



NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY



FINANCIAL REPORT

Year Ended December 31, 2010

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Northstar Corridor Development Authority

Financial Report Year Ended December 31, 2010



Prepared by Finance and Central Services Division of Anoka County, Minnesota
Cevin Petersen, Division Manager
2100 3rd Avenue
Anoka, Minnesota 55303-2265

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

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NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

INTRODUCTORY SECTION

County	Dan Erhart, Commissioner	Dennis Berg, Commissioner
County RRA	Dan Erhart, Commissioner (Chair)	Tim Yantos, Deputy Administrator
in County RRA	Mark Stenglein, Commissioner	Peter McLaughlin, Commissioner
in County 2	Rich Collins, Commissioner	Don Meyer, Commissioner
in County RRA 2	Tom Wenzel, Commissioner	Jeff Schilling, Commissioner
rne County	Ewald Petersen, Commissioner (Vice Chair)	John Riebel, Commissioner
rne County RRA	Felix Schmiesing, Commissioner	Larry Farber, Commissioner
County	DeWayne Mareck, Commissioner	Mark Sakry, Commissioner
County RRA	Leigh Lenzmeier, Commissioner	Don Otte, Commissioner
Anoka	Carl Anderson, Councilmember	Carolyn Braun, Planning Director
Becker	Dave Graning, Mayor	Kelli Neu, City Planner
Big Lake	Scott Johnson, Administrator	Chuck Heitz, Councilmember
Blaine	Tom Ryan, Mayor	Clark Arneson, City Manager
Clear Lake	Amy Dinkel-VanValkenburg, Councilmember	William Kiffmeyer, Mayor
Columbia Heights	Bruce Nawrocki, Councilmember	Walt Fehst, City Manager
Coon Rapids	Bruce Sanders, Councilmember	Scott Schulte, Councilmember
Elk River	Paul S. Motin, Councilmember	Stephanie Zaczkowski, Mayor
Fridley	Robert Barnette, Councilmember	Paul Bolin, HRA Executive Director
Minneapolis	Diane Hofstede, Councilmember	Kevin Reich, Councilmember
Ramsey	David Elvig, Councilmember	Bob Ramsey, Mayor
Rice	Les Mateffy, Councilmember	Joseph Voigt, Councilmember
Sauk Rapids	Dave Saunders, Councilmember	Paul Weber, Councilmember
Spring Lake Park	Jeanne Mason, Councilmember	None
St. Cloud	Sonja Hayden-Berg, Councilmember	Bob Johnson, Councilmember
Township	Mark Limpert, Boardmember	None
e Township	Mike Hayes, Supervisor	Jim Stahlmann, Supervisor
ake Township 2	Paul Goenner, Boardmember	None
Township	Mark W. Knowles, Boardmember	LeRoy Pauley/Lewis Stark, Citizen Representative
1 Township 2	Greg Bruestle, Boardmember	None
id MTC	Carolyn Garven, Councilmember	Thomas Cruikshank, Director of Planning and Ma

members and alternates are elected for a two year term.
members withdrew effective April, 2010

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Joint Powers Board
Northstar Corridor Development Authority

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Northstar Corridor Development Authority (NCDA) as of and for the year ended December 31, 2010, which collectively comprise the NCDA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the NCDA's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Northstar Corridor Development Authority as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 15, 2011, on our consideration of the Northstar Corridor Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

August 15, 2011

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010
(Unaudited)**

The Northstar Corridor Development Authority (NCDA) Management's Discussion and Analysis (MD&A) provides an overview of the NCDA's financial activities for the fiscal year ended December 31, 2010. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the NCDA's financial statements.

The NCDA is a joint powers between 25 counties, regional rail authorities, cities and townships to analyze the feasibility and environmental impacts of integrated transportation improvements along the Highway 10 corridor and to develop commuter rail in the Northstar Corridor. In April 2010, Morrison County, Morrison County Regional Rail Association, Langola Township and Clear Lake Township withdrew their membership in the NCDA.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the basic financial statements. The NCDA's basic financial statements consist of two parts: the financial statements and the notes to the financial statements. The MD&A (this section) and a budgetary comparison schedule for the General Fund are required to accompany the basic financial statements and, therefore, are included as required supplementary information.

There are two financial statements: (1) the Statement of Net Assets and Governmental Fund Balance Sheet; and (2) the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance. The first column of each statement presents governmental fund data, which focuses on how money flows in and out and the balances left at year-end that are available for spending. These columns are reported using the modified accrual method of accounting. This method measures cash and all other financial assets that can be readily converted to cash. This column provides a detailed short-term view of the NCDA's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the NCDA's programs.

The center column of each statement reconciles the accounting differences between the governmental funds and governmental activities. Further discussion of the reconciliation can be found in the Notes to the Financial Statements, section 1. C, on page 14 of this report.

The third column in each statement represents the governmental activities balance and provides information about the activities of the NCDA as a whole by presenting a longer-term view of the NCDA's finances. These columns tell how these services were financed in the short-term as well as what remains for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables present NCDA's 2010 financial data, as well as comparative 2009 data.

The NCDA and the Northstar Commuter Rail project are funded in large part with expenditure reimbursement grants from federal, state and local governmental units. The nature of these grants requires the expenditures to be made prior to receipt of any grant monies.

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA**

The following table and discussion present the NCDA's current net assets as compared to the prior period at year end.

Net Assets				
	Year Ended December 31		Change	
	2010	2009 as restated	Increase or (Decrease)	Percent Change
Total assets	\$ 5,448,052	\$ 14,306,933	\$ (8,858,881)	-61.92%
Total liabilities	3,523,304	11,897,963	(8,374,659)	-70.39%
Total net assets	<u>\$ 1,924,748</u>	<u>\$ 2,408,970</u>	<u>\$ (484,222)</u>	-20.10%

The decrease in total assets from 2009 to 2010 is due to receipt of grant monies from other governmental units for expenditures made in the prior years. NCDA has been funded in large part with expenditure driven grants, requiring the expenditures to be made prior to a request for reimbursement.

The decrease in liabilities reflects the repayment of a short term loan due to other governmental units in 2010.

The changes in NCDA's net assets are outlined in the table below and the discussion that follows:

Changes in Net Assets				
	Year Ended December 31		Change	
	2010	2009 as restated	Increase or (Decrease)	Percent Change
Revenues:				
Program revenues:				
Intergovernmental / Capital grants and contributions	\$ 2,421,511	\$ 13,639,356	\$ (11,217,845)	-82.25%
Charges for services	-	645,879	(645,879)	-100.00%
General revenues:				
Miscellaneous / Other	1,916	31,402	(29,486)	-93.90%
Total revenues	<u>2,423,427</u>	<u>14,316,637</u>	<u>(11,893,210)</u>	-83.07%
Expenses:				
Transportation -				
Administration	426,864	1,889,642	(1,462,778)	-77.41%
Project and construction	2,480,785	7,613,583	(5,132,798)	-67.42%
Total expenses	<u>2,907,649</u>	<u>9,503,225</u>	<u>(6,595,576)</u>	-69.40%
Increase (Decrease) in net assets	(484,222)	4,813,412	(5,297,634)	-110.06%
Net assets - January 1, as restated	2,408,970	(2,404,442)	4,813,412	200.19%
Net assets - December 31	<u>\$ 1,924,748</u>	<u>\$ 2,408,970</u>	<u>\$ (484,222)</u>	-20.10%

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
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Northstar Commuter Rail began transportation operations in late 2009. There was a lag in some expenditures and subsequent grant reimbursements leading to continued activity in both the intergovernmental revenues and project and construction expenses. The decrease in both of these lines on the previous table labeled "Changes in Net Assets" reflects this shift in activity.

The decrease in administrative expenses is also linked to this event. When the rail transportation started, the commuter bus project ceased. Commuter bus operations were reflected in both the charges for services and administration expenses.

The decrease by nearly 94 percent in the miscellaneous/other revenue is due to the previous year, one time contributions for the start of Northstar rail operations.

FINANCIAL ANALYSIS AT THE FUND LEVEL

The focus of NCDCA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the NCDCA'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.

NCDCA's fund balance increased by \$3.17 million in 2010 as a result of monies received for expenses incurred in prior years thereby reducing the due from other governments. NCDCA also received a grant of \$250 thousand towards Phase II of the Northstar line to St. Cloud, Minnesota.

GENERAL FUND BUDGETARY HIGHLIGHTS

The capital budget for the Northstar Commuter Rail was expected to end in 2009 as evidenced by the beginning of rail operations in November 2009. There was a timing difference when the actual project and construction expenditures and associated intergovernmental revenues were received, so there is no original budget but only the remaining capital budget reflected in the final budget amount. NCDCA had a positive variance in both instances.

There was a new state grant for \$250 thousand for a St. Cloud park and ride, as an initial step of the Phase II rail expansion. Local revenues fund the administrative portion of the NCDCA budget and were budgeted at \$975 thousand. There is also a positive variance in both of these items as the Phase II expansion project was scaled back in 2010.

Due to timing of charges and reimbursement for the commuter rail project from Big Lake to downtown Minneapolis, there are budget and actual dollars in intergovernmental revenue and project and construction expenditures.

FACTORS BEARING ON THE NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY'S FUTURE

The Northstar Rail Project commenced revenue operations on November 16, 2009.

Since that start, the total number of rides has increased. For 2009 the average number of rides was 41,141 and in 2010 that average increased by 43.9% to 59,202. Total rides include all rides on Northstar with several additional trips to downtown Minneapolis for Minnesota Twins and Minnesota Vikings games.

There was also an increase in weekday rides which are more closely related to the ongoing commuter rail traffic. Average weekday rides for 2009 were 1,832 and increased by 20.9% to 2,214 for 2010. This increase may be attributed in part to the increased fuel prices.

Unaudited

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
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We anticipate a level ridership through 2011.

Anoka County Regional Railroad Authority (ACRRA) will apply to the Counties Transit Improvement Board (CTIB) requesting funds for a Ramsey commuter rail station and extending the grant period for a Fridley commuter rail station.

The NCDA, MnDOT, and Met Council recommended that the NCDA and project partners not proceed with an FTA application at this time for the extension to St. Cloud, and that the extension be placed on hold. The NCDA approved this action at their November 2010 meeting.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the NCDA's finances. If you have questions about this report or need additional financial information, contact the Executive Director, NCDA, Tim Yantos or the Director of Accounting, Anoka County, Brenda Pavelich-Beck at 2100 3rd Avenue, Anoka, Minnesota 55303.

BASIC FINANCIAL STATEMENTS

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

EXHIBIT 1

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2010

	General Fund	Reconciliation	Governmental Activities
<u>Assets</u>			
Cash and cash equivalents	\$ 1,787,947	\$ -	\$ 1,787,947
Accounts receivable	82	-	82
Due from other governments	3,660,023	-	3,660,023
Total Assets	5,448,052	-	5,448,052
<u>Liabilities</u>			
Current liabilities			
Accounts payable	11,244	-	11,244
Contracts payable	502,755	-	502,755
Due to other governments	3,009,305	-	3,009,305
Total Liabilities	3,523,304	-	3,523,304
<u>Fund Balance/Net Assets</u>			
Fund Balance			
Reserved for encumbrances	1,784,235	(1,784,235)	
Unreserved			
Undesignated	140,513	(140,513)	
Total Fund Balance	1,924,748	(1,924,748)	
Total Liabilities and Fund Balance	\$ 5,448,052		
Net Assets			
Unrestricted		1,924,748	1,924,748
Total Net Assets		\$ 1,924,748	\$ 1,924,748

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

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

EXHIBIT 2

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

	General Fund	Reconciliation	Governmental Activities
Revenues			
Intergovernmental			
Federal	\$ 3,659,017	\$ (3,659,017)	\$ -
State	250,000	-	250,000
Local	2,171,511	-	2,171,511
Miscellaneous	1,916	-	1,916
	6,082,444	(3,659,017)	2,423,427
Expenditures			
Current			
Transportation			
Administration	426,864	-	426,864
Project and construction	2,480,785	-	2,480,785
	2,907,649	-	2,907,649
Net Change in Fund Balance/Net Assets	3,174,795	(3,659,017)	(484,222)
Fund Balance/Net Assets - January 1, as restated (Note 2.B)	(1,250,047)	3,659,017	2,408,970
Fund Balance/Net Assets - December 31	\$ 1,924,748	\$ -	\$ 1,924,748

Reconciliation of the Statement of Governmental Fund
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities

Net Change in Fund Balance		\$ 3,174,795
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In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenues is the increase or decrease in revenues deferred as unavailable.

Deferred revenue - unavailable - December 31	\$ -		
Deferred revenue - unavailable - January 1, as restated (Note 2.B.)		(3,659,017)	(3,659,017)
Change in Net Assets of Governmental Activities			\$ (484,222)

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. Summary of Significant Accounting Policies

The Northstar Corridor Development Authority's (NCDA) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2010. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the NCDA are discussed below.

A. Financial Reporting Entity

The Northstar Corridor Development Authority (NCDA) was established in May of 1997, by Minn. Stat. §§ 471.59 and 398A.04, subdivision 9, as a joint powers agreement between 31 counties, regional rail authorities, cities and townships. Six participants have withdrawn from the NCDA: Benton County and Benton County Regional Railroad Authority in 2008; Morrison County, Morrison County Regional Railroad Authority, Clear Lake Township and Langola Township in 2010. These changes leave 25 members in the joint powers agreement. Its purpose is to analyze the feasibility and environmental impacts of integrated transportation improvements along the U.S. Highway 10 corridor and develop a commuter rail project in the Northstar Corridor.

The NCDA Joint Powers Board consists of one elected official from each member governmental unit for a two year term. The Authority elects a Chair and Vice Chair from its membership for a two year term.

The Authority has contracted with Anoka County to receive and manage Authority funds and provide any and all budgetary and accounting services.

The NCDA is a separate entity independent of the governmental units which formed it. In accordance with generally accepted accounting principles, the NCDA's financial statements are not included in any member county's financial statements. However, Anoka County accounts for all transactions of the NCDA and shows the NCDA as an agency fund in its financial statements. No single government unit retains control over the operations or is financially accountable for the NCDA.

B. Basic Financial Statements

Basic financial statements include information on the NCDA's activities as a whole and information on the General Fund of the NCDA. These separate presentations are reported in different columns on Exhibits 1 and 2. Each of the Exhibits starts with a column of information based on activities of the General Fund and reconciles it to a column that reports the "governmental activities" of the NCDA as a whole.

1. Governmental Fund Financial Statement Columns

The governmental fund financial statement columns provide information about the NCDA's General Fund. The General Fund is the NCDA's primary operating fund. It accounts for all financial resources of the general government.

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

2. Governmental Activities Columns

The governmental activities financial statement columns on the statement of net assets and the statement of activities display information about the NCDA. These columns include the financial activities of the overall NCDA Joint Powers Board.

C. Measurement Focus and Basis of Accounting

The governmental activities columns are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund columns (General Fund) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The NCDA considers all revenues as available if collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants collected in 120 days. Intergovernmental grants, charges for services, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Pooled Investments

NCDA's cash is pooled and invested with Anoka County. The County obtains collateral to cover deposits in excess of insurance coverage.

2. Deferred Revenue

The NCDA General Fund and governmental activities defer revenue for resources that have been received, but not yet earned. The General Fund also reports deferred revenue in connection with receivables for revenues not considered to be available to liquidate liabilities of the current period.

3. Fund Equity

In the fund financial statements, the General Fund reports reservations of fund balance for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

4. Use of Estimates (Continued)

contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The NCDA's Joint Powers Board adopts estimated revenue and expenditure budgets for the General Fund. The budgets may be amended or modified at any time by the Board. Comparisons of estimated revenues and expenditures to actual are presented as required supplementary information for the General Fund. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles.

B. Restatement

Prior year due from other governments for grant reimbursements was inaccurate. After final reviews with the grantor, it was necessary to restate the beginning net assets as follows:

	Governmental Activities	General Fund
Net assets/ Fund balance, as previously reported	\$ 5,535,770	\$ (1,250,047)
Deferred/Unearned Revenue	(3,126,800)	-
Net assets/ Fund balance, January 1, as restated	\$ 2,408,970	\$ (1,250,047)

3. Detailed Notes

A. Assets

1. Deposits

As of December 31, 2010, the NCDA had \$1,787,947 on deposit with Anoka County. Authorization to deposit cash in financial institutions is provided by Minn. Stat. § 118A.02. Minn. Stat. §§ 118A.04 and 118A.05 authorize the types of investments available. Minnesota statutes require that all county deposits be covered by insurance, surety bond, or collateral.

2. Receivables

Governmental Activities	
Accounts receivable	\$ 82
Due from other governments	3,660,023
Total governmental activities	\$ 3,660,105

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

3. Detailed Notes

A. Assets

2. Receivables (Continued)

All receivables are expected to be received within the next year. The due from other governments balance represents federal grant reimbursements passed through the Minnesota Department of Transportation.

B. Liabilities

1. Payables

Payables at December 31, 2010, were as follows:

Accounts	\$ 11,244
Contracts	502,755
Due to other governments	<u>3,009,305</u>
Total payables	<u>\$ 3,523,304</u>

2. Risk Management

The NCDA is exposed to various risks of loss related to municipal liability; hired and non-owned autos; and money and securities, for which the NCDA carries commercial insurance. There were no significant reductions for the year ended December 31, 2010, in insurance coverage for any major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

Schedule 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
Federal	\$ -	\$ 3,602,147	\$ 3,659,017	\$ 56,870
State	-	250,000	250,000	-
Local	975,000	975,000	2,171,511	1,196,511
Miscellaneous	-	-	1,916	1,916
Total Revenues	975,000	4,827,147	6,082,444	1,255,297
Expenditures				
Current				
Transportation				
Administration	975,000	975,000	426,864	548,136
Project and construction	-	3,852,147	2,480,785	1,371,362
Total Expenditures	975,000	4,827,147	2,907,649	1,919,498
Net Change in Fund Balance	-	-	3,174,795	3,174,795
Fund Balance - January 1	(1,250,047)	(1,250,047)	(1,250,047)	-
Fund Balance - December 31	<u>\$ (1,250,047)</u>	<u>\$ (1,250,047)</u>	<u>\$ 1,924,748</u>	<u>\$ 3,174,795</u>

The notes to the required supplementary information are an integral part of this statement.

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY
ANOKA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.

The Northstar Corridor Development Authority (NCDA) Executive Committee recommends the annual administrative budget to the Authority. The budget must be recommended by four-fifths majority vote of the Executive Committee. The Joint Powers Board must adopt a final budget no later than August 15 of each year, and shall determine the amount of contribution, if any, by each member county regional railroad authority.

The appropriated budget is prepared by fund. The legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is the fund level.

Encumbrance accounting is employed in the General Fund. Encumbrances, such as purchase orders and contracts, that are outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because other commitments will be reapportioned and honored during the subsequent year.