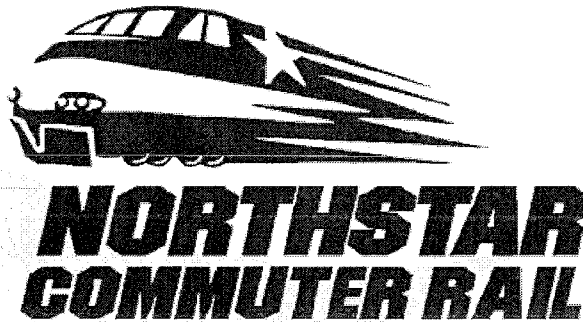


# **NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY**

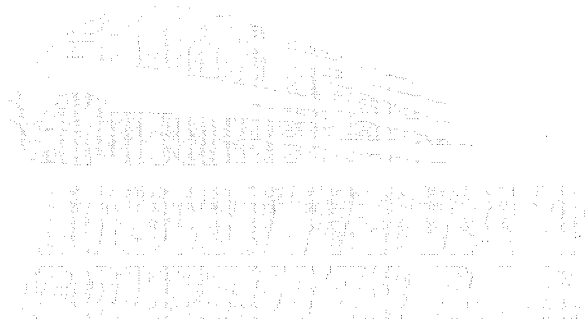


## **FINANCIAL REPORT**

Year Ended December 31, 2014

# Northstar Corridor Development Authority

Financial Report  
Year Ended December 31, 2014



Prepared by Auditor/Treasurer's Department of Sherburne County, Minnesota  
Diane Arnold, Auditor/Treasurer  
13880 Business Center Drive  
Elk River, Minnesota 55330

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA**

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**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY**

**ELK RIVER, MINNESOTA**

**INTRODUCTORY SECTION**

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY**

**Organization - 2014**

<b>Affiliate</b>	<b>Member <sub>1</sub></b>	<b>Alternate <sub>1</sub></b>
<b>Anoka County</b>	Matt Look, Commissioner	Scott Schulte, Commissioner
<b>Anoka County RRA</b>	Rhonda Sivarajah, Commissioner	None
<b>Hennepin County RRA</b>	Linda Higgins, Commissioner	Peter McLaughlin, Commissioner
<b>Sherburne County</b>	Ewald Petersen, Commissioner	John Riebel, Commissioner
<b>Sherburne County RRA</b>	Felix Schmiesing, Commissioner	Bruce Anderson, Commissioner
<b>Stearns County</b>	DeWayne Mareck, Commissioner	Mark Bromenschenkel, Commissioner
<b>Stearns County RRA</b>	Leigh Lenzmeier, Commissioner	None
<b>City of Anoka</b>	Carl Anderson, Councilmember	Carolyn Braun, Planning Director
<b>City of Becker</b>	Jerome Kleis, Mayor	Greg Pruszinske, City Administrator
<b>City of Big Lake</b>	Raeanne Danielowski, Mayor	Joel Scharf, Interim City Administrator
<b>City of Clear Lake</b>	Tim Goenner, Mayor	Claudia Page, Councilmember
<b>City of Columbia Heights</b>	Bruce Nawrocki, Councilmember	Walt Fehst, City Manager
<b>City of Coon Rapids</b>	Brad Johnson, Councilmember	Jerry Koch, Mayor
<b>City of Elk River</b>	Jennifer Wagner, Councilmember	John Dietz, Mayor
<b>City of Fridley</b>	Robert Barnette, Councilmember	Paul Bolin, Fridley HRA
<b>City of Minneapolis</b>	Jacob Frey, Councilmember	Kevin Reich, Councilmember
<b>City of Ramsey</b>	Jill Johns, Councilmember	John LeTourneau, Councilmember
<b>City of Sauk Rapids</b>	Brad Gunderson, Mayor	Kurt Hunstiger, Councilmember
<b>City of St. Cloud</b>	Jeff Johnson, Councilmember	Carol Lewis, Councilmember
<b>Becker Township</b>	Brian Kolbinger, Twp Supervisor	None
<b>Haven Township</b>	Mark W. Knowles, Twp Supervisor	Michael Pesch, Twp Supervisor
<b>St. Cloud MTC</b>	Dave Kleis, City Mayor	Thomas Cruikshank, Director of Planning and Marketing

Notes:

1) The members and alternates are elected for a two year term.

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY**

**ELK RIVER, MINNESOTA**

**FINANCIAL SECTION**



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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525 PARK STREET  
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1-800-627-3529 (Relay Service)

## INDEPENDENT AUDITOR'S REPORT

Joint Powers Board  
Northstar Corridor Development Authority  
Elk River, Minnesota

### Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the NCDA's basic financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the NCDA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NCDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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. 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2015, on our consideration of the NCDA'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* in considering NCDA's internal control over financial reporting and compliance.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

October 20, 2015



**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014  
(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, 2014. 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 22 counties, regional rail authorities, cities and townships that was established 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. The joint powers board, primarily through its executive committee and staff, oversees the ongoing operations of the Northstar.

**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 Position 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.

**NET POSITION FINANCIAL ANALYSIS**

The following tables present NCDA's 2014 financial data, as well as comparative 2013 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  
ELK RIVER, MINNESOTA**

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

<b>Net Position</b>		
	Year Ended December 31	
	2014	2013
Total assets	\$ 1,321,753	\$ 1,936,095
Total liabilities	170,001	219,893
Total net position	\$ 1,151,752	\$ 1,716,202

The decrease in total assets from 2013 to 2014 is due to refunds being issued for the Northstar Link Bus. The NCDA has been funded in large part with expenditure driven grants, requiring the expenditures to be made prior to a request for reimbursement.

The \$49,892 decrease in liabilities reflects the close out of Phase I and reduced effort in the process of starting Phase II.

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

<b>Changes in Net Position</b>		
	Year Ended December 31	
	2014	2013
Revenues:		
Program revenues		
Intergovernmental / Capital grants and contributions	\$ 455,060	\$ 438,697
Charges for services	109,391	113,586
General revenues:		
Miscellaneous / Other	1,862	26,390
Total revenues	566,313	578,673
Expenses:		
Transportation - Administration	1,130,763	652,014
Total expenses	1,130,763	652,014
Increase (Decrease) in net position	(564,450)	(73,341)
Net position - January 1	1,716,202	1,789,543
Net position - December 31	\$ 1,151,752	\$ 1,716,202

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 increase in the expenditure line reflects a shift in activity for the Northstar Commuter Rail project as NCDA wraps up Phase I of the project. The decrease in 2014 in charges for services is the recognition of fare box revenue for bus

Unaudited

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA**

service from St. Cloud, Minnesota to Big Lake, Minnesota, part of Phase II of the project. Bus service allows residents and commuters from St. Cloud to use bus service to Big Lake where they can take the Northstar Commuter Rail into Minneapolis, Minnesota.

**FINANCIAL ANALYSIS AT THE FUND LEVEL**

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

NCDA's fund balance decreased by \$564,450 in 2014 as the Phase I project (Big Lake to Minneapolis) is completed. In 2014, NCDA issued refunds to the contributing Counties for the Northstar Link Bus service and a portion of the Phase II pre-project development costs.

**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. Local revenues fund the administrative portion of the NCDA budget and were budgeted at \$199,860. With the continuing effort of closing out of Phase I the members were refunded a portion of their contribution for the NorthStar Link Bus Service and a portion of the Phase II pre-project development costs.

**FACTORS BEARING ON THE NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY'S FUTURE**

The Northstar Commuter Rail Project (Northstar) received a Full Funding Grant Agreement (FFGA) from the Federal Transit Administration in the fall of 2007. The FFGA provided the Project with the federal funding needed to complete the Northstar Commuter Rail Project. The commitments from the State of Minnesota, Anoka County, Hennepin County and Sherburne County allowed Northstar to award contracts for construction of the Light Rail Transit (LRT) Connection in downtown Minneapolis and the Vehicle Maintenance Facility in Big Lake. Five stations were initially constructed in Big Lake, Elk River, Anoka, Coon Rapids and Fridley. A station in Ramsey was also constructed and opened in 2012.

In December 2013, the number of riders was 59,070 and in December 2014 the number decreased due to train delays to 50,311. Average weekend rides in December 2014 were 1,129 which was a slight decrease from the 1,596 weekend riders in December 2013.

The NCDA continues to try to improve ridership in 2014 by visiting a Mass Communication Class at St. Cloud State University. The St. Cloud State students' project was to suggest additional marketing strategies which the NCDA is in the process of implementing.

**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, John Menter or the Auditor/Treasurer, Sherburne County, Diane Arnold at 13880 Business Center Drive, Elk River, Minnesota 55330.

**BASIC FINANCIAL STATEMENTS**

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2014

	<u>General Fund</u>	<u>Reconciliation</u>	<u>Governmental Activities</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 1,321,753	\$ -	\$ 1,321,753
<b>Total Assets</b>	<b>1,321,753</b>	-	<b>1,321,753</b>
<b><u>Liabilities and Fund Balance/Net Position</u></b>			
Current liabilities			
Contracts payable	\$ 23,556	-	23,556
Due to other governments	146,445	-	146,445
<b>Total Liabilities</b>	<b>170,001</b>	-	<b>170,001</b>
Fund Balance			
Restricted for transportation	1,151,752	(1,151,752)	
<b>Total Liabilities and Fund Balance</b>	<b>1,321,753</b>		
Net Position			
Restricted for transportation		1,151,752	1,151,752
<b>Total Net Position</b>		<b>\$ -</b>	<b>\$ 1,151,752</b>

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

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA

EXHIBIT 2

STATEMENT OF ACTIVITIES AND  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Reconciliation	Governmental Activities
<b><u>Revenues</u></b>			
Intergovernmental			
Local	\$ 455,060	\$ -	\$ 455,060
Charges for services	109,391	-	109,391
Earnings on investments	140	-	140
Miscellaneous	1,722	-	1,722
<b>Total Revenues</b>	<b>566,313</b>	<b>-</b>	<b>566,313</b>
<b><u>Expenditures/Expenses</u></b>			
<b>Current</b>			
Transportation			
Administration	1,130,763	-	1,130,763
<b>Net Change in Fund Balance/Net Position</b>	<b>(564,450)</b>	<b>-</b>	<b>(564,450)</b>
<b>Fund Balance/Net Position - January 1</b>	<b>1,716,202</b>	<b>-</b>	<b>1,716,202</b>
<b>Fund Balance/Net Position - December 31</b>	<b>\$ 1,151,752</b>	<b>\$ -</b>	<b>\$ 1,151,752</b>

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

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2014. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). 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 was established in May of 1997, by Minn. Stat. §§ 471.59 and 398A.04, subdivision 9, as a joint powers agreement between 32 counties, regional rail authorities, cities and townships. Ten 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; Cities of Blaine, Rice, Spring Lake Park, and Big Lake Township in 2014. These changes leave 22 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 Sherburne 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's financial statements. However, Anoka and Sherburne Counties account for all transactions of the NCDA and report the NCDA as an agency fund in their respective 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.

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA

1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

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.

2. Governmental Activities Columns

The governmental activities financial statement columns on the statement of net position 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 Position or Equity

1. Cash and Pooled Investments

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

2. Classification of Net Position

Net position in the government-wide financial statement is classified in the following categories:

Net investment in capital assets - the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. As of December 31, 2014, the NCDA had no capital assets or related debt.

Restricted net position - the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.



NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY

ELK RIVER, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Position or Equity

2. Classification of Net Position (Continued)

Unrestricted net position - the amount of net position that does not meet the definition of restricted or net investment in capital assets.

3. Classification of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the NCDA is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - the nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed - the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the NCDA. Those committed amounts cannot be used for any other purpose unless the NCDA removes or changes the specified use by taking the same type of actions (ordinance or resolution) it employed to previously commit these amounts.

Assigned - the assigned fund balance classification includes amounts the NCDA intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the NCDA Board.

Unassigned - the unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications.

The NCDA applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Position or Equity (Continued)

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 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

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.

3. Detailed Notes

A. Assets

Deposits

As of December 31, 2014, the NCDA had \$1,025,862 on deposit with Anoka County and \$295,891 on deposit with Sherburne 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.

B. Liabilities

Payables

Payables at December 31, 2014, were as follows:

Contracts payable	\$ 23,556
Due to other governments	<u>146,445</u>
Total payables	<u><u>\$ 170,001</u></u>

4. 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, 2014, 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  
ELK RIVER, MINNESOTA

Schedule 1

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental				
Local	\$ 392,460	\$ 392,460	\$ 455,060	\$ 62,600
Charges for services	109,500	109,500	109,391	(109)
Earnings on investments	-	-	140	140
Miscellaneous	-	-	1,722	1,722
<b>Total Revenues</b>	<b>501,960</b>	<b>501,960</b>	<b>566,313</b>	<b>64,353</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
Transportation				
Administration	633,960	633,960	1,130,763	(496,803)
<b>Net Change in Fund Balance</b>	<b>(132,000)</b>	<b>(132,000)</b>	<b>(564,450)</b>	<b>(432,450)</b>
<b>Fund Balance - January 1</b>	<b>1,716,202</b>	<b>1,716,202</b>	<b>1,716,202</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,584,202</b>	<b>\$ 1,584,202</b>	<b>\$ 1,151,752</b>	<b>\$ (432,450)</b>

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

**NORTHSTAR CORRIDOR DEVELOPMENT AUTHORITY  
ELK RIVER, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

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.

2. Excess of Expenditures Over Budget

The Northstar Corridor Development Authority's General Fund has expenditures in excess of budget for the year ending December 31, 2014.

	Expenditures		
	Final Budget	Actual	Excess
General Fund			
Current			
Transportation			
Administration	\$ 633,960	\$ 1,130,763	\$ 496,803