	-	-	430,460	430,460	General Property Taxes:
-	-	-	-	-	-	-	549,457	Tax Increment
-	-	-	-	-	-	-	64,700	Intergovernmental:
-	-	-	-	-	-	-	378,483	Federal
228	150	37	74	3,318	-	57	14,878	State:
16,748	37,700	-	-	-	-	-	338,666	Municipal State Aid
-	-	24,559	22,944	55,022	-	61,774	347,270	Other
-	-	-	-	-	-	-	378,483	Local:
-	-	-	-	-	-	-	338,666	Other
-	-	-	-	-	-	-	347,270	Acreege And Connection Charges
228	150	37	74	3,318	-	57	14,878	Special Assessments
16,748	37,700	-	-	-	-	-	87,405	Other Revenues:
16,976	37,850	24,596	23,018	58,340	-	492,291	2,674,139	Investment Earnings
-	-	-	-	-	-	-	87,405	Miscellaneous
-	-	-	-	-	-	-	2,674,139	TOTAL REVENUES
-	-	129	-	-	-	6,439	28,970	EXPENDITURES:
-	-	-	-	2,500	-	-	8,094	Current:
-	-	-	-	-	-	-	11,930	General Government:
-	36,151	-	-	-	-	-	129,850	Administrative Fees
-	-	-	-	-	4,141	460,892	1,593,837	Professional Services
-	-	-	-	-	-	-	8,746	Economic Development:
-	-	-	-	-	-	31,986	145,537	Professional Services
-	-	-	-	-	-	-	500,000	Miscellaneous
-	-	-	-	-	-	-	280,939	Public Works:
-	-	-	-	-	-	-	42,112	Professional Services
-	-	-	-	-	-	1,433,686	3,859,332	Miscellaneous
-	-	-	-	-	-	1,888	99,077	Debt Service:
-	36,151	129	-	2,500	4,141	2,215,830	6,710,568	Issuance Costs and Fiscal Agent Fees
-	-	-	-	-	-	-	500,000	Capital Outlay:
-	-	-	-	-	-	-	283,083	Land Purchase/Land Writedowns
-	-	-	-	-	-	-	42,112	System Improvements:
-	-	-	-	-	-	1,433,686	3,859,332	General
-	-	-	-	-	-	1,888	99,077	Water
-	-	-	-	-	-	-	3,859,332	Streets
-	-	-	-	-	-	-	99,077	Storm Sewer
-	36,151	129	-	2,500	4,141	2,215,830	6,710,568	TOTAL EXPENDITURES

(Continued)

COMMERCIAL REVOLVING LOANS	INDUSTRIAL REVOLVING LOANS	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	HWY 312 IMPROVEMENTS	ANNUAL STREET REPLACEMENT	TOTALS	
16,976	1,699	24,467	23,018	55,840	(4,141)	(1,723,539)	(4,036,429)	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	-	10,116	533,694	1,299,227	OTHER FINANCING SOURCES (USES):
(75,682)	-	(466,250)	-	(138,394)	-	-	(2,238,189)	Transfers In
-	-	-	-	-	-	1,451,295	5,633,230	Transfers Out
-	-	-	-	-	-	21,178	39,071	Bonds Issued
(75,682)	-	(466,250)	-	(138,394)	10,116	2,006,167	4,733,339	Premium on Bonds Issued
(58,706)	1,699	(441,783)	23,018	(82,554)	5,975	282,628	696,910	TOTAL OTHER FINANCING SOURCES (USES)
80,835	52,754	540,581	19,871	313,584	(5,975)	(489,834)	1,359,794	NET CHANGE IN FUND BALANCES
\$ 22,129	\$ 54,453	\$ 98,798	\$ 42,889	\$ 231,030	\$ -	\$ (207,206)	\$ 2,056,704	FUND BALANCES, January 1
								FUND BALANCES, December 31

CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - TAX INCREMENT
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

	DIST #9 FMG	DIST #10 NORDIC TRACK	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #15 CHAMBER REDEVELOPMENT	DIST #16 CHASKA GATEWAY	TOTALS
ASSETS							
Cash and Investments	\$ 170,947	\$ -	\$ 749,352	\$ 424,649	\$ 54,885	\$ -	\$ 1,399,833
Receivables:							
Taxes:							
Delinquent	-	-	7,595	-	-	-	7,595
Unremitted	-	-	1,325	-	-	-	1,325
Accounts:							
Current	-	-	19,918	-	-	-	19,918
Due From Other Funds	-	-	3,325	-	-	-	3,325
TOTAL ASSETS	\$ 170,947	\$ -	\$ 781,515	\$ 424,649	\$ 54,885	\$ -	\$ 1,431,996
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,325	\$ 3,325
Interfund Payable	-	88,866	-	-	-	-	88,866
Deferred and Unearned Revenue	-	-	27,513	-	-	-	27,513
TOTAL LIABILITIES	-	88,866	27,513	-	-	3,325	119,704
FUND BALANCES:							
Reserved:							
Reserved For Construction	170,947	-	754,002	424,649	54,885	-	1,404,483
Unreserved, Undesignated	-	(88,866)	-	-	-	(3,325)	(92,191)
TOTAL FUND BALANCES	170,947	(88,866)	754,002	424,649	54,885	(3,325)	1,312,292
TOTAL LIABILITIES AND FUND BALANCES	\$ 170,947	\$ -	\$ 781,515	\$ 424,649	\$ 54,885	\$ -	\$ 1,431,996

CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - TAX INCREMENT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>DIST #9 FMG</u>	<u>DIST #10 NORDIC TRACK</u>	<u>DIST # 12 CLOVER FIELDS</u>	<u>DIST # 13 NORTH MEADOWS</u>	<u>DIST #15 CHAMBER REDEVELOPMENT</u>	<u>DIST #16 CHASKA GATEWAY</u>	<u>TOTALS</u>
REVENUES:							
General Property Taxes:							
Tax Increment, Current	\$ 47,219	\$ -	\$ 283,586	\$ 119,370	\$ 12,645	\$ -	\$ 462,820
Intergovernmental:							
State:							
Other	-	-	13,720	-	-	-	13,720
Other Revenues:							
Investment Earnings	674	-	1,592	1,025	130	-	3,421
Miscellaneous	-	-	2,454	-	-	-	2,454
TOTAL REVENUES	47,893	-	301,352	120,395	12,775	-	482,415
EXPENDITURES:							
Current:							
General Government:							
Administrative Fees	-	3,419	-	-	-	-	3,419
Economic Development:							
Professional Services	170	170	3,610	170	170	7,640	11,930
Miscellaneous	-	-	48,905	44,794	-	-	93,699
TOTAL EXPENDITURES	170	3,589	52,515	44,964	170	7,640	109,048
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	47,723	(3,589)	248,837	75,431	12,605	(7,640)	373,367
OTHER FINANCING SOURCES (USES):							
Transfers Out	(100,109)	-	-	-	-	-	(100,109)
NET CHANGE IN FUND BALANCES	(52,386)	(3,589)	248,837	75,431	12,605	(7,640)	273,258
FUND BALANCES, January 1	223,333	(85,277)	505,165	349,218	42,280	4,315	1,039,034
FUND BALANCES, December 31	\$ 170,947	\$ (88,866)	\$ 754,002	\$ 424,649	\$ 54,885	\$ (3,325)	\$ 1,312,292

CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010

	2002 IMPROVEMENT PROJECTS	2003 IMPROVEMENT PROJECTS	2005 IMPROVEMENT PROJECTS	2007 IMPROVEMENT PROJECTS	2008 IMPROVEMENT PROJECTS	2010 IMPROVEMENT PROJECTS	TOTALS
ASSETS							
Cash and Investments	\$ 99,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,059
Receivables:							
Special Assessments:							
Deferred:							
Certified To County	-	-	-	-	-	609,000	609,000
Accounts:							
Current	-	-	-	-	-	10,592	10,592
Due From Other Funds	-	-	-	997,602	-	-	997,602
TOTAL ASSETS	\$ 99,059	\$ -	\$ -	\$ 997,602	\$ -	\$ 619,592	\$ 1,716,253
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts Payable	\$ -	\$ -	\$ -	\$ 434,405	\$ -	\$ 15,748	\$ 450,153
Due To Other Funds	-	-	-	-	246,078	1,303,116	1,549,194
Deferred and Unearned Revenue	-	-	-	-	-	609,000	609,000
TOTAL LIABILITIES	-	-	-	434,405	246,078	1,927,864	2,608,347
FUND BALANCES:							
Reserved:							
Reserved For Construction	99,059	-	-	563,197	-	-	662,256
Unreserved, Undesignated	-	-	-	-	(246,078)	(1,308,272)	(1,554,350)
TOTAL FUND BALANCES	99,059	-	-	563,197	(246,078)	(1,308,272)	(892,094)
TOTAL LIABILITIES AND FUND BALANCES	\$ 99,059	\$ -	\$ -	\$ 997,602	\$ -	\$ 619,592	\$ 1,716,253

CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	2002	2003	2005	2007	2008	2010	TOTALS
	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT	
	PROJECTS	PROJECTS	PROJECTS	PROJECTS	PROJECTS	PROJECTS	
REVENUES:							
Intergovernmental:							
State:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,980	\$ 50,980
Local:							
Other	-	-	317,483	-	-	-	317,483
Special Assessments	-	-	-	110,936	-	-	110,936
Other Revenues:							
Investment Earnings	281	-	-	130	-	-	411
Miscellaneous	-	503	-	-	-	-	503
TOTAL REVENUES	281	503	317,483	111,066	-	50,980	480,313
EXPENDITURES:							
Current:							
General Government:							
Administrative Fees	-	-	-	1,664	2,115	10,417	14,196
Public Works:							
Professional Services	-	19,586	38,542	547,882	27,755	320,709	954,474
Miscellaneous	-	-	1,474	7,272	-	-	8,746
Debt Service:							
Issuance Costs and Fiscal Agent Fees	-	-	-	96,053	17,498	-	113,551
Capital Outlay:							
Land Purchase/Land Writedowns	-	-	-	-	-	500,000	500,000
System Improvements:							
Water	-	-	-	-	-	42,112	42,112
Streets	-	-	65,185	2,006,610	-	310,046	2,381,841
Storm Sewer	-	-	-	78,335	-	-	78,335
TOTAL EXPENDITURES	-	19,586	105,201	2,737,816	47,368	1,183,284	4,093,255
EXCESS (DEFICIENCY) OF REVENUES							
OVER (UNDER) EXPENDITURES	281	(19,083)	212,282	(2,626,750)	(47,368)	(1,132,304)	(3,612,942)
OTHER FINANCING SOURCES (USES):							
Transfers In	-	208,987	260,230	174,759	111,441	-	755,417
Transfers Out	-	(71,142)	-	(131,372)	-	(119,910)	(322,424)
Bonds Issued	-	-	-	3,331,935	850,000	-	4,181,935
Premium on Bonds Issued	-	-	-	6,082	11,811	-	17,893
TOTAL OTHER FINANCING SOURCES (USES)	-	137,845	260,230	3,381,404	973,252	(119,910)	4,632,821
NET CHANGE IN FUND BALANCES	281	118,762	472,512	754,654	925,884	(1,252,214)	1,019,879
FUND BALANCES, January 1	98,778	(118,762)	(472,512)	(191,457)	(1,171,962)	(56,058)	(1,911,973)
FUND BALANCES, December 31	\$ 99,059	\$ -	\$ -	\$ 563,197	\$ (246,078)	\$ (1,308,272)	\$ (892,094)



CHASKA

Nonmajor Budgeted Special Revenue Funds

City of Chaska

December 31, 2010

The City adopts budgets for the following three nonmajor special revenue funds:

- Mount Pleasant Maintenance & Care Fund
- Chaska EDA Fund
- Equipment Acquisition Fund

CITY OF CHASKA, MINNESOTA

**MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 6,000	\$ 5,845	\$ (155)
Intergovernmental:			
State:			
Market Value Credit	-	9	9
Charges For Services	1,000	1,350	350
Other:			
Investment Earnings	1,500	729	(771)
TOTAL REVENUES	8,500	7,933	(567)
EXPENDITURES:			
Current:			
Public Works:			
Other Services And Charges	8,500	9,543	(1,043)
Capital Outlay	5,000	-	5,000
TOTAL EXPENDITURES	13,500	9,543	3,957
NET CHANGE IN FUND BALANCES	(5,000)	(1,610)	3,390
FUND BALANCES, January 1	258,598	258,598	-
FUND BALANCES, December 31	\$ 253,598	\$ 256,988	\$ 3,390

CITY OF CHASKA, MINNESOTA

**CHASKA EDA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 72,270	\$ 72,511	\$ 241
Intergovernmental:			
State:			
Market Value Credit	2,594	2,709	115
Other	-	1,566	1,566
Charges For Services	154,000	154,000	-
Other:			
Investment Earnings	-	2,495	2,495
Rents	-	6,000	6,000
Miscellaneous	-	14,268	14,268
TOTAL REVENUES	228,864	253,549	24,685
EXPENDITURES:			
Current:			
Economic Development:			
Operating Supplies	200	-	200
Other Services And Charges	228,664	278,209	(49,545)
Capital Outlay	-	122,561	(122,561)
TOTAL EXPENDITURES	228,864	400,770	(171,906)
NET CHANGE IN FUND BALANCES	-	(147,221)	(147,221)
FUND BALANCES, January 1	(11,310)	(11,310)	-
FUND BALANCES, December 31	\$ (11,310)	\$ (158,531)	\$ (147,221)

CITY OF CHASKA, MINNESOTA

**EQUIPMENT ACQUISITION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 488,905	\$ 451,974	\$ (36,931)
Intergovernmental:			
Federal:			
Miscellaneous	-	125,456	125,456
State:			
Market Value Credit	-	733	733
Charges For Services	4,000	4,000	-
Other:			
Investment Earnings	-	4,149	4,149
Rents	57,000	67,115	10,115
Contributions And Donations	-	16,211	16,211
TOTAL REVENUES	549,905	669,638	119,733
EXPENDITURES:			
Current:			
General Government	-	12,120	(12,120)
Capital Outlay:			
Communications	-	167,603	(167,603)
Administrative Services	35,000	-	35,000
Data Processing	151,000	188,193	(37,193)
City Hall	-	3,033	(3,033)
Police	125,000	100,407	24,593
Fire	175,000	168,580	6,420
Public Works	218,000	-	218,000
TOTAL EXPENDITURES	704,000	639,936	64,064
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(154,095)	29,702	183,797
OTHER FINANCING SOURCES (USES):			
Transfers In	166,800	523,700	356,900
Transfers Out	(917,000)	(826,045)	90,955
Sale of Capital Assets	-	8,466	8,466
TOTAL OTHER FINANCING SOURCES (USES)	(750,200)	(293,879)	456,321
NET CHANGE IN FUND BALANCES	(904,295)	(264,177)	640,118
FUND BALANCES, January 1	1,917,985	1,917,985	-
FUND BALANCES, December 31	\$ 1,013,690	\$ 1,653,808	\$ 640,118

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. It is where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The city has five nonmajor enterprise funds.

Sewer Fund	This fund is used to account for the operations of the City's Sewer Utility.
Par 30 Golf Fund	This fund is used to account for the operations of the City's 9-hole par 30 public golf course.
Chaska Town Course Fund	This fund is used to account for the operations of the City's 18-hole public golf course.
Internet Service Provider Fund	This fund is used to account for the operations of the City's Chaska.net internet services.
Storm Water Fund	This fund is used to account for the operations of the City's Storm Water Utility.

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2010

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
ASSETS						
Current Assets:						
Cash And Investments	\$ 2,106,974	\$ 18,369	\$ 7,764	\$ -	\$ 299,188	\$ 2,432,295
Receivables:						
Special Assessments	274	-	-	-	10,311	10,585
Accounts						
Current	265,196	30	304	104,409	56,558	426,497
Unbilled	126,112	-	-	-	-	126,112
Allowance For Uncollectible Accounts	(2,686)	-	-	(1,048)	(566)	(4,300)
Interest	1,346	-	-	-	-	1,346
Due From Other Governments	3,375	-	-	366	-	3,741
Inventories	14,328	1,641	34,840	-	-	50,809
Total Current Assets	2,514,919	20,040	42,908	103,727	365,491	3,047,085
Noncurrent Assets:						
Capital Assets:						
Buildings	255,000	111,537	7,899,302	-	-	8,265,839
Other Improvements	-	21,315	207,954	-	-	229,269
Furniture & Equipment	588,956	127,679	1,696,228	1,353,592	-	3,766,455
Infrastructure	1,318,386	-	-	210,014	-	1,528,400
Less: Accumulated Depreciation	(1,844,282)	(212,354)	(5,347,036)	(1,297,069)	-	(8,700,741)
Total Net Capital Assets	318,060	48,177	4,456,448	266,537	-	5,089,222
TOTAL ASSETS	2,832,979	68,217	4,499,356	370,264	365,491	8,136,307
LIABILITIES						
Current Liabilities:						
Accounts Payable	25,174	92	8,603	6,896	6,873	47,638
Salaries Payable	7,014	1,164	7,829	2,284	-	18,291
Deposits Payable	-	236	54,652	13,250	-	68,138
Compensated Absences	32,694	8,176	27,205	3,306	-	71,381
Due To Other Funds	-	-	-	1,535,122	-	1,535,122
Due To Other Governments	762	-	3,193	24	5	3,984
Interfund Payable	-	-	28,217	-	-	28,217
Unearned Revenue	274	-	-	47,913	58,128	106,315
Total Current Liabilities	65,918	9,668	129,699	1,608,795	65,006	1,879,086
Noncurrent Liabilities:						
Compensated Absences	12,527	6,885	10,419	4,132	-	33,963
Advance From Other Funds	-	-	56,434	1,169,964	-	1,226,398
Other Post Employment Benefits	-	778	6,449	1,557	-	8,784
Total Noncurrent Liabilities	12,527	7,663	73,302	1,175,653	-	1,269,145
TOTAL LIABILITIES	78,445	17,331	203,001	2,784,448	65,006	3,148,231
NET ASSETS						
Invested in Capital Assets	318,060	48,177	4,456,448	266,537	-	5,089,222
Unrestricted	2,436,474	2,709	(160,093)	(2,680,721)	300,485	(101,146)
TOTAL NET ASSETS	\$ 2,754,534	\$ 50,886	\$ 4,296,355	\$ (2,414,184)	\$ 300,485	\$ 4,988,076

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
OPERATING REVENUES:						
Sales	\$ 2,649,922	\$ 166,251	\$ 1,642,957	\$ 747,703	\$ 504,988	\$ 5,711,821
OPERATING EXPENSES:						
Production	1,569,811	-	-	80,400	-	1,650,211
Distribution / Collections	388,089	-	-	155,632	108,362	652,083
Administration	386,585	178,896	1,562,050	286,131	82,018	2,495,680
Depreciation	94,013	8,200	514,872	249,980	-	867,065
TOTAL OPERATING EXPENSES	2,438,498	187,096	2,076,922	772,143	190,380	5,665,039
OPERATING INCOME (LOSS)	211,424	(20,845)	(433,965)	(24,440)	314,608	46,782
NON-OPERATING REVENUES:						
Investment Earnings	5,141	67	-	-	474	5,682
Intergovernmental	3,375	-	-	-	-	3,375
Miscellaneous Refunds And Reimbursements	-	-	45,136	-	-	45,136
Gain On Sale Of Capital Assets	-	-	6,106	-	-	6,106
TOTAL NON-OPERATING REVENUES	8,516	67	51,242	-	474	60,299
NON-OPERATING EXPENSES:						
Loss On Disposal Of Capital Assets	-	-	-	6,670	-	6,670
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	219,940	(20,778)	(382,723)	(31,110)	315,082	100,411
CAPITAL CONTRIBUTIONS	3,475	-	-	-	-	3,475
TRANSFERS IN (OUT)						
Transfers In	-	-	19,700	-	-	19,700
Transfers Out	(4,200)	-	(16,334)	-	(200,000)	(220,534)
TOTAL TRANSFERS IN (OUT)	(4,200)	-	3,366	-	(200,000)	(200,834)
CHANGE IN NET ASSETS	219,215	(20,778)	(379,357)	(31,110)	115,082	(96,948)
NET ASSETS, January 1	2,535,319	71,664	4,675,712	(2,383,074)	185,403	5,085,024
NET ASSETS, December 31	\$ 2,754,534	\$ 50,886	\$ 4,296,355	\$ (2,414,184)	\$ 300,485	\$ 4,988,076

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received From Customers	\$ 2,605,692	\$ 166,457	\$ 1,647,630	\$ 776,461	\$ 501,773	\$ 5,698,013
Cash Payments To Suppliers For Goods And Services	(1,893,527)	(61,852)	(708,983)	(436,995)	(183,888)	(3,285,245)
Cash Payments To Employees For Services	(423,680)	(116,224)	(834,375)	(121,523)	-	(1,495,802)
Miscellaneous Receipts (Payments)	-	-	713	-	-	713
Net Cash Provided (Used) By Operating Activities	288,485	(11,619)	104,985	217,943	317,885	917,679
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfers To Other Funds	(4,200)	-	(16,334)	-	(200,000)	(220,534)
Due To Other Funds	-	-	-	(217,943)	-	(217,943)
Intergovernmental	3,375	-	-	-	-	3,375
Net Cash Provided (Used) By Non-Capital Finance Activities	(825)	-	(16,334)	(217,943)	(200,000)	(435,102)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital Contributions	3,475	-	-	-	-	3,475
Proceeds From Sale Of Capital Assets	-	-	6,106	-	-	6,106
Acquisition Of Capital Assets	(17,866)	-	(86,719)	-	-	(104,585)
Transfers From Other Funds	-	-	19,700	-	-	19,700
Interfund Loans From Other Funds	-	-	(28,217)	-	-	(28,217)
Net Cash Provided (Used) By Capital And Related Finance Activities	(14,391)	-	(89,130)	-	-	(103,521)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest On Investments	4,969	67	-	-	474	5,510
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	278,238	(11,552)	(479)	-	118,359	384,566
CASH AND CASH EQUIVALENTS, January 1	1,828,736	29,921	8,243	-	180,829	2,047,729
CASH AND CASH EQUIVALENTS, December 31	\$ 2,106,974	\$ 18,369	\$ 7,764	\$ -	\$ 299,188	\$ 2,432,295
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 211,424	\$ (20,845)	\$ (433,965)	\$ (24,440)	\$ 314,608	\$ 46,782
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:						
Depreciation Expense	94,013	8,200	514,872	249,980	-	867,065
Allowance For Uncollectible Accounts	701	-	-	105	(10)	796
Miscellaneous Receipts (Payments)	-	-	713	-	-	713
(Increase) Decrease In Assets:						
Special Assessments	(20)	-	-	-	(5,920)	(5,940)
Accounts Receivable	(41,556)	(30)	(232)	(9,989)	1,018	(50,789)
Due From Other Governments	(3,375)	-	-	51,025	-	47,650
Inventory	(934)	(775)	10,722	-	-	9,013
Increase (Decrease) In Liabilities:						
Accounts Payable	23,880	(419)	2,908	(35,951)	6,487	(3,095)
Salaries Payable	(3,404)	(983)	(4,114)	(1,091)	-	(9,592)
Deposits Payable	-	236	4,905	2,995	-	8,136
Compensated Absences Payable	6,974	2,784	8,416	1,070	-	19,244
Due To Other Governments	762	(6)	(1,060)	(823)	5	(1,122)
Unearned Revenue	20	-	-	(15,378)	1,697	(13,661)
Other Post Employment Benefits	-	219	1,820	440	-	2,479
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 288,485	\$ (11,619)	\$ 104,985	\$ 217,943	\$ 317,885	\$ 917,679

Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of the City's Agency funds:

Builders' Deposit Fund

This agency fund is used to account for the collection of assets in the form of deposits from builders.

Developers' Fund

This agency fund is used to account for the collections of assets in the form of deposits from developers.

MCES Collection Fund

This agency fund is used to account for the collection of assets in the form of sewer availability charges and contributed to the Metropolitan Council Environmental Services (MCES).

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2010

	<u>BUILDERS' DEPOSIT FUND</u>	<u>DEVELOPERS' FUND</u>	<u>MCES COLLECTIONS FUND</u>	<u>TOTAL AGENCY FUNDS</u>
<u>ASSETS</u>				
Cash And Investments	<u>\$ 29,020</u>	<u>\$ -</u>	<u>\$ 3,875</u>	<u>\$ 32,895</u>
<u>LIABILITIES</u>				
Deposits Payable	<u>\$ 29,020</u>	<u>\$ -</u>	<u>\$ 3,875</u>	<u>\$ 32,895</u>

CITY OF CHASKA, MINNESOTA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	BALANCE JANUARY 1, 2010	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2010
BUILDERS' DEPOSIT FUND				
<u>ASSETS</u>				
Cash And Investments	\$ 43,212	\$ 52,606	\$ 66,798	\$ 29,020
Due From Other Funds	10,356	-	10,356	-
TOTAL ASSETS	\$ 53,568	\$ 52,606	\$ 77,154	\$ 29,020
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 52,883	\$ 52,883	\$ -
Deposits Payable	53,568	42,250	66,798	29,020
TOTAL LIABILITIES	\$ 53,568	\$ 95,133	\$ 119,681	\$ 29,020
DEVELOPERS' FUND				
<u>ASSETS</u>				
Cash And Investments	\$ -	\$ 12,690	\$ 12,690	\$ -
Receivables:				
Accounts	10,356	16,969	27,325	-
Other	-	14,711	14,711	-
TOTAL ASSETS	\$ 10,356	\$ 44,370	\$ 54,726	\$ -
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 2,097	\$ 2,097	\$ -
Due To Other Funds	10,356	-	10,356	-
TOTAL LIABILITIES	\$ 10,356	\$ 2,097	\$ 12,453	\$ -
MCES COLLECTIONS				
<u>ASSETS</u>				
Cash	\$ 9,875	\$ 191,100	\$ 197,100	\$ 3,875
<u>LIABILITIES</u>				
Due To Other Governments	\$ 6,000	\$ 191,100	\$ 197,100	\$ -
Deposits Payable	3,875	-	-	3,875
TOTAL LIABILITIES	\$ 9,875	\$ 191,100	\$ 197,100	\$ 3,875
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash And Investments	\$ 53,087	\$ 256,396	\$ 276,588	\$ 32,895
Receivables:				
Accounts	10,356	16,969	27,325	-
Other	-	14,711	14,711	-
Due From Other Funds	10,356	-	10,356	-
TOTAL ASSETS	\$ 73,799	\$ 288,076	\$ 328,980	\$ 32,895
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 54,980	\$ 54,980	\$ -
Due To Other Funds	10,356	-	10,356	-
Due To Other Governments	6,000	191,100	197,100	-
Deposits Payable	57,443	42,250	66,798	32,895
TOTAL LIABILITIES	\$ 73,799	\$ 288,330	\$ 329,234	\$ 32,895



CHASKA

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF CHASKA, MINNESOTA

**NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS (1)
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 12,017,122	\$ 13,903,940	\$ 37,773,047
Restricted	33,696,477	31,330,601	20,717,287
Unrestricted	<u>(38,783,866)</u>	<u>(32,108,092)</u>	<u>(27,630,604)</u>
Total Governmental Activities Net Assets	<u>\$ 6,929,733</u>	<u>\$ 13,126,449</u>	<u>\$ 30,859,730</u>
Business-type Activities			
Invested in Capital Assets, Net of Related Debt	\$ 31,567,896	\$ 32,673,294	\$ 33,955,748
Restricted	2,535,824	2,535,827	1,947,963
Unrestricted	<u>6,634,160</u>	<u>5,865,124</u>	<u>7,741,802</u>
Total Business-type Activities Net Assets	<u>\$ 40,737,880</u>	<u>\$ 41,074,245</u>	<u>\$ 43,645,513</u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$ 43,585,018	\$ 46,577,234	\$ 71,728,795
Restricted	36,232,301	33,866,428	22,665,250
Unrestricted	<u>(32,149,706)</u>	<u>(26,242,968)</u>	<u>(19,888,802)</u>
Total Primary Government Net Assets	<u>\$ 47,667,613</u>	<u>\$ 54,200,694</u>	<u>\$ 74,505,243</u>

- (1) The City implemented GASB Statement No. 34 in 2003 - 8 years of data available
(2) In 2007, the City retroactively added the value of governmental fund infrastructure acquired prior to 2003 and restated 2006 values

FISCAL YEAR				
2006 (2)	2007	2008	2009	2010
\$ 111,427,345	\$ 121,169,497	\$ 118,121,033	\$ 120,015,168	\$ 123,268,713
21,714,823	11,933,400	15,244,405	13,994,323	14,860,130
(22,405,912)	(14,700,609)	(11,431,120)	(6,271,409)	(5,999,214)
<u>\$ 110,736,256</u>	<u>\$ 118,402,288</u>	<u>\$ 121,934,318</u>	<u>\$ 127,738,082</u>	<u>\$ 132,129,629</u>
\$ 33,767,513	\$ 30,822,638	\$ 29,998,553	\$ 27,181,315	\$ 25,788,072
5,615,768	4,713,735	4,282,440	4,441,294	3,013,936
3,746,735	6,344,732	6,878,517	9,075,649	11,459,338
<u>\$ 43,130,016</u>	<u>\$ 41,881,105</u>	<u>\$ 41,159,510</u>	<u>\$ 40,698,258</u>	<u>\$ 40,261,346</u>
\$ 145,194,858	\$ 151,992,135	\$ 148,119,586	\$ 147,196,483	\$ 149,056,785
27,330,591	16,647,135	19,526,845	18,435,617	17,874,066
(18,659,177)	(8,355,877)	(4,552,603)	2,804,240	5,460,124
<u>\$ 153,866,272</u>	<u>\$ 160,283,393</u>	<u>\$ 163,093,828</u>	<u>\$ 168,436,340</u>	<u>\$ 172,390,975</u>

CITY OF CHASKA, MINNESOTA

CHANGES IN NET ASSETS
 LAST EIGHT FISCAL YEARS (1)
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	FISCAL YEAR							
	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES								
Governmental Activities:								
General Government	\$ 2,924,252	\$ 2,881,775	\$ 3,042,319	\$ 3,106,894	\$ 3,450,473	\$ 3,490,475	\$ 3,367,631	\$ 3,488,429
Economic Development	1,696,092	1,084,559	5,063,685	4,659,713	2,200,184	1,559,122	3,087,588	1,064,929
Public Safety	3,011,603	3,272,888	3,403,114	3,853,321	3,659,198	3,932,635	3,735,496	3,727,256
Public Works	3,806,878	3,561,242	4,335,572	4,143,012	9,365,787	10,449,491	8,743,805	9,054,937
Parks, Recreation and Arts	493,107	626,439	628,147	639,366	766,363	943,308	736,427	787,377
Interest on Long-term Debt	2,968,040	2,895,190	2,768,418	2,328,113	2,489,286	2,245,560	2,213,343	1,696,164
Total Governmental Activities Expenses	14,899,972	14,322,093	19,241,255	18,730,419	21,931,291	22,620,591	21,884,290	19,819,092
Business-type Activities:								
Electric	16,095,986	17,114,855	19,624,144	22,019,548	25,980,352	26,998,459	22,009,036	24,656,027
Water	1,052,297	1,046,791	1,783,643	2,372,720	2,383,082	2,414,996	2,297,641	2,332,201
Sewer	1,640,848	1,630,676	1,773,191	1,944,018	2,404,022	2,072,459	2,256,105	2,433,882
Chaska Community Center	2,662,699	2,776,148	2,888,228	3,156,832	3,514,325	3,895,120	3,835,074	3,855,291
Par 30 Golf Course	200,229	182,840	190,349	201,444	204,028	190,392	183,857	186,362
Chaska Town Course	1,668,554	1,657,035	1,769,858	1,918,495	1,988,836	1,959,330	2,024,269	2,067,297
Turbine Generator	2,077,396	2,122,382	3,113,656	3,548,378	3,511,709	3,473,315	3,443,190	2,948,406
Internet Service Provider	313,030	746,234	883,993	1,574,089	1,355,758	1,123,293	960,237	778,440
Storm Water (2)	-	-	-	-	-	4,385	106,706	190,380
Total Business-type Activities Expenses	25,711,039	27,276,961	32,027,062	36,735,524	41,342,112	42,131,749	37,116,115	39,448,286
Total Primary Government Expenses	\$ 40,611,011	\$ 41,599,054	\$ 51,268,317	\$ 55,465,943	\$ 63,273,403	\$ 64,752,340	\$ 59,000,405	\$ 59,267,378
PROGRAM REVENUES								
Governmental Activities:								
Charges for Services:								
General Government	\$ 1,939,436	\$ 1,944,887	\$ 1,621,396	\$ 1,395,903	\$ 1,235,804	\$ 1,380,969	\$ 1,375,858	\$ 1,612,310
Economic Development	455,317	127,980	131,819	135,774	139,847	146,839	151,244	154,000
Public Safety	138,625	143,520	153,726	193,802	102,505	189,670	149,189	232,360
Public Works	2,174,988	1,967,705	1,342,664	807,976	515,324	806,936	451,431	443,436
Parks, Recreation and Arts	314,035	233,807	88,900	62,298	39,532	40,988	44,386	44,601
Operating Grants and Contributions	720,716	529,455	1,593,673	1,712,658	1,553,118	1,465,598	6,978,920	487,171
Capital Grants and Contributions	10,450,514	4,997,417	21,671,816	11,130,561	12,801,334	6,891,542	6,119,983	8,723,965
Total Governmental Activities Program Revenues	16,193,631	9,944,771	26,603,994	15,438,972	16,387,464	10,922,542	15,271,011	11,697,843
Business-type Activities:								
Charges for Services:								
Electric	16,615,211	17,099,701	20,262,089	23,672,899	26,222,586	27,607,361	22,960,415	25,773,647
Water	998,626	990,037	1,071,231	1,221,984	1,365,768	1,368,515	1,494,633	1,890,992
Sewer	1,575,299	1,727,417	1,772,320	1,834,351	1,995,090	2,008,834	2,144,500	2,653,297
Chaska Community Center	2,212,976	2,306,714	2,205,413	2,563,421	2,689,163	2,860,603	2,874,387	2,801,498
Par 30 Golf Course	185,930	181,264	188,268	161,502	162,874	164,492	176,938	166,251
Chaska Town Course	1,578,239	1,554,394	1,562,967	1,570,764	1,661,042	1,637,174	1,639,215	1,643,670
Turbine Generator	2,421,532	2,456,924	2,431,864	2,404,608	2,296,256	2,342,728	2,307,664	2,269,732
Internet Service Provider	190,895	299,560	896,337	852,032	869,124	680,872	718,396	747,703
Storm Water (2)	-	-	-	-	-	18,554	517,292	504,988
Operating Grants and Contributions	-	-	-	25,722	44,887	74,661	38,943	-
Capital Grants and Contributions	3,193	206,966	299,354	440,581	112,929	563,028	389,356	150,453
Total Business-type Activities Program Revenues	25,781,901	26,822,977	30,689,843	34,747,864	37,419,719	39,326,822	35,261,739	38,602,231
Total Primary Government Program Revenues	\$ 41,975,532	\$ 36,767,748	\$ 57,293,837	\$ 50,186,836	\$ 53,807,183	\$ 50,249,364	\$ 50,532,750	\$ 50,300,074
NET (EXPENSE)/REVENUE								
Governmental Activities	\$ 1,293,659	\$ (4,377,322)	\$ 7,362,739	\$ (3,291,447)	\$ (5,543,827)	\$ (11,698,049)	\$ (6,613,279)	\$ (8,121,249)
Business-type Activities	70,862	(453,984)	(1,337,219)	(1,987,660)	(3,922,393)	(2,804,927)	(1,854,376)	(846,055)
Total Primary Government Net Expense	\$ 1,364,521	\$ (4,831,306)	\$ 6,025,520	\$ (5,279,107)	\$ (9,466,220)	\$ (14,502,976)	\$ (8,467,655)	\$ (8,967,304)

(Continued)

	FISCAL YEAR							
	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL REVENUES AND OTHER CHANGES								
IN NET ASSETS								
Governmental Activities:								
Taxes								
Property Taxes	\$ 5,864,191	\$ 6,328,492	\$ 7,291,593	\$ 8,006,361	\$ 8,459,653	\$ 9,540,994	\$ 9,783,114	\$ 10,610,785
Franchise Taxes	1,723,232	1,821,571	1,965,619	2,114,657	2,437,831	2,518,021	2,469,386	2,723,653
Unrestricted Grants and Contributions	2,282,549	1,683,763	1,348,390	348,563	348,105	227,559	546,889	235,662
Investment Earnings	742,891	673,170	1,056,553	1,286,314	2,039,260	740,803	208,347	54,613
Gain on Disposal of Capital Assets	-	30,584	107,511	-	-	-	8,265	-
Insurance Proceeds	52,933	-	-	-	-	-	-	-
Other	72,473	367,851	421,843	724,466	460,268	495,360	351,849	356,659
Special Item (3)	-	-	-	-	-	2,017,880	-	-
Transfers	1,739,947	(331,393)	(1,820,967)	412,627	(535,258)	(310,538)	228,759	794,132
Total Governmental Activities	12,478,216	10,574,038	10,370,542	12,892,988	13,209,859	15,230,079	13,596,609	14,775,504
Business-type Activities:								
Intergovernmental	24,706	-	-	-	-	-	-	-
Unrestricted Grants and Contributions	-	81	-	-	-	-	-	-
Investment Earnings	534,936	458,749	2,084,598	1,837,540	1,883,168	1,754,703	1,621,883	1,203,275
Gain on Disposal of Capital Assets	17,907	-	-	-	-	-	-	-
Insurance Proceeds	289,447	-	-	-	-	-	-	-
Other	3,466	126	2,922	47,250	255,056	18,091	-	-
Transfers	(1,739,947)	331,393	1,820,967	(412,627)	535,258	310,538	(228,759)	(794,132)
Total Business-type Activities	(869,485)	790,349	3,908,487	1,472,163	2,673,482	2,083,332	1,393,124	409,143
Total Primary Government	\$ 11,608,731	\$ 11,364,387	\$ 14,279,029	\$ 14,365,151	\$ 15,883,341	\$ 17,313,411	\$ 14,989,733	\$ 15,184,647
CHANGE IN NET ASSETS								
Governmental Activities	\$ 13,771,875	\$ 6,196,716	\$ 17,733,281	\$ 9,601,541	\$ 7,666,032	\$ 3,532,030	\$ 6,983,330	\$ 6,654,255
Business-type Activities	(798,623)	336,365	2,571,268	(515,497)	(1,248,911)	(721,595)	(461,252)	(436,912)
Total Primary Government	\$ 12,973,252	\$ 6,533,081	\$ 20,304,549	\$ 9,086,044	\$ 6,417,121	\$ 2,810,435	\$ 6,522,078	\$ 6,217,343

Change In Net Assets is explained in the Management's Discussion & Analysis

(1) The City implemented GASB Statement No. 34 in 2003 - 8 years of data available

(2) Storm Water Fund implemented in 2008

(3) The Special Item in 2008 is gain on sale of land held for resale



CHASKA

CITY OF CHASKA, MINNESOTA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST EIGHT FISCAL YEARS (1)

(ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>		<u>FRANCHISE TAXES</u>		<u>TOTAL TAXES</u>
	<u>LEVIED</u>	<u>TAX INCREMENT</u>	<u>ELECTRIC</u>	<u>CABLE</u>	
2003	2,218,234	3,645,957	1,594,000	129,232	7,587,423
2004	2,551,250	3,777,242	1,670,000	151,571	8,150,063
2005	3,018,360	4,273,233	1,804,000	161,619	9,257,212
2006	3,436,645	4,569,716	1,944,000	170,657	10,121,018
2007	3,854,334	4,605,319	2,249,000	188,831	10,897,484
2008	4,249,165	5,291,829	2,309,000	209,021	12,059,015
2009	4,448,188	5,334,926	2,256,000	213,386	12,252,500
2010	4,781,992	5,828,793	2,501,470	222,183	13,334,438

(1) The City implemented GASB Statement No. 34 in 2003 - 8 years of data available

CITY OF CHASKA, MINNESOTA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2001	2002	2003	2004
General Fund				
Unreserved	<u>\$ 2,281,239</u>	<u>\$ 2,668,652</u>	<u>\$ 2,948,901</u>	<u>\$ 3,213,711</u>
General Fund % Change	11.9%	17.0%	10.5%	9.0%
All Other Governmental Funds				
Reserved	\$ 30,170,997	\$ 30,715,061	\$ 37,893,940	\$ 34,370,559
Unreserved, reported in:				
Special Revenue Funds	1,313,106	1,699,203	1,460,384	1,694,172
Capital Project Funds	<u>(7,732,082)</u>	<u>(11,103,368)</u>	<u>(15,225,286)</u>	<u>(15,223,457)</u>
Total All Other Governmental Funds	<u>\$ 23,752,021</u>	<u>\$ 21,310,896</u>	<u>\$ 24,129,038</u>	<u>\$ 20,841,274</u>
All Other Governmental Funds % Change	41.6%	-10.3%	13.2%	-13.6%
Total Governmental Funds				
Reserved	\$ 30,170,997	\$ 30,715,061	\$ 37,893,940	\$ 34,370,559
Unreserved	<u>(4,137,737)</u>	<u>(6,735,513)</u>	<u>(10,816,001)</u>	<u>(10,315,574)</u>
Total Governmental Funds	<u>\$ 26,033,260</u>	<u>\$ 23,979,548</u>	<u>\$ 27,077,939</u>	<u>\$ 24,054,985</u>
Total Governmental Funds % Change	38.4%	-7.9%	12.9%	-11.2%

FISCAL YEAR

2005	2006	2007	2008	2009	2010
\$ 2,888,662	\$ 2,814,190	\$ 2,784,684	\$ 2,512,907	\$ 2,496,144	\$ 2,566,483
-10.1%	-2.6%	-1.0%	-9.8%	-0.7%	2.8%
\$ 27,387,811	\$ 25,715,261	\$ 18,810,350	\$ 11,551,017	\$ 9,555,011	\$ 10,613,705
1,693,068	2,473,084	1,797,332	2,005,488	1,374,450	803,856
(20,550,698)	(19,415,152)	(21,396,656)	(10,801,563)	(8,676,406)	(7,237,917)
\$ 8,530,181	\$ 8,773,193	\$ (788,974)	\$ 2,754,942	\$ 2,253,055	\$ 4,179,644
-59.1%	2.8%	-109.0%	449.2%	-18.2%	85.5%
\$ 27,387,811	\$ 25,715,261	\$ 18,810,350	\$ 11,551,017	\$ 9,555,011	\$ 10,613,705
(15,968,968)	(14,127,878)	(16,814,640)	(6,283,168)	(4,805,812)	(3,867,578)
\$ 11,418,843	\$ 11,587,383	\$ 1,995,710	\$ 5,267,849	\$ 4,749,199	\$ 6,746,127
-52.5%	1.5%	-82.8%	164.0%	-9.8%	42.0%

CITY OF CHASKA, MINNESOTA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2001	2002	2003	2004
REVENUES				
Taxes	\$ 9,109,058	\$ 6,706,537	\$ 7,630,515	\$ 8,130,838
Licenses and Permits	1,117,007	1,149,986	1,237,583	1,289,746
Intergovernmental	16,542,386	6,416,605	4,611,652	2,886,311
Charges for Services	890,530	1,094,842	3,217,785	2,978,334
Fines and Forfeitures	35,687	60,445	120,025	73,684
Special Assessments	2,117,992	2,405,397	2,346,025	1,951,991
Other Revenue	3,659,527	4,568,881	2,521,534	1,504,980
Total Revenue	33,472,187	22,402,693	21,685,119	18,815,884
EXPENDITURES				
General Government	6,504,725	5,418,295	2,717,228	2,534,503
Economic Development	-	-	1,314,596	889,206
Public Safety	2,140,093	2,309,502	2,673,291	2,946,569
Public Works	1,471,802	1,545,952	2,547,755	3,573,705
Parks, Recreation and Arts	298,411	309,595	361,690	388,727
Miscellaneous/Unallocated	59,844	1,996	-	-
Capital Outlay	17,498,957	8,452,376	4,855,013	3,716,619
Debt Service:				
Principal	6,360,000	6,720,000	9,445,000	8,650,000
Interest	3,361,392	3,186,691	2,979,414	2,889,022
Other Charges	304,314	80,328	84,162	632,466
Total Expenditures	37,999,538	28,024,735	26,978,149	26,220,817
Excess of Revenues Over (Under) Expenditures	(4,527,351)	(5,622,042)	(5,293,030)	(7,404,933)
OTHER FINANCING SOURCES (USES)				
Transfers In	9,101,905	13,008,277	10,051,282	9,418,392
Transfers Out	(7,862,788)	(11,362,023)	(8,311,335)	(9,757,427)
Bonds Issued	9,975,000	1,817,076	-	8,355,000
Refunding Bonds Issued	3,640,000	5,105,000	6,220,000	5,250,000
Premium on Bonds Issued	-	-	244,170	28,597
Payments to Refunded Bond Escrow Agent	(3,600,000)	(5,000,000)	-	(8,970,252)
Sale of Capital Assets	495,000	-	187,304	57,669
Total Other Financing Sources (Uses)	11,749,117	3,568,330	8,391,421	4,381,979
SPECIAL ITEM				
Gain on Sale of Land Held for Resale	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 7,221,766	\$ (2,053,712)	\$ 3,098,391	\$ (3,022,954)
Expenditures For Capitalized Assets (1)	17,498,957	8,452,376	4,515,792	4,613,011
Debt Service as a Percentage of Noncapital Expenditures	47.4%	50.6%	55.3%	53.4%

(1) Expenditures for capitalized assets per the Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities (2003 - 2010). 2001 & 2002 expenditures for capital outlay per the Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds.

FISCAL YEAR						
	2005	2006	2007	2008	2009	2010
\$	9,298,272	\$ 10,118,386	\$ 10,796,726	\$ 11,936,425	\$ 12,148,237	\$ 13,386,635
	910,346	615,389	466,213	673,720	606,720	677,005
	9,751,997	6,947,753	5,031,757	6,296,541	10,238,975	2,302,128
	2,275,437	1,835,217	1,483,481	1,800,348	1,476,270	1,648,242
	77,292	84,350	68,140	91,094	120,567	145,979
	1,303,879	1,631,471	1,923,051	1,959,637	1,351,581	1,576,743
	2,157,619	2,762,003	2,781,377	1,611,358	1,051,891	553,365
	<u>25,774,842</u>	<u>23,994,569</u>	<u>22,550,745</u>	<u>24,369,123</u>	<u>26,994,241</u>	<u>20,290,097</u>
	2,715,927	2,721,441	3,049,006	3,100,425	3,012,992	3,086,599
	5,005,368	4,606,143	2,189,101	1,111,124	1,907,468	926,307
	3,035,702	3,090,945	3,341,974	3,643,870	3,576,040	3,697,083
	3,546,326	4,361,045	4,935,676	4,930,664	4,234,707	3,985,799
	421,572	475,990	547,303	583,082	541,969	589,998
	-	-	-	-	-	-
	8,761,728	7,532,614	6,228,509	7,989,691	3,245,835	5,650,639
	8,050,000	8,545,000	8,800,000	4,460,000	9,260,000	5,200,488
	2,799,897	2,392,232	2,515,591	1,829,366	2,008,394	1,687,636
	-	132,313	-	439,857	40,548	168,964
	<u>34,336,520</u>	<u>33,857,723</u>	<u>31,607,160</u>	<u>28,088,079</u>	<u>27,827,953</u>	<u>24,993,513</u>
	(8,561,678)	(9,863,154)	(9,056,415)	(3,718,956)	(833,712)	(4,703,416)
	9,075,058	10,651,812	9,772,808	17,076,033	6,010,021	7,240,297
	(10,897,033)	(10,239,185)	(10,308,066)	(17,396,110)	(5,751,951)	(6,422,978)
	-	9,550,000	-	5,095,000	-	5,805,000
	-	-	-	15,255,000	1,995,000	880,000
	-	69,067	-	251,260	41,857	39,071
	(2,360,000)	-	-	(15,307,968)	(1,995,000)	(849,512)
	107,511	-	-	-	15,135	8,466
	<u>(4,074,464)</u>	<u>10,031,694</u>	<u>(535,258)</u>	<u>4,973,215</u>	<u>315,062</u>	<u>6,700,344</u>
	-	-	-	2,017,880	-	-
\$	<u>(12,636,142)</u>	<u>\$ 168,540</u>	<u>\$ (9,591,673)</u>	<u>\$ 3,272,139</u>	<u>\$ (518,650)</u>	<u>\$ 1,996,928</u>
	8,849,599	8,407,358	4,687,260	5,332,576	3,363,564	8,517,344
	42.6%	43.0%	42.0%	27.6%	46.1%	41.8%



CHASKA

CITY OF CHASKA, MINNESOTA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES		TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC	CABLE	
2001	\$ 1,733,632	\$ 5,799,839	\$ 1,434,000	\$ 141,587	\$ 9,109,058
2002	1,917,008	3,153,994	1,512,000	123,535	6,706,537
2003	2,247,787	3,659,496	1,594,000	129,232	7,630,515
2004	2,556,796	3,752,471	1,670,000	151,571	8,130,838
2005	3,009,214	4,323,439	1,804,000	161,619	9,298,272
2006	3,435,730	4,567,999	1,944,000	170,657	10,118,386
2007	3,818,789	4,540,106	2,249,000	188,831	10,796,726
2008	4,212,641	5,205,763	2,309,000	209,021	11,936,425
2009	4,388,806	5,290,045	2,256,000	213,386	12,148,237
2010	4,797,579	5,865,403	2,501,470	222,183	13,386,635

CITY OF CHASKA, MINNESOTA

TAX CAPACITY VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)

TAXES PAYABLE YEAR	REAL PROPERTY - TAX CAPACITY VALUE			PERSONAL PROPERTY TAX CAPACITY VALUE	FISCAL DISPARITIES	
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER REAL PROPERTY		CONTRIBUTION	DISTRIBUTION
2001	\$ 9,621,020	\$ 8,085,157	\$ 152,186	\$ 128,968	\$ (2,898,507)	\$ 1,851,658
2002 (1)	8,236,509	5,008,195	177,481	78,910	(1,887,559)	1,439,269
2003	9,865,043	5,398,188	130,542	90,406	(1,970,599)	1,696,310
2004	11,865,939	5,487,889	140,193	104,052	(2,048,369)	1,768,330
2005	14,325,898	5,540,308	195,065	104,666	(2,169,443)	1,931,734
2006	16,220,381	5,843,862	385,178	123,740	(2,207,739)	2,254,414
2007	18,348,371	6,595,373	327,514	129,278	(2,336,778)	2,550,077
2008	19,779,364	7,194,662	365,015	132,768	(2,640,100)	3,095,999
2009	19,594,612	7,392,322	439,931	147,236	(2,829,823)	3,541,258
2010	19,437,291	7,881,239	464,672	149,536	(2,973,464)	3,718,693

Source: Carver County Auditor

(1) Reduction of 2002 tax capacity was a result of tax rate compression by the state legislature.

<u>TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE</u>	<u>ADJUSTED TAX CAPACITY VALUE</u>	<u>TOTAL DIRECT TAX RATE</u>	<u>ESTIMATED ACTUAL TAXABLE VALUE</u>	<u>TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE</u>
\$ (4,743,474)	\$ 12,197,008	16.114	\$ 989,158,000	1.2%
(3,006,092)	10,046,713	19.789	1,127,179,900	0.9%
(3,155,099)	12,054,791	19.656	1,310,145,100	0.9%
(3,470,363)	13,847,671	19.233	1,540,218,900	0.9%
(4,225,573)	15,702,655	19.877	1,779,460,200	0.9%
(4,669,097)	17,950,739	19.821	2,025,301,600	0.9%
(5,123,779)	20,490,056	19.475	2,311,836,500	0.9%
(5,463,817)	22,463,891	19.423	2,511,455,000	0.9%
(5,624,915)	22,660,621	20.434	2,476,261,200	0.9%
(5,793,917)	22,884,050	21.886	2,445,124,600	0.9%

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	DIRECT RATES					CITY HOUSING DEVELOPMENT AUTHORITY
	CITY URBAN			RURAL (3)	TRANSIT (2)	
	OPERATING	DEBT	TOTAL			
(Per \$100 of Assessed Value)						
2001	14.052	0.000	14.052	N/A	2.062	0.021
2002	19.789	0.000	19.789	N/A	N/A	0.048
2003	19.656	0.000	19.656	N/A	N/A	0.041
2004	19.233	0.000	19.233	N/A	N/A	0.306
2005	19.877	0.000	19.877	4.919	N/A	0.317
2006	19.821	0.000	19.821	9.910	N/A	0.314
2007	19.475	0.000	19.475	9.738	N/A	0.309
2008	19.423	0.000	19.423	9.712	N/A	0.311
2009	20.434	0.000	20.434	10.217	N/A	0.326
2010	21.778	0.108	21.886	10.997	N/A	0.327

Source: Carver County Auditor

- (1) Total excludes City Rural rates
- (2) In 2001 the City levied under the Local Transit Option
- (3) City Rural is not a direct rate for the City of Chaska - In 2006, as part of the annexation of Chaska Township, a rural rate of 50% of the City "urban" rate was established for 10 years for the annexed properties. Once the rural area has been developed, it will be subject to taxation at the higher City "urban" rate.
- (4) Special Districts include:
Metropolitan Council, Regional Transit District, Lower Minnesota Watershed #1,
East Chaska Creek Watershed, West Chaska Creek Watershed, Mosquito Control and
Carver County Rail Authority (added in 2005)

OVERLAPPING RATES

COUNTY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (4)	TOTAL (1)
43.105	0.945	60.805	2.401	123.391
53.336	1.581	29.808	4.308	108.870
53.137	1.543	38.436	4.869	117.682
48.443	1.542	37.524	4.676	111.724
44.107	1.478	33.299	4.342	103.420
40.836	1.438	32.808	4.492	99.709
37.802	1.735	35.831	4.051	99.203
37.563	1.703	35.970	4.395	99.365
38.033	1.683	35.505	5.024	101.005
39.509	1.682	35.840	4.753	103.997



CHASKA

CITY OF CHASKA, MINNESOTA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2009 - PAYABLE 2010				ASSESSED 2000 - PAYABLE 2001			
	ESTIMATED ACTUAL	ESTIMATED NET TAX	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY	ESTIMATED ACTUAL	ESTIMATED NET TAX	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY
	VALUE (1)	CAPACITY		VALUE	VALUE	CAPACITY		VALUE
Ameriprise Financial Inc.	\$ 23,405,400	\$ 429,586	1	1.5%	\$ 26,856,500	\$ 896,379	1	5.0%
Aurora Investment LLC	19,287,500	354,471	2	1.3%	10,344,000	326,610	4	1.8%
Target Corporation	15,930,800	317,866	3	1.1%	*			
Entegris (Fluorware Inc.)	13,568,400	268,903	4	1.0%	17,171,200	579,195	2	3.2%
Chaska Investment LP	17,505,800	248,639	5	0.9%	*			
Kohl's Illinois, Inc	11,032,900	219,908	6	0.8%	*			
Lifecore Biomedical Inc.	10,154,500	202,340	7	0.7%	8,690,100	293,964	5	1.6%
Home Depot USA, Inc	9,912,100	197,492	8	0.7%	*			
Northern Star Co.	8,703,900	173,328	9	0.6%	*			
Lake Region Mfg Co., Inc	8,715,700	172,064	10	0.6%	*			
FSI International Inc.	*				9,897,000	334,998	3	1.9%
Cardbeck Chaska Trust	*				8,505,300	286,176	6	1.6%
Roland A. Stinski	*				7,619,200	257,553	7	1.4%
Trustee Group Realty PTR VII	*				6,502,300	219,578	8	1.2%
Eiftmann Family LTD PTR	*				5,374,600	181,236	9	1.0%
Arrow Hazeltine Shores LLC	*				6,649,500	159,588	10	0.9%
	<u>\$ 138,217,000</u>	<u>\$ 2,584,597</u>		<u>9.3%</u>	<u>\$ 107,609,700</u>	<u>\$ 3,535,277</u>		<u>19.8%</u>

Source: Carver County Auditor

(1) Assessed 2009 values are determined as of January 2, 2009

* Denotes taxpayer was not a principal taxpayer for the year reported

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION	
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS (2)	COUNTY ADJUSTED TAX LEVY	EXCESS TAX	
				INCREMENT	OTHER
2001	\$ 2,042,184	\$ (67,038)	\$ 1,975,146	\$ 1,497	\$ (2,511)
2002	2,051,825	(164,316)	1,887,509	408	(10,928)
2003	2,376,847	(150,088)	2,226,759	1,197	(15,324)
2004	2,708,636	(155,091)	2,553,545	937	(6,216)
2005	3,168,424 (3)	(165,125)	3,003,299	-	(4,498)
2006	3,589,826	(166,534)	3,423,292	-	(3,192)
2007	4,026,043	(156,287)	3,869,756	-	(14,591)
2008	4,383,200	(151,465)	4,231,735	-	975
2009	4,602,360	(166,131)	4,436,229	-	(2,620)
2010	4,955,218	(175,356)	4,779,862	-	11,037

Source: Carver County Auditor

- (1) Southwest Metro Local Transit Option included in 2001
Does not include tax increment or mobile home
- (2) Southwest Metro Local Transit Option Feathering Aid included in 2001
Includes Market Value Credit beginning 2002
- (3) Includes \$10,000 for Chaska Township levy which will be collected by the City

Note: As part of the annexation of Chaska Township, the City would establish a rural rate of 50% of the City "urban" rate for 10 years for annexed properties. Once a rural area has been developed, it would be subject to taxation at the higher City "urban" rate.

COUNTY ADJUSTED NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
\$ 1,974,132	\$ 1,934,636	98.00%	\$ 17,367	\$ 1,952,003	98.88%
1,876,989	1,850,673	98.60%	24,381	1,875,054	99.90%
2,212,632	2,182,868	98.65%	18,208	2,201,076	99.48%
2,548,266	2,525,911	99.12%	21,322	2,547,233	99.96%
2,998,801	2,966,235	98.91%	30,463	2,996,698	99.93%
3,420,100	3,385,452	98.99%	24,177	3,409,629	99.69%
3,855,165	3,787,794	98.25%	61,041	3,848,835	99.84%
4,232,710	4,143,540	97.89%	65,483	4,209,023	99.44%
4,433,609	4,320,905	97.46%	53,817	4,374,722	98.67%
4,790,899	4,690,711	97.91%	-	4,690,711	97.91%

CITY OF CHASKA, MINNESOTA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			
	GENERAL OBLIGATION EQUIPMENT CERTIFICATES	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	REVENUE BONDS
2001	\$ 760,000	\$ 49,152,374	\$ 8,985,000	\$ 14,725,000
2002	1,115,000	44,228,009	9,725,000	14,590,000
2003	760,000	44,762,133	8,275,000	13,270,000
2004	1,205,000	36,030,000	16,215,000	9,745,000
2005	815,000	28,780,000	13,870,000	9,320,000
2006	1,505,000	23,405,000	19,985,000	8,895,000
2007	1,235,000	18,060,000	17,240,000	8,455,000
2008	1,745,000	19,595,000	16,505,000	7,895,000
2009	1,580,000	19,325,000	14,580,000	995,000
2010	1,300,000	16,585,000	19,230,000	-

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data

BUSINESS-TYPE ACTIVITIES				
GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1)	PER CAPITA (1)
\$ 235,000	\$ 34,580,000	\$ 108,437,374	14.58%	\$ 5,900
150,000	34,075,000	103,883,009	13.15%	5,479
15,265,000	33,545,000	115,877,133	13.64%	5,720
14,985,000	32,990,000	111,170,000	11.77%	5,176
14,595,000	63,140,000	130,520,000	12.57%	5,809
14,000,000	62,415,000	130,205,000	11.65%	5,608
13,325,000	64,550,000	122,865,000	9.96%	5,168
12,635,000	63,750,000	122,125,000	9.47%	5,078
13,425,000	62,905,000	112,810,000	9.04%	4,666
12,700,000	33,125,000	82,940,000	6.76%	3,489



CHASKA

CITY OF CHASKA, MINNESOTA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO ESTIMATED ACTUAL TAXABLE VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	GENERAL OBLIGATION BONDS (1)	LESS DEBT SERVICE FUNDS (2)	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (3)	PER CAPITA (4)
2001	\$ 49,152,374	\$ 624,718	\$ 48,527,656	4.9%	\$ 2,640
2002	44,228,009	245,474	43,982,535	3.9%	2,320
2003	44,762,133	7,711,941	37,050,192	2.8%	1,829
2004	36,030,000	3,315,542	32,714,458	2.1%	1,523
2005	28,780,000	363,169	28,416,831	1.6%	1,265
2006	24,910,000	144,231	24,765,769	1.2%	1,067
2007	19,295,000	117,430	19,177,570	0.8%	807
2008	21,340,000	1,246,576	20,093,424	0.8%	836
2009	20,905,000	1,123,994	19,781,006	0.8%	818
2010	17,885,000	227,978	17,657,022	0.7%	743

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements

- (1) Excludes general obligation revenue bonds reported in the enterprise funds and general obligation special assessment (improvement) bonds
- (2) Amount available for repayment of general obligation bonds
- (3) See the Schedule of Tax Capacity Value and Estimated Actual Value of Taxable Property for property value data
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics

CITY OF CHASKA, MINNESOTA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2010
(UNAUDITED)**

	<u>DEBT OUTSTANDING</u>	<u>PERCENT OF DEBT APPLICABLE TO CITY</u>	<u>AMOUNT OF DEBT APPLICABLE TO CITY</u>
DIRECT DEBT:			
City of Chaska (1)	<u>\$ 37,115,000</u>	100.00%	<u>\$ 37,115,000</u>
OVERLAPPING DEBT:			
Carver County	29,502,658	19.27%	5,685,162
Carver County CDA	32,211,486	19.27%	6,207,153
Independent School District #112	200,055,000	35.24%	70,499,382
Metropolitan Council	1,293,495,536	0.61%	7,890,323
Metropolitan Airports Commission	1,777,120,000	0.61%	10,840,432
Mosquito Control District	<u>2,952,380</u>	19.27%	<u>568,924</u>
Total Overlapping Debt	<u>3,335,337,060</u>		<u>101,691,376</u>
Total Direct and Overlapping Debt	<u><u>\$ 3,372,452,060</u></u>		<u><u>\$ 138,806,376</u></u>

Source: Carver County Auditor

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

(1) Excludes general obligation and revenue bonds reported in the enterprise funds

CITY OF CHASKA, MINNESOTA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2010

Assessed 2009, Payable 2010 Market Value		<u>\$ 2,445,124,600</u>
Legal Debt Margin:		
Debt Limit, 3% of Market Value (1)		\$ 73,353,738
Debt Applicable to Limitation:		
Total Bonded Debt	\$ 82,940,000	
Less (2):		
G.O. Tax Increment Bonds	16,585,000	
G.O. Special Assessment Bonds	19,230,000	
G.O. Revenue Bonds	12,700,000	
Revenue Bonds	33,125,000	
Debt Service Funds	<u>172,262</u>	
Total Debt Applicable to Limitation		<u>1,127,738</u>
Legal Debt Margin		<u>\$ 72,226,000</u>

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEARS 2001 THROUGH 2010

<u>FISCAL YEAR</u>	<u>DEBT LIMIT</u>	<u>TOTAL NET DEBT APPLICABLE TO LIMIT</u>	<u>LEGAL DEBT MARGIN</u>	<u>TOTAL NET DEBT APPLICABLE TO DEBT LIMIT</u>
2001	\$ 19,783,160	\$ 758,994	\$ 19,024,166	3.84%
2002	22,543,598	1,105,622	21,437,976	4.90%
2003	26,202,902	733,833	25,469,069	2.80%
2004	30,804,992	1,178,552	29,626,440	3.83%
2005	35,589,204	813,581	34,775,623	2.29%
2006	40,506,032	1,459,423	39,046,609	3.60%
2007	46,236,730	1,209,669	45,027,061	2.62%
2008	(1) 75,343,650	1,697,889	73,645,761	2.25%
2009	74,287,836	1,574,055	72,713,781	2.12%
2010	73,353,738	1,127,738	72,226,000	1.54%

Source: Carver County Auditor (Market Value)

1) M.S.A. Section 475.53

Note: the general net debt limit is 3% as of 2008 (2% prior to 2008)

2) M.S.A. Section 475.51



CHASKA

CITY OF CHASKA, MINNESOTA

PLEDGED - REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
DEBT SERVICE FUNDS - REVENUE BONDS: LAST TEN FISCAL YEARS							
2001	\$ 869,740	\$ 186,382	\$ 683,358	\$ 415,000	\$ 729,464	\$ 1,144,464	0.60
2002	926,006	3,000	923,006	460,000	800,574	1,260,574	0.73
2003	1,327,732	4,816	1,322,916	1,320,000	768,042	2,088,042	0.63
2004	3,375,471	54,406	3,321,065	3,525,000	611,320	4,136,320	0.80
2005	758,674	-	758,674	425,000	502,779	927,779	0.82
2006	756,056	-	756,056	425,000	483,209	908,209	0.83
2007	739,594	-	739,594	440,000	463,283	903,283	0.82
2008	845,463	1,500	843,963	560,000	442,307	1,002,307	0.84
2009	6,355,897	2,750	6,353,147	6,900,000	415,042	7,315,042	0.87
2010	28,150	-	28,150	995,000	42,927	1,037,927	0.03
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2001	\$ 783,606	\$ 672,623	\$ 110,983	\$ 195,000	\$ 18,560	\$ 213,560	0.52
2002	797,805	647,981	149,824	85,000	10,874	95,874	1.56
2003	1,111,975	742,644	369,331	35,000	339,134	374,134	0.99
2004	1,087,103	752,324	334,779	280,000	574,728	854,728	0.39
2005	1,108,514	993,960	114,554	390,000	567,596	957,596	0.12
2006	1,259,570	1,133,746	125,824	595,000	557,821	1,152,821	0.11
2007	1,419,697	1,165,118	254,579	675,000	537,863	1,212,863	0.21
2008	1,369,672	1,209,293	160,379	690,000	520,812	1,210,812	0.13
2009	1,498,312	1,139,616	358,696	705,000	510,113	1,215,113	0.30
2010	1,891,656	1,126,171	765,485	725,000	517,741	1,242,741	0.62
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2001	\$ 462,969	\$ 45,251	\$ 417,718	\$ -	\$ 2,031,773	\$ 2,031,773	0.21
2002	2,641,884	69,400	2,572,484	505,000	2,029,274	2,534,274	1.02
2003	2,531,995	49,783	2,482,212	530,000	2,004,529	2,534,529	0.98
2004	2,562,781	121,331	2,441,450	555,000	1,978,029	2,533,029	0.96
2005	4,130,667	86,146	4,044,521	585,000	2,708,528	3,293,528	1.23
2006	3,773,602	112,219	3,661,383	725,000	3,437,526	4,162,526	0.88
2007	3,726,509	113,231	3,613,278	765,000	3,353,575	4,118,575	0.88
2008	3,637,028	115,179	3,521,849	800,000	3,313,233	4,113,233	0.86
2009	3,559,037	128,106	3,430,931	845,000	3,270,181	4,115,181	0.83
2010	3,210,196	110,353	3,099,843	890,000 (5)	2,793,150	3,683,150	0.84
COMMUNITY CENTER FUND: FOUR FISCAL YEARS (1)							
2007	\$ 2,696,820	\$ 2,647,346	\$ 49,474	\$ -	\$ 18,296	\$ 18,296	2.70
2008	2,868,084	2,779,059	89,025	-	172,570	172,570	0.52
2009	2,882,208	2,734,173	148,035	-	121,740	121,740	1.22
2010	2,803,255	2,737,532	65,723	-	121,740	121,740	0.54

Note: Bonds in the Water Enterprise Fund are supported by charges for services; the Turbine Generator and Community Center Enterprise Funds are supported by lease revenue; and the Debt Service funds are supported by lease revenue

- (1) First year shown is first year of issuance
- (2) Includes interest revenue
- (3) Does not include depreciation or transfers to other funds
- (4) Includes principal and interest payment of revenue bonds only
- (5) 2010 principal payment does not include \$28,890,000 paid from refunding bond escrow for partial advance refunding of 2000 series bonds

CITY OF CHASKA, MINNESOTA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	POPULATION (1)	NUMBER OF HOUSEHOLDS (1)	ESTIMATED PERSONAL INCOME (2)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K-12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2001	18,380	6,514	\$ 743,673,180	\$ 40,461	N/A	6,522	3.3%
2002	18,961	6,888	789,953,182	41,662	N/A	7,020	4.0%
2003	20,260	7,445	849,238,420	41,917	N/A	7,187	4.1%
2004	21,478	8,020	944,387,660	43,970	N/A	7,355	3.9%
2005	22,467	8,194	1,038,110,202	46,206	33.7	7,306	3.4%
2006	23,216	8,443	1,117,920,048	48,153	33.7	7,448	3.3%
2007	23,775 (6)	8,662	1,233,803,625	51,895	33.7	7,495	4.0%
2008	24,048 (6)	8,716	1,288,924,704	53,598	33.7	7,379	4.9%
2009	24,177 (6)	8,895 (6)	1,247,557,377	51,601	33.7	6,480 (7)	7.4%
2010	23,770 (8)	8,816 (8)	1,226,555,770	51,601 (9)	33.8 (8)	6,140 (7)	6.6%

- (1) Source: Metropolitan Council annual estimate as of April 1st for the prior year
- (2) Source: Minnesota State Demographer, using U.S. Department of Commerce, Bureau of Economic Analysis (BEA) and Carver County personal income and per capita income (City personal income as a ratio of Carver County personal income)
- (3) Source: US Census Bureau American Fact Finder 2005-2009 American Community Survey 5-Year Estimates
- (4) Source: Minnesota Department of Education for Independent School District #112, includes private school data for St. John's Lutheran, Guardian Angels Catholic, and Southwest Christian High School Enrollment excludes K-12 District #112 buildings not located within the City
- (5) Source: Minnesota Department of Employment and Economic Development Average Annual Unemployment Rate for Carver County (not seasonally adjusted)
- (6) The Metropolitan Council has not re-adjusted 2007 - 2009 population estimates which reflect total population to be higher than the 2010 Census 2009 households was also estimated to be greater than actual 2010 Census data
- (7) Decline in K-12th grade enrollment is due to opening of District #112 High School in Chanhassen, MN 2009 enrollment at Chanhassen High School included grades 9-11, 2010 enrollment includes grades 9-12 This table excludes enrollment at District #112 schools not located within the City
- (8) Source: Minnesota Planning and U.S. Census Bureau, Census 2010 data
- (9) 2010 Per Capita Income is not available, using 2009 data

CITY OF CHASKA, MINNESOTA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO (1)
(UNAUDITED)**

EMPLOYER	2010			2006		
	ESTIMATED EMPLOYEES (2)	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (3)	ESTIMATED EMPLOYEES (2)	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (3)
School District #112	1,100	1	9.7%	925	2	7.2%
FSI International	850	2	7.5%	500	6	3.9%
Carver County	815	3	7.2%	631	5	4.9%
Beckman Coulter	750	4	6.5%	700	4	5.4%
Lake Region Mfg Co. Inc.	745	5	6.5%	750	3	5.8%
Sanofi Diagnostics Pasteur, Inc.	415	6	3.6%	*		
Entegris, Inc.	350	7	3.1%	960	1	7.5%
Century Link (formerly Embarq)	210	8	1.8%	200	8	1.6%
Maximum Graphics	190	9	1.7%	200	9	1.6%
Lifecore Biomedical	185	10	1.6%	*		
Mammoth Inc.	*			350	7	2.7%
Vicorp	*			200	10	1.5%
	<u>5,610</u>		<u>49.3%</u>	<u>5,416</u>		<u>42.1%</u>

Sources: Minnesota Department of Employment and Economic Development, community profile of major employers
City departments and Carver County data
Metropolitan Council

- (1) GASB Statement No. 44 implemented in 2006, data for 2001 not available, using 2006 for comparison
- (2) Data includes full-time equivalent employees
- (3) Total City Employment based on Metropolitan Council 2009 estimate (2010 not available)
(2006 estimate of 12,859 employees, 2009 estimate is 11,386)

* Denotes employer was not a principal employer for the year reported

CITY OF CHASKA, MINNESOTA

**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FULL TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31			
	2001	2002	2003	2004
General Government	25.2	25.8 (3)	25.5	27.6 (3)
Public Safety				
Police Department	24.7	26.7	28.6	29.2
Fire Department (1)	5.6	5.8	5.4	4.9
Public Works	16.5	17.2	17.9	18.2
Parks, Recreation and Arts	4.9	4.4	4.4	4.4
Electric	13.5	13.2	13.3	13.9
Water	5.0	5.4	5.7	5.8
Sewer	5.1	5.2	5.7	5.9
Chaska Community Center	33.6	33.6	34.1	33.1
Par 30 Golf Course	3.3	3.2	3.3	3.2
Chaska Town Course	18.0	17.7	17.8	18.4
Internet Service Provider (2)	N/A	N/A	N/A	0.5
Total	<u>155.4</u>	<u>158.2</u>	<u>161.7</u>	<u>165.1</u>

Source: City of Chaska Payroll Department

- (1) The Chaska Volunteer Fire Department is comprised of 40 authorized positions/volunteers in years 2001 - 2002, 44 volunteers 2003 - 2010
2001 - 2003 Fire full-time equivalent includes personnel responding to medical calls
- (2) First year of reportable wages is 2004
- (3) Includes election judges which increases General Government totals by a range of 1 - 1.2 equivalent employees each election year

FULL TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31

2005	2006	2007	2008	2009	2010
25.8	26.4 (3)	25.5	26.6 (3)	24.8	24.7 (3)
29.8	29.9	31.2	31.6	31.7	31.5
5.7	4.5	4.0	4.6	3.9	3.9
19.6	19.6	22.2	21.3	20.6	22.8
4.6	4.9	5.4	5.8	5.4	5.6
14.5	15.1	15.3	16.1	16.4	16.8
6.3	6.8	6.5	6.1	6.6	6.3
6.4	6.9	6.7	6.0	6.6	6.4
32.2	33.7	35.2	38.1	39.4	39.3
3.4	3.2	3.3	3.0	2.8	3.1
19.0	19.6	19.2	18.4	17.9	18.9
1.2	0.7	1.2	2.0	2.1	2.0
<u>168.5</u>	<u>171.3</u>	<u>175.7</u>	<u>179.6</u>	<u>178.2</u>	<u>181.3</u>

CITY OF CHASKA, MINNESOTA

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FISCAL YEAR			
	2001	2002	2003	2004
Electric				
Number of Connections (Billed)	6,961	7,349	7,893	8,329
Purchased KWH Power Wholesale				
From MMPA	245,938,601	260,938,573	269,891,409	280,749,554
Total KWH Sales	236,407,349	248,690,952	253,197,953	264,877,924
Peak KW Demand	56,774	56,169	57,646	59,146
Water				
Number of Connections (Billed)	4,690	4,974	5,294	5,582
Total Water Pumped (Gallons)	896,418,000	859,179,000	1,078,031,000	984,017,000
Total Water Sold (Gallons)	806,815,000	744,700,000	936,697,000	875,208,000
Average Daily Usage (Gallons Per Day)	2,456,000	2,354,000	2,566,000	2,566,000
System Peak Day (Gallons Per Day)	6,500,000	5,675,000	7,900,000	6,100,000
Sewer				
Number of Connections (Billed)	4,602	4,887	5,186	5,455
Total Gallons Treated (Gallons)	630,036,000	641,418,000	654,009,000	678,672,000
Sewer Service through Metropolitan Council Environmental Services				
Storm Water (1)				
Number of Utility Customers (Billed)	N/A	N/A	N/A	N/A
Internet Service Provider				
Number of Connections (Billed)	N/A	N/A	N/A	N/A
Golf Courses				
Town Course Rounds/Golfers	37,194	32,153	35,288	34,466
Par 30 Rounds/Golfers	24,290	22,654	24,672	22,692
General Government / Building Department				
Building Permits And Market Value:				
Commercial, Industrial And Public (2)				
Permits	36	43	37	47
Market Value	\$ 30,601,935	\$ 6,049,666	\$ 15,576,817	\$ 29,750,940
Single Family Homes And Townhomes (3)				
Permits	184	307	279	235
Market Value	\$ 32,074,115	\$ 50,546,215	\$ 55,303,599	\$ 49,017,120
Condos, Apartments And Multi-Family Homes (3)				
Permits	34	21	28	35
Market Value	\$ 21,598,362	\$ 21,574,111	\$ 19,797,434	\$ 25,239,846
Misc. Residential & Other Bldgs (4)				
Permits	568	637	569	511
Market Value	\$ 5,809,359	\$ 5,014,575	\$ 6,435,420	\$ 4,017,322
Total Building Permits	822	1,008	913	828
Total Market Value	\$ 90,083,771	\$ 83,184,567	\$ 97,113,270	\$ 108,025,228

Source: City Utility, Golf Courses and Building Departments

- (1) Storm Water Fund implemented in 2008
- (2) Includes new construction and additions/alterations
- (3) Includes new Construction only
- (4) Includes additions, alterations, garages, accessory structures, pools, commercial re-roofing

FISCAL YEAR						
2005	2006	2007	2008	2009	2010	
8,753	8,933	9,011	9,175	9,265	9,481	
299,246,992	306,083,806	310,654,642	298,847,964	285,120,854	307,054,699	
286,709,941	293,742,565	299,937,563	285,648,785	273,333,512	294,637,535	
60,856	64,924	64,223	60,108	60,495	66,697	
5,846	5,990	6,036	6,122	6,187	6,253	
1,039,256,000	1,189,764,000	1,237,796,000	1,139,996,000	1,156,008,000	1,060,500,000	
908,328,000	1,088,862,000	1,153,657,000	1,078,899,000	1,120,903,000	1,036,960,000	
2,800,000	3,253,000	3,216,000	2,955,000	3,070,967	2,841,000	
7,720,000	8,369,000	8,280,000	6,520,000	7,300,000	5,500,000	
5,713	5,841	5,906	5,959	6,023	6,139	
709,948,000	741,852,000	768,031,000	744,283,000	769,184,000	888,893,000	
N/A	N/A	N/A	7,832	7,793	7,870	
2,270	2,402	2,366	2,266	2,152	1,935	
32,699	31,312	33,275	34,176	33,325	32,760	
21,437	16,850	15,573	17,336	16,691	15,804	
62	49	43	31	36	53	
\$ 13,118,935	\$ 7,097,846	\$ 2,314,585	\$ 10,062,217	\$ 28,596,877	\$ 23,016,775	
145	78	60	52	48	43	
\$ 30,236,155	\$ 18,696,958	\$ 13,526,056	\$ 10,751,429	\$ 10,759,455	\$ 11,016,526	
28	3	1	2	-	-	
\$ 19,929,415	\$ 15,899,620	\$ 646,718	\$ 6,600,000	\$ -	\$ -	
631	609	741	760	697	716	
\$ 5,876,063	\$ 6,000,730	\$ 5,992,500	\$ 6,617,455	\$ 6,607,521	\$ 7,306,368	
866	739	845	845	781	812	
\$ 69,160,568	\$ 47,695,154	\$ 22,479,859	\$ 34,031,101	\$ 45,963,853	\$ 41,339,669	

CITY OF CHASKA, MINNESOTA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FISCAL YEAR			
	2001	2002	2003	2004
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants	907	907	1,114	1,114
Public Works				
Miles of Streets:				
City / Local	64.60	67.92	71.17	71.32
City MSA	15.30	15.30	15.13	15.71
Parks, Recreation and Arts				
Number of Parks	16	17	20	20
Acres of Parks	900	910	925	925
Miles of Trails	N/A	N/A	N/A	N/A
Golf Courses	2	2	2	2
Electric				
Number of Substations	2	2	2	2
Water				
Water Mains (miles)	N/A	N/A	N/A	N/A
Number of Wells	4	4	6	6
Total Pumping Capacity (Gallons Per Day)	7,000,000	9,400,000	12,168,000	12,168,000
Filtration Capacity (Gallons Per Day)	5,184,000	5,184,000	5,184,000	5,184,000
Total Storage Capacity (Gallons)	2,150,000	2,150,000	3,600,000	3,600,000

Source: City Departments

(1) Decrease in City MSA streets due to a road turned over to Carver County

FISCAL YEAR					
2005	2006	2007	2008	2009	2010
1	1	1	1	1	1
1	1	1	1	1	1
1,164	1,270	1,662	1,825	1,826	1,826
72.60	75.20	75.26	75.77	75.66	75.93
15.71	15.71	15.30 (1)	15.73	16.10	16.10
20	21	21	21	21	23
925	929	929	929	929	964
N/A	N/A	44.5	45.7	46.2	46.2
2	2	2	2	2	2
3	3	3	3	3	3
N/A	N/A	148	148	148	148
6	6	6	6	6	6
13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	13,400,000
12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
3,600,000	3,600,000	4,400,000	4,400,000	4,400,000	4,400,000



CHASKA