

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF WEST ST. PAUL, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2013**

**Prepared By The Finance Department  
of the City of West St. Paul, Minnesota**

**Joan Carlson  
Director of Finance**

**- This page intentionally left blank -**

**CITY OF WEST ST. PAUL, MINNESOTA**  
**TABLE OF CONTENTS**

---

	<b>Reference</b>	<b>Page No.</b>
<b>I. INTRODUCTORY SECTION</b>		
Letter of Transmittal		3
Certificate of Achievement		9
Principal City Officials		11
Organization Chart		12
<b>II. FINANCIAL SECTION</b>		
Independent Auditor's Report		15
Management's Discussion and Analysis		19
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	33
Statement of Activities	Statement 2	34
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	36
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	Statement 4	39
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Statement 5	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 6	42
Statement of Net Position - Proprietary Funds	Statement 7	43
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	Statement 8	44
Statement of Cash Flows - Proprietary Funds	Statement 9	45
Notes to Financial Statements		47
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	84
Budgetary Comparison Schedule - Economic Development Authority	Statement 11	89
Budgetary Comparison Schedule - Note to RSI		90
Schedule of Funding Progress For the Retiree Health Plan	Statement 12	91

**CITY OF WEST ST. PAUL, MINNESOTA**  
**TABLE OF CONTENTS**

---

	<b>Reference</b>	<b>Page No.</b>
Combining and Individual Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 13	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	Statement 14	101
Individual Fund Statements - Special Revenue Funds:		
Insurance Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual	Statement 15	106
Individual Fund Statements - Debt Service Funds:		
Special Assessment Debt Service Fund:		
Combining Balance Sheet	Statement 16	108
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance	Statement 17	110
Individual Fund Statements - Capital Project Funds:		
TIF Districts:		
Combining Balance Sheet	Statement 18	114
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance	Statement 19	115
Individual Fund Statements - Enterprise Funds:		
Public Utilities Fund:		
Combining Schedule of Net Position	Statement 20	118
Combining Schedule of Revenue, Expenses and Changes in Net Position	Statement 21	119
Combining Schedule of Cash Flows	Statement 22	120
Recreation Fund:		
Combining Schedule of Net Position	Statement 23	121
Combining Schedule of Revenue, Expenses and Changes in Net Position	Statement 24	122
Combining Schedule of Cash Flows	Statement 25	123
Fiduciary Funds:		
Agency Fund:		
Statement of Changes in Assets and Liabilities	Statement 26	126

**CITY OF WEST ST. PAUL, MINNESOTA**  
**TABLE OF CONTENTS**

---

	<u>Reference</u>	<u>Page</u> <u>No.</u>
<b>III. STATISTICAL SECTION (UNAUDITED)</b>		
Net Position by Component	Table 1	130
Changes in Net Position	Table 2	132
Fund Balances - Governmental Funds	Table 3	136
Changes in Fund Balances - Governmental Funds	Table 4	138
Tax Capacity Value and Estimated Market Value of Taxable Property	Table 5	140
Direct and Overlapping Property Tax Rates	Table 6	141
Principal Property Taxpayers	Table 7	142
Property Tax Levies and Collections	Table 8	143
Ratios of Outstanding Debt By Type	Table 9	144
Ratios of General Bonded Debt Outstanding	Table 10	146
Direct and Overlapping Governmental Activities Debt	Table 11	147
Legal Debt Margin Information	Table 12	148
Pledged-Revenue Coverage	Table 13	150
Demographic and Economic Statistics	Table 14	152
Principal Employers	Table 15	153
Full-Time Equivalent City Government Employees by Function/Program	Table 16	154
Operating Indicators by Function/Program	Table 17	156
Capital Asset Statistics by Function/Program	Table 18	158

**- This page intentionally left blank -**

## I. INTRODUCTORY SECTION

**- This page intentionally left blank -**





# CITY OF WEST ST. PAUL

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118-3972  
www.ci.west-saint-paul.mn.us

MUNICIPAL CENTER	651-552-4100	POLICE	651-552-4200
PARKS/RECREATION	651-552-4150	FIRE	651-552-4176
FAX	651-552-4190	TDD	651-322-2323

July 8, 2014

To the Honorable Mayor, City Council, City Manager and  
To The Citizens of West St. Paul, Minnesota:

The Comprehensive Annual Financial Report (CAFR) of the City of West St. Paul (the City) for the year ended December 31, 2013, is submitted herewith.

## INTRODUCTION

As in past years, this comprehensive annual financial report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a copy of our most recent Certificate of Achievement, an organizational chart and a list of the City's principal elected and appointed officials.

Pursuant to the City Financial Reporting Act of 1978, the City's Finance Officer is required to prepare the CAFR, which is then to be attested to by an external auditor. Accordingly, this report has been prepared by the City's Finance Department. This report consists of management's representations concerning the finances of the City of West St Paul. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established an 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's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's 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, it is asserted that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements have been audited by the certified public accounting firm of Redpath and Company, Ltd. Their opinion is the first item in the Financial Section. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2013 are fairly presented in conformity with GAAP.

City of West St. Paul  
Letter of Transmittal

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

PROFILE OF THE CITY OF WEST ST. PAUL

The City of West St. Paul was incorporated in 1889 and is located in the Twin Cities metropolitan area of Minnesota, immediately adjacent to the State Capitol of St. Paul. With a population of 19,504 (based upon the 2010 Census), it is situated in the northern-most area of Dakota County, one of the fastest growing counties in the State of Minnesota. Although the City has a geographic area of only five square miles and is, for the most part, fully developed, it represents a major regional retail center. The majority of retail sales take place along a 2.5 mile, five-lane major state trunk highway known as South Robert Street that bisects the City. Nearly the entire length of this street is devoted to retail stores, shopping centers and restaurants.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six elected Councilmembers. The City Council is responsible, among other things, for passing ordinances, adopting budgets, appointing committees and hiring both the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various operating departments. The City Council is elected on a non-partisan basis. Councilmembers are elected for four-year, staggered terms, with three Councilmembers being elected every two years. The Mayor is elected for a two-year term. The City is divided into three wards and two Councilmembers are elected from each ward. The Mayor is elected at-large.

The City provides a full range of governmental services, including police protection, construction and maintenance of local streets and other infrastructure, recreational and community development activities. Certain community development services are provided through a legally separate Economic Development Authority (EDA), which functions, in essence, as a City operation since the EDA Board is composed of the Mayor and City Council. Therefore, the activities of the EDA have been included as part of these financial statements as a special revenue fund. Fire protection services are provided through a contract with South Metro Fire Department, a joint venture with the City of South St. Paul.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the proposed budget during July of each year. The City Manager then presents this proposed budget to the City Council in August. The City Council reviews the proposed budget, holds public hearings to receive public input and then adopts a final budget in December. The adopted budget document is prepared by fund and function. The City Manager may transfer appropriations within any given function, but any transfers between functions must be presented to and approved by the City Council. This CAFR provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund in statements 10 and 11. A budget was also adopted for the Insurance Fund which can be found in statement 15.

### ECONOMIC CONDITION AND OUTLOOK

As a mature, first-ring suburb of St. Paul, the City of West St. Paul recognizes the importance of redevelopment to its long-term vitality and has, therefore, made extraordinary efforts in this area. Residential and commercial activities include:

**New Restaurants** – Several new restaurants have opened in recent years including *Hibachi Grill* and *Taste of Love Bakery* in 2012; and *Rack Shack BBQ*, *Leeann Chin*, *Sarpino's Pizzeria* and *Castillo's Bakery* in 2013. Several others are in progress with plans to be open in 2014 including *5-8 Club* and *Papa John's*.

**LA Fitness** – The City approved plans for a 35,000 square foot space for a new LA Fitness with an additional 11,700 square feet of retail space for existing business that will relocate to the new building. The first phase of the project is projected to begin in 2014 with completion planned for 2015. The project includes a new parking lot with a shared parking arrangement with the City for overflow parking at the sports dome.

**Homes on Emerson Hill** – This 39 unit condominium project experienced slower-than-anticipated progress because of the declining housing market. As an alternative to the original plan, the developer proposed and the City approved construction of retail space on the ground floor instead of the eleven townhomes originally planned. The developer also requested the option to transition the facility to senior rentals. Construction began on Phase I in 2013.

**CASE** – The City puts an emphasis on the maintenance of residential and commercial properties through the Complaint-Activated Spot Enforcement (CASE) program. During 2013, 917 residential and commercial properties were inspected through the CASE program.

**Major Remodeling Projects** – During 2012 *Carbones* completed an interior remodel which included a new sports bar area and started an outdoor remodel to add an outdoor seating area. *Baker's Square* completed a complete interior remodel, and exterior make-over. In 2013 the *5-8 Club* obtained approval to renovate a vacant restaurant with plans to open in 2014.

**Robert Street Market Place Project** – In 2011 the exterior and interior of *Cub Foods* was completed. The developer had submitted a site plan and completed a traffic study for the remainder of the project. In 2012 parking lot improvements were undertaken to support the new development.

**Westwood Ridge** – A new 68 unit assisted living facility was completed in 2012.

### MAJOR INITIATIVES

During 2013, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

**Robert Street Reconstruction** – Plans for this important project continued in 2013. Along with the \$7.0 million federal grant that was awarded to the City in early 2010, the City has partnered with Dakota County for additional funding support. In 2013 the City began obtaining the many right-of-way easements needed for the project. They also started work on the Streetscape Plan to enhance the appearance of Robert Street and encourage further development. This three year project is anticipated to begin in 2014.

**Robert Street Pedestrian Bridge** – As part of the Robert Street Improvement, the City Council is working with the Dakota County and the Metropolitan Council to build a pedestrian bridge over Robert St. This would make the trail connection complete from the east to the west side of the City.

City of West St. Paul  
Letter of Transmittal

**Sports Facility** – In April of 2012 the City Council approved construction a field turf sports dome for such sports as soccer, baseball, softball and lacrosse. Construction began mid-summer and the dome opened in November. The facility is a 110,000 square foot permanent dome with two large playing fields and a smaller training field. The facility also includes three batting cages, a walking track and a concession stand. 2013 was the first full year of operation and it logged over 7,000 hours of field rental time.

**Quality Housing** - The City's Quality Housing Program is entering its ninth year. It is a collection of initiatives aimed at maintaining and improving the housing stock in the City. It includes the Outstanding Property Awards Program, the Complaint Activated Spot Enforcement (CASE), the Housing Replacement Program, the Low Interest Home Improvement Loan Programs and the Housing Improvements Mini-Grant Program. A Rental Licensing Program was created to protect the public health, safety and welfare of citizens of the City who occupy rental units. A new Vacant Property program was created in 2009 to mitigate the impact of blighted properties on neighborhoods. Between 2009 and 2011 sixteen properties were purchased and demolished; since then, eight lots have been purchased by developers who built and sold eight new homes.

**Proposed Redevelopment Areas** – The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff continues to identify proposed projects for these areas, analyzing the costs associated with the projects and the timelines for redevelopment.

**Harmon Park** – In the fall of 2013 the City Council approved a \$4.8 million improvement plan for Harmon Park to begin in 2014. The plan includes four little league ball fields, a softball field, baseball field, and soccer field. The park will focus on children and families and include a splash pad, play structures, picnic shelters, concessions and restroom buildings.

**Sports Complex** – An updated plan was approved for the Sports Complex for implementation in 2012 to be funded from the City's Parks Improvement Fund. The project began in the summer of 2012 and continued in 2013; undeveloped land at the complex underwent a major development, adding a new play area, additional parking, and a picnic shelter and walking trails.

**Street Reconstruction Program** – Continuing a program begun in 1986, the City improved approximately 1 mile of local streets in various locations throughout the City in 2013. The improvements are funded through bond issuance with assessments covering approximately 25% of the total construction costs. This was a significant decrease from the 1.7 miles improved in 2009, but the City has allocated a portion of the 2013 LGA to begin an aggressive effort to improve City streets and alleys and reach the goals set at the beginning of the program.

**Storm Water Management** - The Metropolitan Surface Water Management Act (Chapter 509, Laws of 1982; Minnesota Statutes 473.875 - 473.883) requires the preparation of watershed management plans in the Minneapolis - St. Paul area. In response to this law, the Cities of Inver Grove Heights, Lilydale, Mendota Heights, St. Paul, South St. Paul, Sunfish Lake and West St. Paul created the Lower Mississippi River Watershed Management Organization (WMO) by Joint Powers Agreement on October 25, 1985. The WMO's watershed management plan was approved on July 26, 1989. Since that time, the City has spent roughly \$1,225,000 for seven separate projects related to WMO concerns. It is currently estimated that total WMO construction costs could exceed \$1,500,000. In 2011 all member cities approved "Third Generation" Watershed Management Plan. In response to this, the City is currently completing an update of its Storm Water Management Plan (SWMP) from 2006. In addition, the City implemented a City-wide Storm Water Utility Fee (SWUF) in 2006. The SWUF is meant to fund all storm water related improvements and maintenance activities within the City. The Joint Powers Agreement was renewed in 2013.

**Greater Minneapolis and St. Paul (MSP) Regional Economic Development Partnership** – The City, through its Economic Development Authority, recently joined this newly formed partnership designed to stimulate business and economic growth in the metro region. The purpose is to spark interest from business leads who might be interested in available light industrial or commercial space in the City.

**Smith Avenue Revitalization** – A new revitalization plan for the Smith Avenue Transit Corridor was completed last year. The plan lays out action steps to achieve an economically, environmentally and physically vital commercial and residential area. The new plan updated the 1984 Smith Avenue Task Force Report.

### LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with other aging suburbs, the City is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2013, the City adopted its fifth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at ten years in advance. The 2014-2023 CIP includes planned projects for streets, parks, sewer system and City facilities.

The City also prepares an annual Capital Equipment Plan (CEP). Department heads take part in this process to estimate capital equipment needs for the next ten years. Together the CIP and CEP provide information needed to develop a plan that will sustain or expand City services while keeping property taxes stable.

The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. It is a goal of the City to plan debt issues to coincide with the retirement of existing debt. The City currently has debt issues and retirements planned through the year 2035.

Another tool utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall maintain an unassigned fund balance of at least 52.5% of the subsequent year's expenditures. This policy essentially provides for cash flow while awaiting tax payments in July and December of the year. By utilizing the fund balance, the City avoids the extra cost of borrowing to meet its short term obligations.

Changes in state law over the past several years have resulted in funding changes for local governments. Replacement of Market Value Homestead Credits (MVHC) with Market Value Exclusion (MVE) and Local Government Aids (LGA) programs have resulted in revenue losses to the City. In an effort to reduce its reliance on State revenues, the City budgeted for only \$125,000 of LGA in it's operating budget. The remainder is planned to be used for capital and other one-time expenditures in 2014.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West St Paul for its CAFR for the fiscal year ended December 31, 2012. This was the twenty-sixth consecutive year the City's CAFR has received this prestigious award beginning with the first award in 1987. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The 2012 report satisfied both GAAP and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are, therefore, submitting it to the GFOA to determine its eligibility for another certificate.

BOND RATING

In December of 2013, the City issued General Obligation bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA. The rating maintains the higher step that was awarded in 2009. This bond rating signals to the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of West St. Paul and the City's Finance Department. Special thanks also go to the staff of Redpath and Company, Ltd. for their advice and counsel in the preparation of this CAFR.

Respectfully submitted,



Joan Carlson  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of West St. Paul  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

**- This page intentionally left blank -**



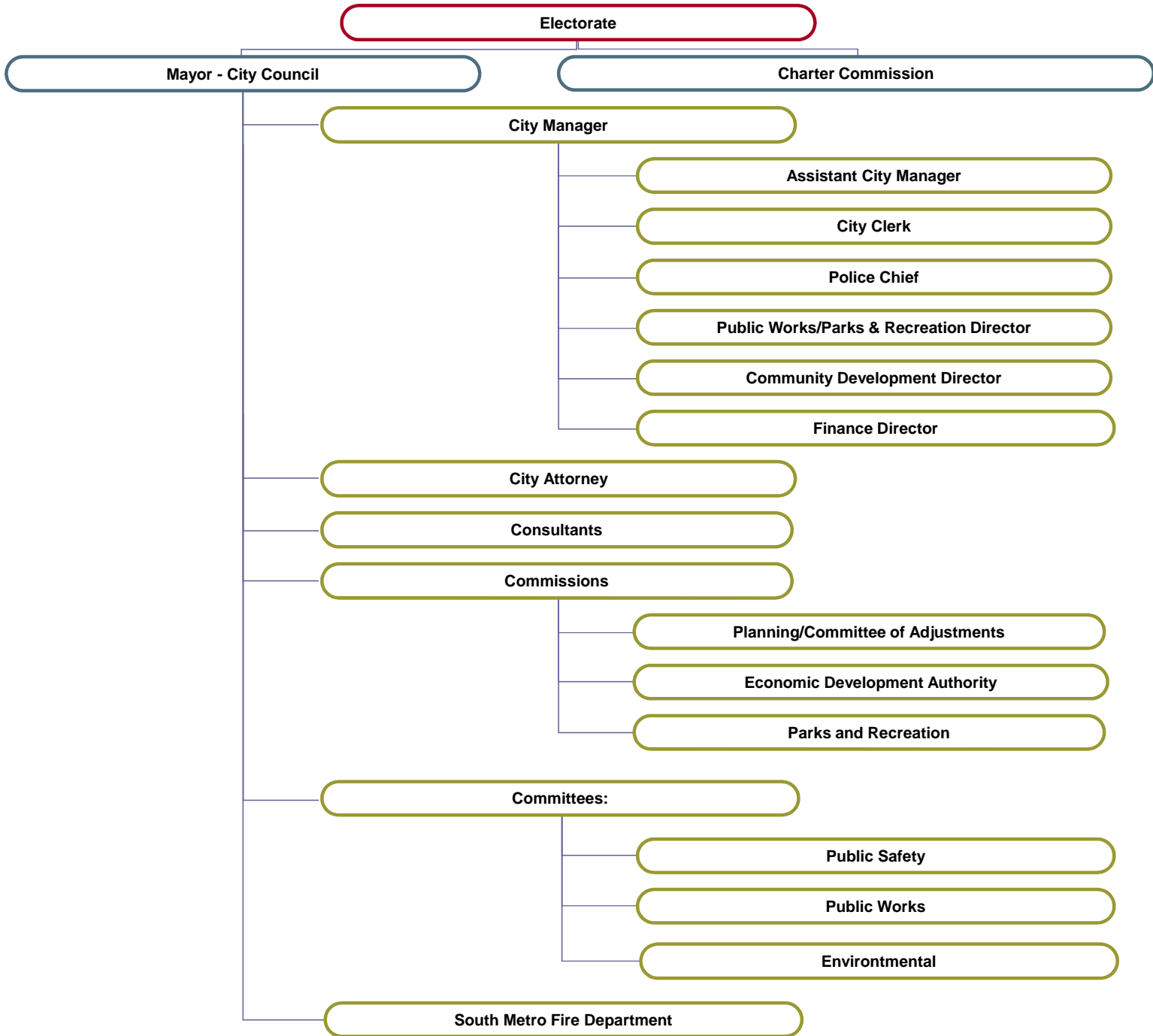
**LEGISLATIVE**

	<u>Term Expires</u>
Elected:	
Mayor:	
John Zanmiller	December 31, 2014
Council Members:	
Dick Vitelli; Councilperson; 1st Ward	December 31, 2014
Edward Iago, Councilperson; 2nd Ward	December 31, 2014
David Wright; Councilperson; 3rd Ward	December 31, 2014
Pat Armon; Councilperson; 1st Ward	December 31, 2016
Jenny Halverson; Councilperson; 2nd Ward	December 31, 2016
Dave Napier; Councilperson; 3rd Ward	December 31, 2016

**ADMINISTRATIVE**

	<u>Date of Hire</u>
City Manager:	
Matt Fulton	August 5, 2013
Assistant City Manager/Human Resources:	
Sherrie Le	September 24, 2012
Director of Finance/City Treasurer:	
Joan Carlson	September 6, 2011
Police Chief:	
Manila Shaver	September 26, 1988
Director Parks and Recreations & Public Works:	
Matt Saam	May 16, 2005
Director of Community Development:	
Jim Hartshorn	March 5, 2003

# City of West Saint Paul



## **II. FINANCIAL SECTION**

**- This page intentionally left blank -**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of West St. Paul, Minnesota

### **Report on the Financial Statements**

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 West St. Paul, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City'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 from 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 entity'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 entity'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West St. Paul, Minnesota, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter – Implementation of GASB 65**

As described in Note 16 to the financial statements, in 2013, the City of West St. Paul, Minnesota adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the schedule of funding progress on pages 19-30 and 84-91, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West St. Paul, Minnesota's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial 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. Such 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 combining and individual fund financial statements and schedules are 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 do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2014, on our consideration of the City of West St. Paul, Minnesota'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 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 the City of West St. Paul, Minnesota's internal control over financial reporting and compliance.

*H&B Tautz Redpath, Ltd.*

REDPATH AND COMPANY, LTD.

July 8, 2014

**- This page intentionally left blank -**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of West St. Paul, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages 3 through 8 of this report.

### **Financial Highlights**

The assets of the City of West St. Paul exceeded its liabilities at the close of the most recent fiscal year by \$63,176,977 (net position). Of this amount, \$17,407,903 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net position decreased by \$1,049,805. This decrease in net position of roughly 1.6% is due to several factors. The largest contributing factor affecting the decrease in net position is associated with capital expenditures, including: the purchase of property for the Robert Street Improvement, a parking lot, and for economic development purposes. The General Fund had an increase in fund balance resulting from a surplus in Local Government Aid (as compared to the budget) as well as salary savings due to retirements and vacancies. These, of course, were not the only increases/decreases in the City's operating funds, but the purchase of capital assets is the largest component.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,178,995. Of this total amount, \$110,133 is nonspendable, \$4,109,166 is restricted, \$4,058,819 is committed, \$4,455,522 is assigned and \$5,445,355 is unassigned.

\$8,167,985 or 45% is restricted or committed through legal restrictions and City Council authorization.

At the end of the current fiscal year the General Fund balance of \$8,606,940 was split as follows: \$110,133 was nonspendable, \$809 was restricted, \$648,763 was assigned and \$7,847,235 was unassigned.

The City's total bonded debt decreased by \$640,000 during the current fiscal year; decreasing from \$27,875,000 to \$27,235,000. This decrease was the net result of the issuance of debt for street and sidewalk reconstruction in the amount of \$1,530,000 and principal payments for the year totaling \$2,170,000 which included the final payment of a refunded bond from the prior year.

## Management's Discussion and Analysis

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and parks and recreation. The business-type activities of the City include public utilities (storm sewer and sanitary sewer) and recreational activities (Civic Center Arena, Swimming Pool, Golf Course and Athletic Center).

The government-wide financial statements can be found on pages 33 through 35 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

## Management's Discussion and Analysis

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, one special revenue fund (Economic Development Authority), one debt service fund (Special Assessment Bonds) and three capital projects funds (Vehicle and Equipment Reserve, Permanent Improvement Revolving, and TIF Districts) which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 36 through 42 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the storm sewer, sanitary sewer, golf course, civic center arena, swimming pool operations and regional athletic center.

The basic proprietary funds financial statements can be found on pages 43 through 45 of this report.

## Management's Discussion and Analysis

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 81 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 93 through 123 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of West St. Paul, assets exceeded liabilities by \$63,176,977 at the close of the most recent fiscal year.

The largest portion of the City's net position \$42,369,868 (or 67% percent) reflects its 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'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 the capital assets themselves cannot be used to liquidate these liabilities.

### **City of West St. Paul, Minnesota's Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current and other assets	\$21,290,560	\$25,562,498	\$3,991,571	\$4,587,292	\$25,282,131	\$30,149,790
Capital assets	51,099,068	52,182,381	17,909,872	14,170,239	69,008,940	66,352,620
Total assets	<u>\$72,389,628</u>	<u>\$77,744,879</u>	<u>\$21,901,443</u>	<u>\$18,757,531</u>	<u>\$94,291,071</u>	<u>\$96,502,410</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	\$21,299,364	\$21,526,692	\$7,538,142	\$7,841,853	\$28,837,506	\$29,368,545
Other liabilities	1,900,369	1,095,807	376,219	1,360,676	2,276,588	2,456,483
Total liabilities	<u>\$23,199,733</u>	<u>\$22,622,499</u>	<u>\$7,914,361</u>	<u>\$9,202,529</u>	<u>\$31,114,094</u>	<u>\$31,825,028</u>
<b>Net assets:</b>						
Net investment in capital assets	\$32,092,175	\$33,876,690	\$10,277,693	\$5,299,774	\$42,369,868	\$39,176,464
Restricted	3,399,206	4,686,286	-	-	3,399,206	4,686,286
Unrestricted	13,698,514	16,559,404	3,709,389	4,255,228	17,407,903	20,814,632
Total net position	<u>\$49,189,895</u>	<u>\$55,122,380</u>	<u>\$13,987,082</u>	<u>\$9,555,002</u>	<u>\$63,176,977</u>	<u>\$64,677,382</u>

## Management's Discussion and Analysis

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,407,903) may be used to meet the City's ongoing obligations to citizens and creditors.

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

### **Governmental Activities**

Governmental activities decreased the City's net position by \$1,856,061. The amount of revenue generated from taxes, including excess tax increment, increased \$482,128 from 2012. The market value of the City's investments decreased in 2013 causing a net loss of \$177,976 for investment earning, a decrease of nearly \$575,000 compared to 2012. Operating grants and contributions for 2013 were down almost \$275,000.

Expenses increased \$2,251,023 over the prior year almost entirely from two street reconstruction projects. General government expenses decreased \$252,876 from the previous year.

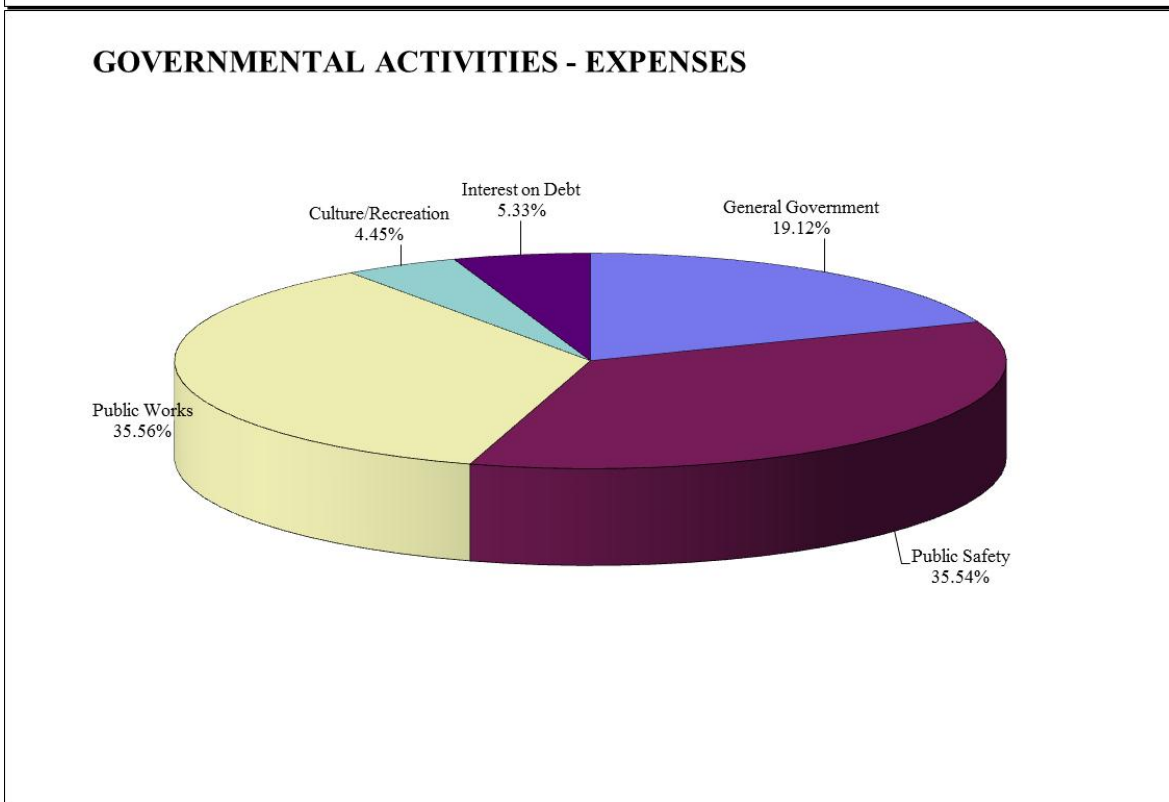
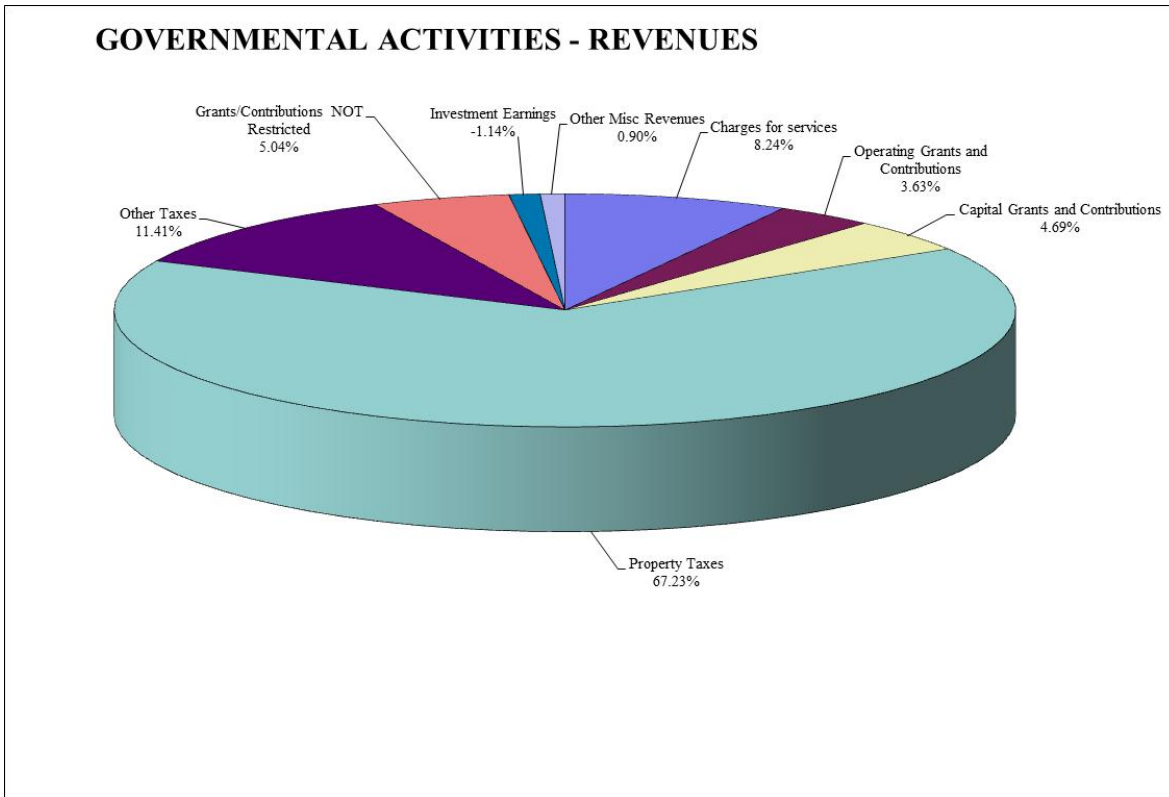
## Management's Discussion and Analysis

### City of West St. Paul, Minnesota's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$1,289,463	\$1,401,402	\$4,531,294	\$3,864,992	\$5,820,757	\$5,266,394
Operating grants and contributions	568,633	843,318	7,902	-	576,535	843,318
Capital grants and contributions	733,961	576,047	5,999	58,017	739,960	634,064
General revenues:						
Property taxes	10,525,106	10,112,316	102,797	54,118	10,627,903	10,166,434
Other taxes	1,785,505	1,716,167	-	-	1,785,505	1,716,167
Grants and contributions not restricted to specific programs	788,259	788,847	-	-	788,259	788,847
Unrestricted investment earnings	(177,976)	396,479	(37,571)	82,583	(215,547)	479,062
Other miscellaneous revenues	141,263	167,158	-	-	141,263	167,158
Total revenues	<u>15,654,214</u>	<u>16,001,734</u>	<u>4,610,421</u>	<u>4,059,710</u>	<u>20,264,635</u>	<u>20,061,444</u>
Expenses:						
General government	3,389,974	3,642,850	-	-	3,389,974	3,642,850
Public safety	6,303,232	6,285,568	-	-	6,303,232	6,285,568
Public works	6,306,335	4,053,264	-	-	6,306,335	4,053,264
Parks and recreation	789,544	755,629	-	-	789,544	755,629
Interest and fees on long-term debt	945,296	746,047	-	-	945,296	746,047
Public utilities	-	-	2,462,051	2,341,621	2,462,051	2,341,621
Recreation	-	-	1,118,008	809,898	1,118,008	809,898
Total expenses	<u>17,734,381</u>	<u>15,483,358</u>	<u>3,580,059</u>	<u>3,151,519</u>	<u>21,314,440</u>	<u>18,634,877</u>
Increase (decrease) in net assets before transfers	(2,080,167)	518,376	1,030,362	908,191	(1,049,805)	1,426,567
Transfers	<u>224,106</u>	<u>(1,719,899)</u>	<u>(224,106)</u>	<u>1,719,899</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>(1,856,061)</u>	<u>(1,201,523)</u>	<u>806,256</u>	<u>2,628,090</u>	<u>(1,049,805)</u>	<u>1,426,567</u>
Net assets - January 1 as previously reported	55,122,380	56,323,903	9,555,002	6,926,912	64,677,382	63,250,815
Prior period adjustment	(4,076,424)	-	3,625,824	-	(450,600)	-
Net assets - January 1, as restated	<u>51,045,956</u>	<u>56,323,903</u>	<u>13,180,826</u>	<u>6,926,912</u>	<u>64,226,782</u>	<u>63,250,815</u>
Net assets - December 31	<u>\$49,189,895</u>	<u>\$55,122,380</u>	<u>\$13,987,082</u>	<u>\$9,555,002</u>	<u>\$63,176,977</u>	<u>\$64,677,382</u>

## Management's Discussion and Analysis

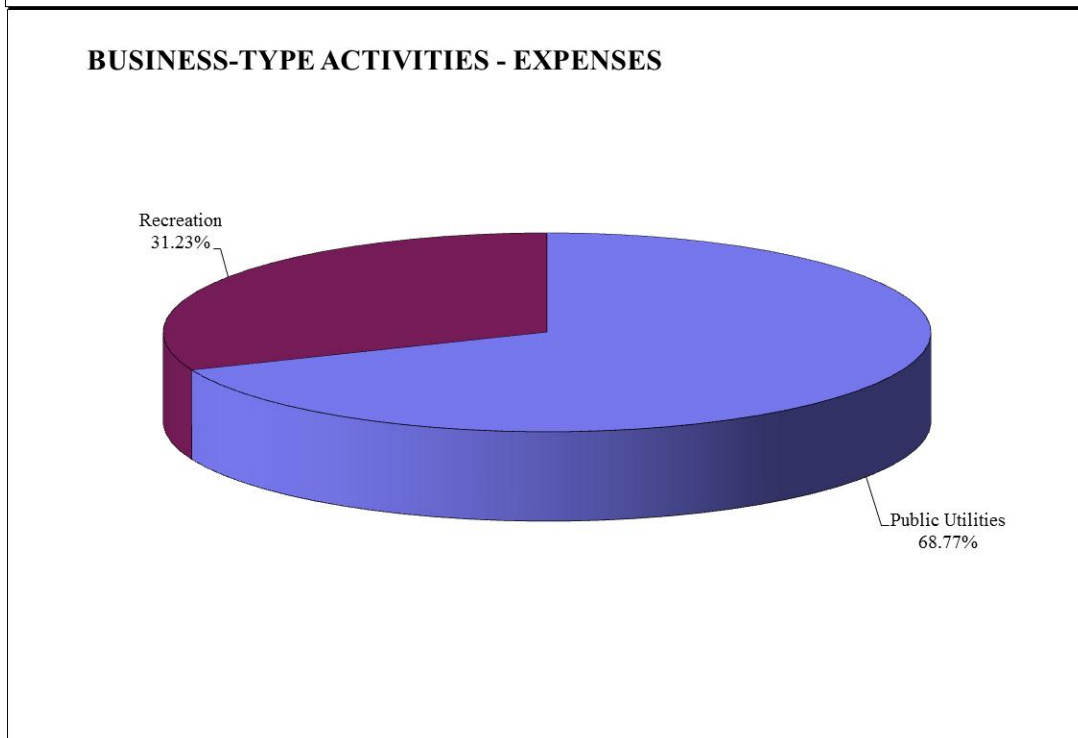
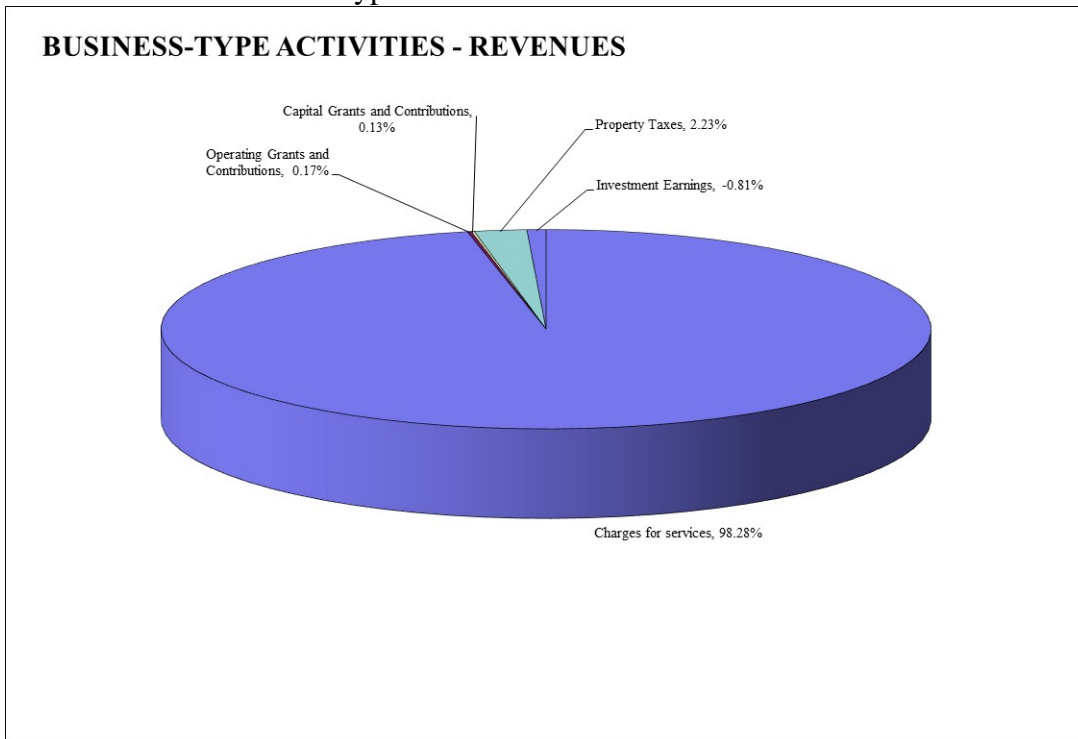
The charts below reflect the sources and uses of funds associated with governmental activities:



## Management's Discussion and Analysis

### Business-Type Activities

Business-type activities increased in net position by \$806,256. The increase is a result of rate increases in the Public Utilities Fund as part of an effort to build funding for future capital projects; and the new revenue from the sports dome which opened in November of 2012. The graphs below show the business-type activities sources and uses of funds:





## Management's Discussion and Analysis

### Financial Analysis of the Government's Funds

**Governmental Funds.** The focus of the City of West St. Paul'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,178,995.

Approximately 30% of this fund total amount (\$5,445,355) constitutes unassigned Fund balance. The remainder of the fund balance is as follows; \$110,133 nonspendable, \$4,109,166 restricted, \$4,058,819 committed and \$4,455,522 assigned.

The General Fund is the chief operating fund of the City. The total General fund balance increased \$1,193,924 during 2013 resulting primarily from greater than expected revenues.

The EDA Fund decreased by \$406,662 in 2013 due mainly to the purchase of properties for economic development.

The Special Assessment Bonds Fund decreased by \$274,015 primarily due to use of bond proceeds from a current refunding of the 2004A bonds in the previous year.

The Vehicle and Equipment Reserve Fund increased \$207,037 in 2013 mainly from a transfer in from closing another capital fund.

The Permanent Improvement Revolving Fund decreased by \$2,688,692 due to expenditures for the Robert Street Reconstruction Project and other planned street and sidewalk improvements in 2013.

The TIF District Fund decreased by \$1,363,566 during 2013 as a result of property acquisitions related to the future Robert Street Reconstruction Project.

**Proprietary Funds.** The City's proprietary funds consist of two major service areas: Public Utilities and Recreation.

The Public Utilities Funds increased by \$646,717 for 2013. The increase was due chiefly to increases in utility rates than were implemented in an effort to increase the fund balance available for future infrastructure projects.

The Recreation Funds increased by \$159,539 in 2013. This increase was due mainly to higher than anticipated revenues from the new sports dome.

## Management's Discussion and Analysis

### **Budgetary Highlights**

#### **General Fund**

The City budgets for its major source of intergovernmental aid, Local Government Aid (LGA), from the State of Minnesota in the General Fund. In recent years, this funding source has been somewhat erratic and subject to unilateral unallotment. As a result, the City may not receive the promised amount of LGA which causes funding challenges for General Fund activities.

In response to the unreliable nature of this funding source, the City implemented a plan to become less reliant on this source of revenue by a combination of expenditure reductions and increases in other revenues, including property taxes. For the 2013 budget, the State certified an LGA allocation of \$773,763. The City assumed that there was a possibility of additional unallotment of funding and, therefore, budgeted to receive \$125,000. The final allocation for 2013 was \$773,763 which resulted in a surplus for the City of \$648,763. The City Council intends to utilize LGA surpluses for one-time purchases such as capital outlay to continue to reduce reliance on these funds for on-going operations. In 2013, the surplus was assigned to support street repairs/improvements in subsequent years.

The 5% Gross Earnings Franchise Tax from the local electric energy provider continues to be a major part of the General Fund annual revenues. \$833,127 was collected for 2013. This compares to \$750,181 collected for 2012.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of West St. Paul, Minnesota's gross investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounted to \$42,369,868 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

#### **City of West St. Paul, Minnesota's Capital Assets (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$7,238,058	\$5,127,612	\$1,144,168	\$1,144,168	\$8,382,226	\$6,271,780
Construction in progress	3,973,621	2,982,668	-	6,462,611	3,973,621	9,445,279
Buildings	8,319,835	8,687,414	9,949,338	3,406,020	18,269,173	12,093,434
Improvements other than buildings	227,045	218,913	-	-	227,045	218,913
Vehicles, machinery and equipment	1,124,948	1,226,177	384,567	406,479	1,509,515	1,632,656
Software	122,227	113,944	-	-	122,227	113,944
Infrastructure	<u>30,093,334</u>	<u>33,825,653</u>	<u>6,431,799</u>	<u>2,750,961</u>	<u>36,525,133</u>	<u>36,576,614</u>
Net Capital Assets	<u>\$51,099,068</u>	<u>\$52,182,381</u>	<u>\$17,909,872</u>	<u>\$14,170,239</u>	<u>\$69,008,940</u>	<u>\$66,352,620</u>

Additional information on the City's capital assets can be found in Note 5.

## Management's Discussion and Analysis

**Long-term debt.** At the end of the current fiscal year, the City had total bonded long-term debt outstanding of \$27,235,000, a decrease of \$640,000 from 2012. \$12,315,000 is for general obligation improvement debt, which is supported in part by special assessments. \$6,065,000 is general obligation bonded debt that is financed solely by annual property tax levies. \$1,420,000 of general obligation tax increment bonds are outstanding, which will be financed with tax increment collections. There is \$2,355,000 in revenue bonds (total) issued to finance improvements to the sanitary sewer system, and construction of the City's golf course. Finally, there is \$5,080,000 in general obligation tax abatement bonds to finance the construction of the new sports dome (Regional Athletic Center).

### City of West St. Paul, Minnesota's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Special Assessment Bonds	\$12,315,000	\$12,470,000	\$ -	\$ -	\$12,315,000	\$12,470,000
General Obligations Bonds	6,065,000	6,220,000	5,080,000	5,080,000	11,145,000	11,300,000
Capital notes	-	-	-	-	-	-
TIF bonds	1,420,000	1,460,000	-	-	1,420,000	1,460,000
Revenue bonds	-	-	2,355,000	2,645,000	2,355,000	2,645,000
Total long-term debt	<u>\$19,800,000</u>	<u>\$20,150,000</u>	<u>\$7,435,000</u>	<u>\$7,725,000</u>	<u>\$27,235,000</u>	<u>\$27,875,000</u>

The City received an increase in its bond rating to AA by Standard & Poor's in October 2009. The City maintained this rating for special assessment bonds sold in late 2012 and 2013.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of West St. Paul is \$36,664,853. Only \$6,632,500 of the City's outstanding debt is counted within the statutory limitation.

Additional information on the City's debt can be found in Note 6.

### **Economic Factors and Next Year's Budgets and Rates**

Economic redevelopment continues in the City of West St. Paul. The development formerly known as 10 Acres was purchased in 2008 and the name changed to Robert Street Market Place. Plans to remodel the existing grocery complex were completed in 2012. The construction of two out-buildings is also planned. The City purchased 16 blighted residential properties for demolition and redevelopment. Eight lots have been sold and new homes built on them. The City purchased several lots in 2013; some are needed for the Robert Street Reconstruction Project and some are intended for future economic development. The City is working with a developer on plans for a new fitness club which would be adjacent to the new sports dome. The project would include a joint parking lot to accommodate both facilities. The City has further collaborated with the City of St. Paul for redevelopment opportunities on Smith Avenue (along the West St. Paul and St. Paul border).

## Management's Discussion and Analysis

The City continues to be challenged by current economic conditions locally and nationally. During 2008 and 2009, the City's residents experience a significant number of foreclosures, resulting in vacant properties. Property values dropped in each of the past five years; but with the declining prices, many residents sought building permits to upgrade their properties. This is anticipated to eventually result in increased values and, the County Assessor has already indicated it could be next year. During 2013, an upturn in housing sales was noted with many homes now selling within 30 days of listing.

In recognition of challenging economic times, the City maintained a conservative approach to budgeting; holding wage increases to small adjustments, delaying capital purchases and refinancing debt when advantageous. With the improving economy the City will carefully consider each major project in context of a 10 year plan to balance the needs of the City with available resources.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of West St. Paul's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of West St. Paul, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118-3972.

## **BASIC FINANCIAL STATEMENTS**

**- This page intentionally left blank -**

**CITY OF WEST ST. PAUL, MINNESOTA**

STATEMENT OF NET POSITION

December 31, 2013

**Statement 1**

	Primary Government		Totals 2013
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Cash and investments	\$17,809,832	\$2,660,687	\$20,470,519
Accounts receivable - net	570,351	809,389	1,379,740
Property taxes receivable	207,774	-	207,774
Special assessments receivable	1,125,992	507,912	1,633,904
Accrued interest receivable	45,252	7,293	52,545
Due from other governments	1,149,226	3,268	1,152,494
Inventory	-	3,022	3,022
Prepaid items	110,133	-	110,133
Notes receivable	57,000	-	57,000
Land held for resale	215,000	-	215,000
<b>Capital assets - net of accumulated depreciation:</b>			
Nondepreciable	11,211,679	1,144,168	12,355,847
Depreciable	39,887,389	16,765,704	56,653,093
Total assets	<u>72,389,628</u>	<u>21,901,443</u>	<u>94,291,071</u>
<b>Liabilities:</b>			
Accounts payable	755,343	59,387	814,730
Deposits payable	185,720	-	185,720
Contracts payable	522,909	158,230	681,139
Accrued salaries and fringes	149,600	12,875	162,475
Accrued interest payable	238,663	65,509	304,172
Unearned revenue	11,683	38,750	50,433
Due to other governmental units	36,451	41,468	77,919
<b>Long-term liabilities:</b>			
Due within one year			
Compensated absences payable	388,975	13,018	401,993
Debt payable	1,539,573	299,361	1,838,934
Due in more than one year			
Compensated absences payable	318,252	10,649	328,901
Debt payable	18,348,856	7,174,588	25,523,444
Other postemployment benefits	703,708	40,526	744,234
Total liabilities	<u>23,199,733</u>	<u>7,914,361</u>	<u>31,114,094</u>
<b>Net position:</b>			
Net investment in capital assets	32,092,175	10,277,693	42,369,868
<b>Restricted for:</b>			
Debt service	2,715,808	-	2,715,808
Tax increment purposes	302,193	-	302,193
Police expenditures	38,736	-	38,736
Fire expenditures	342,469	-	342,469
Unrestricted	13,698,514	3,709,389	17,407,903
Total net position	<u>\$49,189,895</u>	<u>\$13,987,082</u>	<u>\$63,176,977</u>

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

**CITY OF WEST ST. PAUL, MINNESOTA**

**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges For Services
Primary government:		
Governmental activities:		
General government	\$3,389,974	\$712,530
Public safety	6,303,232	382,258
Public works	6,306,335	120,755
Parks and recreation	789,544	73,920
Interest on long-term debt	945,296	-
Total governmental activities	<u>17,734,381</u>	<u>1,289,463</u>
Business-type activities:		
Storm sewer	210,550	405,423
Sanitary sewer	2,251,501	3,015,442
Golf course	170,714	142,388
Civic Center Arena	255,413	198,572
Swimming pool	89,555	5,642
Regional Athletic Center	602,326	763,827
Total business-type activities	<u>3,580,059</u>	<u>4,531,294</u>
Total primary government	<u>\$21,314,440</u>	<u>\$5,820,757</u>

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



Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals 2013
\$22,100	\$ -	(\$2,655,344)	\$ -	(\$2,655,344)
290,754	-	(5,630,220)	-	(5,630,220)
143,145	732,961	(5,309,474)	-	(5,309,474)
-	1,000	(714,624)	-	(714,624)
112,634	-	(832,662)	-	(832,662)
<u>568,633</u>	<u>733,961</u>	<u>(15,142,324)</u>	<u>0</u>	<u>(15,142,324)</u>
-	-	-	194,873	194,873
-	-	-	763,941	763,941
-	-	-	(28,326)	(28,326)
7,902	-	-	(48,939)	(48,939)
-	-	-	(83,913)	(83,913)
-	5,999	-	167,500	167,500
<u>7,902</u>	<u>5,999</u>	<u>0</u>	<u>965,136</u>	<u>965,136</u>
<u>\$576,535</u>	<u>\$739,960</u>	<u>(15,142,324)</u>	<u>965,136</u>	<u>(14,177,188)</u>
General revenues:				
General property taxes		10,525,106	102,797	10,627,903
Tax increment taxes		870,109	-	870,109
Franchise and other taxes		915,396	-	915,396
Grants and contributions not restricted to specific programs		788,259	-	788,259
Unrestricted investment earnings		(177,976)	(37,571)	(215,547)
Gain on disposal of capital assets		10,644	-	10,644
Miscellaneous		130,619	-	130,619
Transfers		224,106	(224,106)	-
Total general revenues and transfers		<u>13,286,263</u>	<u>(158,880)</u>	<u>13,127,383</u>
Change in net position		<u>(1,856,061)</u>	<u>806,256</u>	<u>(1,049,805)</u>
Net position - beginning, as previously reported		55,122,380	9,555,002	64,677,382
Prior period adjustment		(4,076,424)	3,625,824	(450,600)
Net position - beginning, as restated		<u>51,045,956</u>	<u>13,180,826</u>	<u>64,226,782</u>
Net position - ending		<u>\$49,189,895</u>	<u>\$13,987,082</u>	<u>\$63,176,977</u>

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

**CITY OF WEST ST. PAUL, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2013

	<u>General Fund</u>	<u>Economic Development Authority</u>	<u>Special Assessment Bonds Fund</u>
<b>Assets</b>			
Cash and investments	\$7,629,073	\$813,380	\$3,071,160
Accrued interest receivable	17,703	1,669	8,882
Prepays	110,133	-	-
Due from other governmental units	933,090	113,917	6,012
Accounts receivable	537,649	-	-
Delinquent taxes receivable	182,926	5,518	-
Special assessments receivable:			
Delinquent	6,873	-	11,653
Deferred	33,588	-	920,658
Loans receivable	-	57,000	-
Due from other funds	-	440,000	-
Interfund loan receivable	-	1,281,839	-
Land held for resale	-	215,000	-
	<u>\$9,451,035</u>	<u>\$2,928,323</u>	<u>\$4,018,365</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$199,985	\$47,184	\$450
Deposits payable	173,012	-	-
Contracts payable	-	-	-
Accrued salaries and withholdings payable	143,373	3,360	-
Unearned revenue	11,683	-	-
Due to other governmental units	33,562	-	-
Due to other funds	-	-	-
Interfund loan payable	-	-	-
	<u>561,615</u>	<u>50,544</u>	<u>450</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	282,480	62,518	932,311
	<u>282,480</u>	<u>62,518</u>	<u>932,311</u>
<b>Fund balance:</b>			
Nonspendable	110,133	-	-
Restricted	809	-	3,085,604
Committed	-	2,815,261	-
Assigned	648,763	-	-
Unassigned	7,847,235	-	-
	<u>8,606,940</u>	<u>2,815,261</u>	<u>3,085,604</u>
<b>Total fund balance</b>	<u>\$9,451,035</u>	<u>\$2,928,323</u>	<u>\$4,018,365</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$9,451,035</u>	<u>\$2,928,323</u>	<u>\$4,018,365</u>

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

Vehicle and Equipment Reserve Fund	Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds 2013
\$3,066,047	\$22,957	\$363,247	\$2,843,968	\$ -	\$17,809,832
8,390	670	926	7,012	-	45,252
-	-	-	-	-	110,133
27,556	-	4,965	63,686	-	1,149,226
-	-	25,000	7,702	-	570,351
5,581	-	852	12,897	-	207,774
-	-	-	-	-	18,526
2,565	150,655	-	-	-	1,107,466
-	-	-	-	-	57,000
-	-	-	-	(440,000)	-
-	-	-	-	(1,281,839)	-
-	-	-	-	-	215,000
<u>\$3,110,139</u>	<u>\$174,282</u>	<u>\$394,990</u>	<u>\$2,935,265</u>	<u>(\$1,721,839)</u>	<u>\$21,290,560</u>
\$17,054	\$429,805	\$ -	\$60,865	\$ -	\$755,343
-	-	12,708	-	-	185,720
-	224,366	-	298,543	-	522,909
-	2,867	-	-	-	149,600
-	-	-	-	-	11,683
-	-	-	2,889	-	36,451
-	-	440,000	-	(440,000)	-
-	-	1,281,839	-	(1,281,839)	-
<u>17,054</u>	<u>657,038</u>	<u>1,734,547</u>	<u>362,297</u>	<u>(1,721,839)</u>	<u>1,661,706</u>
<u>8,146</u>	<u>150,655</u>	<u>852</u>	<u>12,897</u>	<u>-</u>	<u>1,449,859</u>
<u>8,146</u>	<u>150,655</u>	<u>852</u>	<u>12,897</u>	<u>0</u>	<u>1,449,859</u>
-	-	-	-	-	110,133
-	-	301,366	721,387	-	4,109,166
-	-	-	1,243,558	-	4,058,819
3,084,939	-	-	721,820	-	4,455,522
-	(633,411)	(1,641,775)	(126,694)	-	5,445,355
<u>3,084,939</u>	<u>(633,411)</u>	<u>(1,340,409)</u>	<u>2,560,071</u>	<u>0</u>	<u>18,178,995</u>
<u>\$3,110,139</u>	<u>\$174,282</u>	<u>\$394,990</u>	<u>\$2,935,265</u>	<u>(\$1,721,839)</u>	<u>\$21,290,560</u>

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

**- This page intentionally left blank -**

**CITY OF WEST ST. PAUL, MINNESOTA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
For The Year Ended December 31, 2013

**Statement 4**

	2013	
Total fund balances for governmental funds		\$18,178,995
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	7,238,058	
Construction in progress	3,973,621	
Infrastructure	56,601,312	
Land improvements	1,149,122	
Buildings	10,651,592	
Machinery and equipment	3,749,743	
Software	385,157	
Total capital assets	83,748,605	
Less: accumulated depreciation	(32,649,537)	51,099,068
Some of the City's property taxes, special assessments and fees will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the governmental funds.		
		1,449,859
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net assets.		
		(238,663)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets.		
Balances at year end are:		
Bonds payable	(19,800,000)	
Unamortized premiums	(148,121)	
Unamortized discount	59,692	
OPEB payable	(703,708)	
Compensated absence payable	(707,227)	(21,299,364)
Total net position of governmental activities		\$49,189,895

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

**CITY OF WEST ST. PAUL, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2013

	General Fund	Economic Development Authority	Special Assessment Bonds Fund
<b>Revenues:</b>			
General property taxes	\$7,738,430	\$231,731	\$1,366,035
Tax increment collections	-	-	-
Franchise and other taxes	913,228	-	-
Licenses and permits	481,658	-	-
Intergovernmental	1,227,289	396,667	-
Special assessments	16,280	-	362,872
Charges for services	636,266	8	-
Fines and forfeits	140,612	-	-
Investment income	(68,669)	36,071	(33,457)
Miscellaneous	65,577	7,953	-
<b>Total revenues</b>	<b>11,150,671</b>	<b>672,430</b>	<b>1,695,450</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	2,380,172	261,924	-
Public safety	6,023,326	-	-
Public works	1,515,632	-	-
Parks and recreation	652,494	-	-
Unallocated general expenditures	159	-	-
Capital outlay	321	817,168	-
<b>Debt service:</b>			
Principal	-	-	1,685,000
Interest and fees	-	-	296,999
Costs of issuance	-	-	-
Miscellaneous	-	-	2,342
<b>Total expenditures</b>	<b>10,572,104</b>	<b>1,079,092</b>	<b>1,984,341</b>
Revenues over (under) expenditures	<u>578,567</u>	<u>(406,662)</u>	<u>(288,891)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	10,644	-	-
Issuance of debt	-	-	14,876
Bond premiums	-	-	-
Insurance recoveries	-	-	-
Transfers in	673,013	-	-
Transfers out	(68,300)	-	-
<b>Total other financing sources (uses)</b>	<b>615,357</b>	<b>0</b>	<b>14,876</b>
Net change in fund balance	1,193,924	(406,662)	(274,015)
Fund balance (deficit) - January 1	<u>7,413,016</u>	<u>3,221,923</u>	<u>3,359,619</u>
Fund balance (deficit) - December 31	<u><u>\$8,606,940</u></u>	<u><u>\$2,815,261</u></u>	<u><u>\$3,085,604</u></u>

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

Statement 5

Vehicle and Equipment Reserve Fund	Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds 2013
\$233,073	\$ -	\$ -	\$985,080	\$ -	\$10,554,349
-	-	915,051	-	-	915,051
-	-	-	-	-	913,228
-	-	-	-	-	481,658
-	-	-	112,634	-	1,736,590
-	18,990	-	-	-	398,142
-	-	-	-	-	636,274
-	-	-	-	-	140,612
(33,631)	(19,428)	(15,127)	(43,735)	-	(177,976)
3,839	-	11,395	91,100	-	179,864
<u>203,281</u>	<u>(438)</u>	<u>911,319</u>	<u>1,145,079</u>	<u>0</u>	<u>15,777,792</u>
-	-	339,600	54,461	-	3,036,157
-	-	-	119,871	-	6,143,197
84,429	1,647,374	-	68,055	-	3,315,490
-	-	-	29,090	-	681,584
-	-	-	61,099	-	61,258
137,344	2,740,906	1,832,585	1,158,813	-	6,687,137
-	-	-	195,000	-	1,880,000
-	-	-	399,798	-	696,797
-	53,096	-	-	-	53,096
-	-	-	-	-	2,342
<u>221,773</u>	<u>4,441,376</u>	<u>2,172,185</u>	<u>2,086,187</u>	<u>0</u>	<u>22,557,058</u>
<u>(18,492)</u>	<u>(4,441,814)</u>	<u>(1,260,866)</u>	<u>(941,108)</u>	<u>0</u>	<u>(6,779,266)</u>
-	-	-	-	-	10,644
-	1,515,124	-	-	-	1,530,000
-	31,498	-	-	-	31,498
-	-	-	5,643	-	5,643
225,529	206,500	-	102,700	(621,729)	586,013
-	-	(102,700)	(519,029)	621,729	(68,300)
<u>225,529</u>	<u>1,753,122</u>	<u>(102,700)</u>	<u>(410,686)</u>	<u>0</u>	<u>2,095,498</u>
207,037	(2,688,692)	(1,363,566)	(1,351,794)	0	(4,683,768)
2,877,902	2,055,281	23,157	3,911,865	-	22,862,763
<u>\$3,084,939</u>	<u>(\$633,411)</u>	<u>(\$1,340,409)</u>	<u>\$2,560,071</u>	<u>\$0</u>	<u>\$18,178,995</u>

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

**CITY OF WEST ST. PAUL, 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, 2013

**Statement 6**

	2013
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Net changes in fund balances - total governmental funds (Statement 5)	(\$4,683,768)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
Capital outlay	6,687,137
Capital outlay not capitalized	(1,346,206)
Proceeds from sale of capital assets	(10,644)
Gain on sale of capital assets	10,644
Depreciation	(2,054,213)
Transfer out of governmental capital assets contributed to Enterprise Funds	(293,607)
In the statement of activities, other postemployment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During fiscal years 2012 and 2013, other postemployment benefits payable changed.	
Other postemployment benefits - December 31, 2012	636,395
Other postemployment benefits - December 31, 2013	(703,708)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the government funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
Issuance of general obligation bonds	(1,530,000)
Premium on issuance of general obligation bonds	(31,498)
Repayment of debt principal	1,880,000
Accrued interest expense	(20,373)
Amortization of bond discount/premium	6,710
Elimination of immaterial deferred charges	(232,494)
Delinquent and deferred property taxes and special assessments receivable will be collected subsequent to year end, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the governmental funds.	
Unavailable revenue - December 31, 2012	(1,589,724)
Unavailable revenue - December 31, 2013	1,449,859
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During the fiscal year, compensated absence payable changed.	
	(30,571)
Change in net position of governmental activities (Statement 2)	(\$1,856,061)

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



**CITY OF WEST ST. PAUL, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2013

**Statement 7**

	Business-Type Activities - Enterprise Funds		
	Public Utilities	Recreation Fund	Total
	Fund		2013
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments	\$1,999,815	\$660,872	\$2,660,687
Due from other governments	3,268	-	3,268
<b>Receivables:</b>			
Accounts	87,296	1,792	89,088
User accounts - current and delinquent	580,454	139,847	720,301
Customer assessments	507,912	-	507,912
Interest receivable on investments	5,773	1,520	7,293
Inventory	-	3,022	3,022
<b>Total current assets</b>	<b>3,184,518</b>	<b>807,053</b>	<b>3,991,571</b>
<b>Capital assets:</b>			
Land	10,945	1,133,223	1,144,168
Buildings and improvements	2,242,652	10,908,675	13,151,327
Vehicles, machinery, and equipment	436,479	409,862	846,341
Distribution and collection systems	13,708,056	-	13,708,056
<b>Total capital assets</b>	<b>16,398,132</b>	<b>12,451,760</b>	<b>28,849,892</b>
Less: accumulated depreciation	(8,464,704)	(2,475,316)	(10,940,020)
<b>Net capital assets</b>	<b>7,933,428</b>	<b>9,976,444</b>	<b>17,909,872</b>
<b>Total assets</b>	<b>11,117,946</b>	<b>10,783,497</b>	<b>21,901,443</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Payroll withholdings payable	9,624	3,251	12,875
Accounts payable	12,713	46,674	59,387
Contracts payable	-	158,230	158,230
Due to other governmental units	41,144	324	41,468
Unearned revenue	-	38,750	38,750
Accrued bond interest payable	16,105	49,404	65,509
Accrued compensated absences, current portion	10,669	2,349	13,018
Bonds payable, current portion	257,958	41,403	299,361
<b>Total current liabilities</b>	<b>348,213</b>	<b>340,385</b>	<b>688,598</b>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences	8,728	1,921	10,649
Other post employment benefits payable	28,641	11,885	40,526
Bonds payable, net of current portion	1,702,745	5,471,843	7,174,588
<b>Total noncurrent liabilities</b>	<b>1,740,114</b>	<b>5,485,649</b>	<b>7,225,763</b>
<b>Total liabilities</b>	<b>2,088,327</b>	<b>5,826,034</b>	<b>7,914,361</b>
<b>Net position:</b>			
Net investment in capital assets	5,972,725	4,304,968	10,277,693
Unrestricted	3,056,894	652,495	3,709,389
<b>Total net position</b>	<b>\$9,029,619</b>	<b>\$4,957,463</b>	<b>\$13,987,082</b>

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

**CITY OF WEST ST. PAUL, MINNESOTA**  
**STATEMENT OF REVENUE, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2013

**Statement 8**

**Business-Type Activities - Enterprise Funds**

	Public Utilities		Total
	Fund	Recreation Fund	
			2013
Operating revenue:			
User charges for services	\$3,403,148	\$1,075,187	\$4,478,335
Retained fees	1,228	-	1,228
Miscellaneous	-	38,644	38,644
Total operating revenue	<u>3,404,376</u>	<u>1,113,831</u>	<u>4,518,207</u>
Operating expenses:			
Personal services	264,273	135,860	400,133
Supplies	16,923	69,091	86,014
Contractual services	1,691,757	527,047	2,218,804
Miscellaneous other charges	76,994	12,925	89,919
Depreciation	330,924	242,693	573,617
Total operating expenses	<u>2,380,871</u>	<u>987,616</u>	<u>3,368,487</u>
Operating income (loss)	<u>1,023,505</u>	<u>126,215</u>	<u>1,149,720</u>
Nonoperating revenue (expense):			
Property taxes	-	102,797	102,797
Investment income	(19,691)	(17,880)	(37,571)
Interest on special assessments	16,489	-	16,489
Intergovernmental	-	4,500	4,500
Bond interest expense	(81,180)	(130,392)	(211,572)
Total nonoperating revenue (expense)	<u>(84,382)</u>	<u>(40,975)</u>	<u>(125,357)</u>
Income (loss) before capital contributions and transfers	<u>939,123</u>	<u>85,240</u>	<u>1,024,363</u>
Capital contributions and transfers:			
Capital contributions - capital assets	293,607	5,999	299,606
Transfers in	-	68,300	68,300
Transfers out	(586,013)	-	(586,013)
Total capital contributions and transfers	<u>(292,406)</u>	<u>74,299</u>	<u>(218,107)</u>
Change in net position	<u>646,717</u>	<u>159,539</u>	<u>806,256</u>
Net position - January 1, as previously reported	4,757,078	4,797,924	9,555,002
Prior period adjustment	3,625,824	-	3,625,824
Net position - January 1, as restated	<u>8,382,902</u>	<u>4,797,924</u>	<u>13,180,826</u>
Net position - December 31	<u><u>\$9,029,619</u></u>	<u><u>\$4,957,463</u></u>	<u><u>\$13,987,082</u></u>

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

**CITY OF WEST ST. PAUL, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2013

**Statement 9**

	Business-Type Activities - Enterprise Funds		
	Public Utilities	Recreation Fund	Total
	Fund		2013
Cash flows from operating activities:			
Receipts from customers and users	\$3,477,056	\$1,091,818	\$4,568,874
Payment to suppliers	(1,786,497)	(702,324)	(2,488,821)
Payment to employees	(255,811)	(131,550)	(387,361)
Miscellaneous revenue	-	38,644	38,644
Net cash flows provided (used) by operating activities	<u>1,434,748</u>	<u>296,588</u>	<u>1,731,336</u>
Cash flows from noncapital financing activities:			
Property taxes	-	104,444	104,444
Increase in customer assessments receivable	58,904	-	58,904
Intergovernmental	-	10,636	10,636
Transfers in	-	68,300	68,300
Transfers out	(586,013)	-	(586,013)
Net cash flows provided (used) by noncapital financing activities	<u>(527,109)</u>	<u>183,380</u>	<u>(343,729)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(1,315,306)	(1,315,306)
Principal paid on capital debt	(250,000)	(40,000)	(290,000)
Interest paid on capital debt	(63,388)	(128,429)	(191,817)
Interest received on special assessments	16,489	-	16,489
Net cash flows used by capital and related financing activities	<u>(296,899)</u>	<u>(1,483,735)</u>	<u>(1,780,634)</u>
Cash flows from investing activities:			
Investment income	(17,798)	(7,167)	(24,965)
Net increase (decrease) in cash and cash equivalents	592,942	(1,010,934)	(417,992)
Cash and cash equivalents - January 1	1,406,873	1,671,806	3,078,679
Cash and cash equivalents - December 31	<u>\$1,999,815</u>	<u>\$660,872</u>	<u>\$2,660,687</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$1,023,505</u>	<u>\$126,215</u>	<u>\$1,149,720</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	330,924	242,693	573,617
Changes in assets and liabilities:			
(Increase) decrease in receivables	72,680	(11,419)	61,261
(Increase) decrease in other assets	-	(1,428)	(1,428)
Increase (decrease) in payables	(823)	(91,833)	(92,656)
Increase (decrease) in deferred revenue	-	28,050	28,050
Increase (decrease) in accrued compensated absences	8,462	4,310	12,772
Total adjustments	<u>411,243</u>	<u>170,373</u>	<u>581,616</u>
Net cash provided (used) by operating activities	<u>\$1,434,748</u>	<u>\$296,588</u>	<u>\$1,731,336</u>
Noncash capital financing activities:			
Amortization of bond premium	\$5,013	\$1,404	\$6,417
Amortization of bond discount	(\$2,055)	\$ -	(\$2,055)
Assets contributed from governmental activities	\$293,607	\$ -	\$293,607

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

**- This page intentionally left blank -**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of West St. Paul, Minnesota (the City) operates as a "Home Rule Charter City" as defined by Minnesota State Statutes and is organized as a Council-Manager form of government. The City Council, composed of an elected mayor and six elected council persons, exercises legislative authority and determines all matters of policies.

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

**A. FINANCIAL REPORTING ENTITY**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

**BLENDED COMPONENT UNIT**

The Economic Development Authority (EDA) is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City's operations because the members of the City Council serve as EDA board members and its purpose is to promote development within the City. The EDA fund is a special revenue fund. Separate financial statements are not prepared for the EDA.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component unit. 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 business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *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 or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Economic Development Authority Fund* accounts for the facilitation of redevelopment of property within the City. The City established the EDA according to Minnesota Statute §469.109. Significant revenue sources for the EDA are general property taxes and intergovernmental revenues.

The *Special Assessment Bonds Fund* accounts for the revenues accumulated and payments made on long-term general obligation special assessment bonds.

**CITY OF WEST ST. PAUL, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

---

The *Vehicle and Equipment Reserve Fund* accounts for major capital improvements of a public works nature as set forth in the City Code, Section 315.03. Financing is provided by a specific annual property tax levy to the extent that miscellaneous revenue is not sufficient to cover the required expenditures.

The *Permanent Improvement Revolving Fund* accounts for the costs of constructing various street, sanitary sewer, storm sewer, and water projects. These costs are accumulated until it becomes prudent to issue bonds. The bond proceeds are then placed here to finance future construction. Thus, the fund acts as a large, revolving pool of working capital.

The *TIF District Fund* accounts for the activities within the City's four tax increment districts.

The City reports the following major proprietary funds:

The *Public Utilities Fund* accounts for the provision of sewer service to properties within the City. This fund is maintained pursuant to City Code, Section 705.01. Sewer system users are billed regularly for the services provided, with said collections used to cover the cost of central sewage processing by the Metropolitan Council Environmental Services and the City costs of maintenance, operations, administration, and billing.

The *Recreation Fund* accounts for City-owned recreation operations consisting of a golf course, civic center arena, athletic center and swimming pool.

The City reports the following fiduciary funds:

The *South Metro Fire Fund* accounts for funds obtained from the State of Minnesota which are passed through to the South Metro Fire Department.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the public utilities and recreation enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. BUDGETS**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds. Budgeted expenditure appropriations lapse at year end.

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

#### **E. LEGAL COMPLIANCE - BUDGETS**

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council as allowed by City Charter.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. Supplementary budgets are adopted for the debt service and proprietary funds. These budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance, respectively, and are not reflected in the financial statements, because these are adopted for management purposes only and do not represent a legally adopted budget.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.



8. Budgeted appropriations for expenditures are controlled at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services and benefits; materials, supplies, services, capital outlay) within each activity.

#### **F. CASH AND INVESTMENTS**

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

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

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

#### **G. RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the upcoming year. Long-term interfund loans, if any, are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund loan receivables, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Property taxes and special assessments have been reported net of estimated uncollectible accounts (see Note 1 H and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

**H. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes and credits not collected by the County by December 31 (remitted to the City the following January) are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

**I. SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to a tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

**J. INVENTORIES**

GOVERNMENTAL FUNDS

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

PROPRIETARY FUNDS

Inventories of the Proprietary Funds are recorded at the lower of cost or market, using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed.

**K. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**L. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (except for easements which is \$50,000 and software which is \$10,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Pursuant to GASB Statement 34, in the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2013

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2013, no interest was capitalized in connection with construction in progress.

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City had not accounted for computer software at historical cost and therefore retroactive reporting was necessary. The City was able to obtain historical costs and estimated fair value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	
Buildings and improvements	20 – 50 years
Machinery and equipment	5 – 20 years
Motor vehicles	5 – 20 years
Trails, sidewalks and streetlights	30 years
Storm sewers	50 years
Streets	40 years
Distribution and collection systems	50 – 75 years
Software	5 years

**M. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay.

The City's policy regarding vacation leave is contained in the City Code, Section 310.37. Vacation leave may be accumulated by an employee up to a maximum of twice the annual amount that they are eligible for at any point in time. Upon separation from City service, the employee can receive all unused vacation leave as severance pay, subject to this limitation.

The City's policy regarding sick leave is contained in the City Code, Section 310.43. The maximum accumulation allowed is 120 working days. Upon the employee's termination from City service, the City will pay all of the accumulated sick leave as severance pay.

**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 position. Bond premiums and discounts are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**O. FUND EQUITY**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Manager and/or Finance Director are authorized to establish assignments of fund balance.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

**P. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**Q. LAND HELD FOR RESALE**

Land held for resale is valued at the lower of cost or realizable value. Due to the nature of redevelopment activities, cost is frequently higher than realizable value. Realizable values are determined using appraised values or estimated actual sales price.

**R. USE OF ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, tax increment, certified bills not yet due, loans receivable and other receivables.

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any Federal agency.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2013 the bank balance of the City's deposits was covered by federal depository insurance or perfected collateral provided by the financial institution and held in the City's name.

**B. INVESTMENTS**

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
  - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
  - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
  - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.



**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

As of December 31, 2013 the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (In Years)			
			Less Than 1	1-5	6-10	Over 10 Years
Federal Home Loan Bank Notes	AA+	\$4,900,425	\$ -	\$245,983	\$2,862,783	\$1,791,660
Federal Home Loan Mortgage Corp. Notes	AA+	1,481,933	-	247,803	1,234,130	-
Federal National Mortgage Assn. Notes	AA+	3,075,450	-	1,460,280	718,530	896,640
First Federal Community Bank	AA+	703,838	-	-	703,838	-
FICO Series A	AA	471,105	-	471,105	-	-
Municipal Bond	(1)	415,000	-	-	415,000	-
Taxable Municipal Bonds	AA+	189,045	-	-	189,045	-
Taxable Municipal Bonds	AAA	1,574,165	-	1,081,815	492,350	-
Taxable Municipal Bonds	NA	911,272	325,397	-	254,420	331,455
External Investment Pool - 4M Fund	(2)	3,445	3,445	-	-	-
Negotiable Certificates of Deposit	(2)	4,065,323	1,307,921	2,367,977	389,425	-
Money Market	(2)	2,065,890	2,065,890	-	-	-
Total		<u>\$19,856,891</u>	<u>\$3,702,653</u>	<u>\$5,874,962</u>	<u>\$7,259,520</u>	<u>\$3,019,755</u>
Total Investments		\$19,856,891				
Deposits		611,028				
Petty Cash		2,600				
Total Cash and Investments		<u>\$20,470,519</u>				

(1) internal investment in City of West St. Paul 1995 gross revenue golf course bonds, which are not rated.

(2) not rated

**C. INVESTMENT RISKS**

The City's investment policy is to follow Minnesota State Statutes as described above which reduces the City's exposure to credit, custodial credit, and interest rate risks. Specific risk information for the City is as follows:

Custodial credit risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, investments in securities are held by the City's broker-dealer of which \$500,000 is insured through SIPC. The broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.

Interest rate risk - The City's investment policy states the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be structured so that securities mature concurrent with cash needs to meet anticipated demands and the portfolio should consist largely of securities with active secondary or resale markets.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City’s investment policy does not place further restrictions on investment options. The City’s external investment pool investment is with the 4M fund which is 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 pool shares. The City’s investment policy does not place further restrictions on investment options.

Concentration of credit risk - The City’s investment policy places limits on various security types as a percentage of the total portfolio. United States governmental securities are allowed to be 100% of the portfolio. State and local securities cannot exceed 40% of the portfolio. The City has placed limits on other types of securities, but has not invested in these types. The City places no limit on the amount the City may invest in any one issuer (except commercial paper). More than 5% of the City’s investments are in various holdings as follows:

Federal Home Loan Bank Notes	24.7%
Federal National Mortgage Assn. Notes	15.5%
Federal Home Loan Mortgage Corp. Notes	7.5%

**Note 3 RECEIVABLES**

Significant receivables balances not expected to be collected within one year of December 31, 2013 are as follows:

	Loan Receivable	Interfund Loan Receivable	Property Taxes Receivable	Special Assessments Receivable	Total
Governmental Funds:					
General Fund	\$ -	\$ -	\$80,200	\$6,000	\$86,200
EDA	51,000	1,281,839	-	-	1,332,839
Special Assessment Bonds	-	-	-	771,000	771,000
Permanent Improvement Revolving	-	-	-	140,000	140,000
Other nonmajor	-	-	5,700	-	5,700
Public Utilities Fund	-	-	-	422,000	422,000
<b>Total</b>	<b>\$51,000</b>	<b>\$1,281,839</b>	<b>\$85,900</b>	<b>\$1,339,000</b>	<b>\$2,757,739</b>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**Note 4 UNAVAILABLE REVENUE**

Government funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Special Assessments	Tax Increment	Certified Bills	Loans Receivable	Other	Total
Major Governmental Funds:							
General Fund	\$182,926	\$ -	\$ -	\$40,461	\$ -	\$59,093	\$282,480
EDA	5,518	-	-	-	57,000	-	62,518
Vehicle and Equipment Reserve	5,581	2,565	-	-	-	-	8,146
Special Assessment Bonds	-	932,311	-	-	-	-	932,311
Permanent Improvement Revolving	-	150,655	-	-	-	-	150,655
TIF Districts	-	-	852	-	-	-	852
Non- Major Governmental Funds	12,897	-	-	-	-	-	12,897
<b>Total</b>	<b>\$206,922</b>	<b>\$1,085,531</b>	<b>\$852</b>	<b>\$40,461</b>	<b>\$57,000</b>	<b>\$59,093</b>	<b>\$1,449,859</b>

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 is as follows:

Primary Government	Beginning Balance	Prior period Adjustment	Increases	Decreases	Transfers	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$5,127,612	(\$450,600)	\$2,561,046	\$ -	\$ -	\$7,238,058
Construction in progress	2,982,668	-	2,552,062	(1,267,502)	(293,607)	3,973,621
Total capital assets, not being depreciated	8,110,280	(450,600)	5,113,108	(1,267,502)	(293,607)	11,211,679
Capital assets, being depreciated:						
Buildings	10,651,592	-	-	-	-	10,651,592
Improvements other than buildings	1,110,912	-	38,210	-	-	1,149,122
Machinery and equipment	3,690,729	-	144,744	(85,730)	-	3,749,743
Software	340,288	-	44,869	-	-	385,157
Infrastructure	62,984,377	(7,650,567)	1,267,502	-	-	56,601,312
Total capital assets, being depreciated	78,777,898	(7,650,567)	1,495,325	(85,730)	0	72,536,926
Less accumulated depreciation for:						
Buildings	1,964,178	-	367,579	-	-	2,331,757
Improvements other than buildings	891,999	-	30,078	-	-	922,077
Machinery and equipment	2,464,552	-	245,973	(85,730)	-	2,624,795
Software	226,344	-	36,586	-	-	262,930
Infrastructure	29,158,724	(4,024,743)	1,373,997	-	-	26,507,978
Total accumulated depreciation	34,705,797	(4,024,743)	2,054,213	(85,730)	0	32,649,537
Total capital assets being depreciated - net	44,072,101	(3,625,824)	(558,888)	-	-	39,887,389
Governmental activities capital assets - net	\$52,182,381	(\$4,076,424)	\$4,554,220	(\$1,267,502)	(\$293,607)	\$51,099,068

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

<b>Primary Government</b>	<u>Beginning Balance</u>	<u>Prior period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>						
Capital assets, not being depreciated:						
Land	\$1,144,168	\$ -	\$ -	\$ -	\$ -	\$1,144,168
Construction in progress	6,462,611	-	364,843	(6,827,454)	-	-
Total capital assets, not being depreciated	<u>7,606,779</u>	<u>0</u>	<u>364,843</u>	<u>(6,827,454)</u>	<u>0</u>	<u>1,144,168</u>
Capital assets, being depreciated:						
Buildings and improvements	6,323,874	-	6,827,454	-	-	13,151,328
Vehicles, machinery and equipment	817,364	-	28,976	-	-	846,340
Distribution and collection systems	5,763,882	7,650,567	-	-	293,607	13,708,056
Total capital assets, being depreciated	<u>12,905,120</u>	<u>7,650,567</u>	<u>6,856,430</u>	<u>0</u>	<u>293,607</u>	<u>27,705,724</u>
Less accumulated depreciation for:						
Buildings and improvements	2,917,854	-	284,136	-	-	3,201,990
Vehicles, machinery and equipment	410,885	-	50,888	-	-	461,773
Distribution and collection systems	3,012,921	4,024,743	238,593	-	-	7,276,257
Total accumulated depreciation	<u>6,341,660</u>	<u>4,024,743</u>	<u>573,617</u>	<u>0</u>	<u>0</u>	<u>10,940,020</u>
Total capital assets being depreciated - net	<u>6,563,460</u>	<u>3,625,824</u>	<u>6,282,813</u>	<u>0</u>	<u>293,607</u>	<u>16,765,704</u>
Business-type activities capital assets - net	<u>\$14,170,239</u>	<u>\$3,625,824</u>	<u>\$6,647,656</u>	<u>(\$6,827,454)</u>	<u>\$293,607</u>	<u>\$17,909,872</u>

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

<b>Governmental activities:</b>	
General government	\$141,115
Public safety	98,038
Public works, including depreciation of general infrastructure assets	1,745,162
Parks and recreation	69,898
Total depreciation/amortization expense - governmental activities	<u>\$2,054,213</u>
<b>Business-type activities:</b>	
Public utilities	\$330,924
Recreation	242,693
Total depreciation/amortization expense - business-type activities	<u>\$573,617</u>

**CONSTRUCTION COMMITMENTS**

At December 31, 2013, the City had construction project contracts in progress. The commitments related to the remaining contract balances at December 31, 2013 totaled approximately \$69,000.

**Note 6 LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS**

The City issues general obligation (G.O.) bonds, including G.O. bonds, G.O. special assessment bonds, G.O. capital notes, G.O. tax increment bonds, and G.O. revenue bonds, to provide funds for the acquisition and construction of major capital facilities and equipment. G.O. bonds have been issued for both governmental and business-type activities. G.O. bonds are direct obligations and pledge the full faith and credit of the City.

**BUILD AMERICA BONDS**

In 2009, the City issued \$6,500,000 Taxable General Obligation CIP Bonds, Series 2009B (Build America Bonds – Direct Pay).

**REVENUE BONDS**

In 1995, the City issued \$970,000 gross revenue Golf Course Bonds for the construction of a new public recreation golf course in the City. These bonds and interest thereon are payable solely from the gross revenues of the golf course and are not a general obligation of the City.

The City is also the current owner of the bonds which are included in the City's investment pool. The bonds and related investments are reported as if they were external transactions since the bonds are a legal debt issue, were purchased by the City on the open market, and could be re-sold on the open market.

In 2009, the City issued \$1,545,000 General Obligation Sewer Revenue Bonds for the Sewer Inflow and Infiltration Project which would include sanitary sewer lining and replacement. These bonds and interest thereon are payable from the net revenues of the Sewer Systems, but are General Obligations of the City should the revenues pledged be insufficient to pay principal and interest as they become due.

**TAX ABATEMENT BONDS**

In 2012, the City issued \$2,560,000 in General Obligation Tax Abatement bonds and \$2,520,000 in Taxable General Obligation Tax Abatement bonds. These bonds and interest thereon are payable from abatements collected from certain property in the City. If abatement revenues are insufficient to meet principal and interest due, the City is required to levy ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Long-term debt at December 31, 2013 consisted of the following:

	Interest Rate	Issue Date	Maturity Date	Authorized and Issued	Outstanding
<b>Governmental-Type Activities:</b>					
G.O. Special Assessment Bonds:					
Improvement Bonds of 2006A	3.50-3.90%	12/7/2006	12/1/2021	\$2,450,000	\$1,555,000
Improvement Bonds of 2008A	2.50-4.60%	12/23/2008	12/2/2023	2,370,000	1,725,000
Improvement and Refunding Bonds of 2009A	2.50-4.60%	3/18/2009	2/1/2021	2,685,000	1,230,000
Improvement and Refunding Bonds of 2010A	3.00-3.75%	12/29/2010	2/1/2026	2,940,000	2,480,000
Improvement and Refunding Bonds of 2012C	0.40-1.45%	12/27/2012	2/1/2023	3,795,000	3,795,000
Improvement Bonds of 2013A	2.00-2.3%	5/13/2013	2/1/2024	1,530,000	1,530,000
Total G.O. special assessment bonds				<u>14,240,000</u>	<u>12,315,000</u>
G.O. Bonds:					
G.O. TIF Bonds of 2005A	3.75-4.50%	11/1/2005	2/1/2031	1,605,000	1,420,000
G.O. Capital Improvement Bonds 2009B	1.50-6.00%	11/18/2009	2/1/2035	6,500,000	6,065,000
Total general obligation bonds				<u>8,105,000</u>	<u>7,485,000</u>
Unamortized bond discount				N/A	<u>(59,692)</u>
Unamortized bond premium				N/A	<u>148,121</u>
Compensated absences				N/A	<u>707,227</u>
Total governmental type activities					<u><u>\$20,595,656</u></u>
<b>Business-Type Activities:</b>					
Revenue bonds:					
Golf Course Bonds of 1995	3.50%	7/1/1995	12/1/2022	\$970,000	\$415,000
Improvement and Refunding Bonds of 2009A	2.50-4.60%	3/18/2009	2/1/2020	1,315,000	815,000
G.O. Sewer Revenue Bonds of 2009C	2.00-3.50%	11/18/2009	2/1/2020	1,545,000	1,125,000
Total revenue bonds				<u>3,830,000</u>	<u>2,355,000</u>
Tax abatement bonds:					
Taxable G.O. Tax Abatement Bonds, 2012A	2.00-2.75%	8/14/2012	2/1/2026	2,520,000	2,520,000
G.O. Tax Abatement Bonds, 2012B	2.125-2.75%	8/14/2012	2/1/2034	2,560,000	2,560,000
Total tax abatement bonds				<u>5,080,000</u>	<u>5,080,000</u>
Unamortized bond discount				N/A	(14,385)
Unamortized bond premium				N/A	53,334
Compensated absences				N/A	<u>23,667</u>
Total business-type activities				<u><u>\$8,910,000</u></u>	<u><u>\$7,497,616</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Annual debt service requirements to maturity for long-term debt issues are as follows:

Due in Year	Governmental Activities					
	G.O.Bonds		G.O. Special Assessment Bonds		Tax Increment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$160,000	\$331,578	\$1,330,000	\$307,328	\$40,000	\$61,100
2015	160,000	326,138	1,440,000	273,585	45,000	59,400
2016	165,000	319,935	1,355,000	242,343	50,000	57,438
2017	170,000	312,813	1,425,000	210,041	50,000	55,312
2018	175,000	305,156	1,110,000	175,369	55,000	53,081
2019	180,000	296,944	1,120,000	149,400	60,000	50,637
2020	185,000	288,043	1,040,000	122,738	65,000	47,981
2021	195,000	278,544	1,060,000	94,491	70,000	45,113
2022	205,000	268,543	830,000	64,433	70,000	42,138
2023	220,000	257,781	850,000	42,215	75,000	39,056
2024	245,000	245,559	355,000	20,460	85,000	35,603
2025	265,000	231,687	195,000	11,344	90,000	31,775
2026	285,000	215,850	205,000	3,844	95,000	27,727
2027	310,000	198,000	-	-	100,000	23,400
2028	325,000	178,950	-	-	105,000	18,788
2029	345,000	158,850	-	-	115,000	13,838
2030	370,000	137,400	-	-	120,000	8,550
2031	390,000	114,600	-	-	130,000	2,926
2032	405,000	90,750	-	-	-	-
2033	420,000	66,000	-	-	-	-
2034	435,000	40,350	-	-	-	-
2035	455,000	13,650	-	-	-	-
Totals	<u>\$6,065,000</u>	<u>\$4,677,121</u>	<u>\$12,315,000</u>	<u>\$1,717,591</u>	<u>\$1,420,000</u>	<u>\$673,863</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Due in Year	Business-Type Activities			
	Revenue Bonds		Tax Abatement Bonds	
	Principal	Interest	Principal	Interest
2014	\$295,000	\$72,150	\$ -	\$116,719
2015	300,000	63,663	200,000	114,719
2016	315,000	54,388	205,000	110,669
2017	320,000	44,638	205,000	106,569
2018	330,000	34,738	210,000	102,419
2019	340,000	24,325	215,000	98,169
2020	350,000	12,863	220,000	93,819
2021	50,000	3,675	225,000	89,369
2022	55,000	1,925	225,000	84,869
2023	-	-	235,000	79,975
2024	-	-	240,000	74,481
2025	-	-	245,000	68,569
2026	-	-	255,000	62,500
2027	-	-	270,000	56,456
2028	-	-	280,000	50,269
2029	-	-	285,000	43,734
2030	-	-	295,000	36,663
2031	-	-	305,000	29,163
2032	-	-	315,000	21,413
2033	-	-	320,000	13,275
2034	-	-	330,000	4,538
Totals	<u>\$2,355,000</u>	<u>\$312,365</u>	<u>\$5,080,000</u>	<u>\$1,458,357</u>



**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
G.O. bonds	\$6,220,000	\$ -	(\$155,000)	\$6,065,000	\$160,000
G.O. improvement bonds	12,470,000	1,530,000	(1,685,000)	12,315,000	1,330,000
G.O. TIF bonds	1,460,000	-	(40,000)	1,420,000	40,000
Unamortized bond discount	(64,979)	-	5,287	(59,692)	(5,287)
Unamortized bond premium	128,620	31,498	(11,997)	148,121	14,860
Compensated absences	676,656	391,725	(361,154)	707,227	388,975
Total government activity long-term liabilities	<u>\$20,890,297</u>	<u>\$1,953,223</u>	<u>(\$2,247,864)</u>	<u>\$20,595,656</u>	<u>\$1,928,548</u>
Business-type activities					
Revenue bonds	\$2,645,000	\$ -	(\$290,000)	\$2,355,000	\$295,000
Tax abatement bonds	5,080,000	-	-	5,080,000	-
Unamortized bond discount	(16,439)	-	2,054	(14,385)	(2,055)
Unamortized bond premium	59,750	-	(6,416)	53,334	6,416
Compensated absences	20,119	17,898	(14,350)	23,667	13,018
Total business-type activity long-term liabilities	<u>\$7,788,430</u>	<u>\$17,898</u>	<u>(\$308,712)</u>	<u>\$7,497,616</u>	<u>\$312,379</u>

Governmental compensated absences are typically liquidated (paid) by the General Fund.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**PLEDGED REVENUE**

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged				Current Year 2013		
		Type	Percent of total debt service	Debt service as a % of net revenues	Term of Pledge	Remaining Principal and Interest	Principal and Interest paid	Pledged Revenue received
322 2004A Improvement Bonds \$1,360 K	Infrastructure Improvement Projects	Assessments	14.43%	N/A	2004-2014	\$0	\$718,225	\$19,876
323 2006A Improvement Bonds \$2,450 K	Infrastructure Improvement Projects	Assessments	28.90%	N/A	2006-2016	\$1,859,420	\$307,559	\$26,575
324 2008A Improvement Bonds \$2,370 K	Infrastructure Improvement Projects	Assessments	13.48%	N/A	2008-2018	\$2,136,425	\$240,915	\$42,475
327 2009B Taxable GO Capital Improvement Bonds \$6,500 K	Capital Improvement Projects	Federal BAB's User Fees	16.71% 26.49%	N/A	2009-2034	\$10,742,121	\$491,349	\$112,634
328 2010A Improvement and Refunding Bonds \$4,275 K	Infrastructure Improvement Projects	Assessments	0.40%	N/A	2010-2020	\$3,011,256	\$324,013	\$83,490
329 2012C Improvement and Refunding Bonds \$3,795 K	Infrastructure Improvement Projects	Assessments	19.11%	N/A	2012-2023	\$3,976,425	\$18,776	\$93,377
330 2013A Improvement Refunding Bonds \$1,530 K	Infrastructure Improvement Projects	Assessments	17.53%	N/A	2013-2024	\$1,729,213	\$ -	\$97,032
375 2005A GO TIF Bonds \$1,605 K	Redevelopment and Renovation	Tax Increment	100.00%	N/A	2005-2033	\$2,093,863	\$102,700	\$ -
325 2009A Improvement Refunding Bonds \$1,315 K	Infrastructure Improvement Projects	User Fees	100.00%	N/A	2009-2019	\$2,241,750	\$503,038	\$503,038
526 2009C GO Sewer Revenue Bonds \$1,545 K	Infrastructure Improvement Projects	User Fees	100.00%	N/A	2009-2019	\$1,254,338	\$180,375	\$180,375

**Note 7** DEFINED BENEFIT PENSION PLANS - STATEWIDE

**A. PLAN DESCRIPTION**

All full-time and certain part-time employees of the City 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 Statute, 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, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after five 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.

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](http://www.mnpera.org), by writing to PERA, 60 Empire Drive #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 6.25%, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.6% of their annual covered salary in 2013. The City was required to contribute the following percentages of annual covered payroll in 2013: 11.78% for Basic Plan GERF members, 7.25% for Coordinated Plan GERF members, and 14.4% for PEPFF members. Employer contribution rates for the Public Employees Police and Fire Fund will increase to 15.3% effective January 1, 2014. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2013, 2012 and 2011 were \$201,801, \$194,170 and \$202,218, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2013, 2012 and 2011 were \$318,054, \$298,084 and \$298,794, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**Note 8 OTHER POST-EMPLOYMENT BENEFITS**

In 2008, the City prospectively implemented the requirement of a new accounting pronouncement, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

**A. PLAN DESCRIPTION**

In addition to providing the pension benefits described in Note 6, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 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, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

**B. BENEFITS PROVIDED**

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement or disability benefits from a Minnesota public pension plan. The employee may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. 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 benefits are provided through the City's group health insurance plans. The retiree pays 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**C. PARTICIPANTS**

As of the actuarial valuation dated January 1, 2011, participants consisted of:

Retirees and beneficiaries currently receiving benefits	10
Active employees	<u>72</u>
Total	<u><u>82</u></u>
Participating employers	<u><u>1</u></u>

**D. FUNDING POLICY**

Retiree health care benefits are 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 days.

The net OPEB obligation as of December 31, 2013, was calculated as follows:

Annual required contribution (ARC)	\$185,649
Interest on net OPEB obligation	26,935
Adjustment to ARC	<u>(38,942)</u>
Annual OPEB cost	173,642
Contributions made during the year	<u>102,786</u>
Increase (decrease) in net OPEB obligation	70,855
Net OPEB obligation - beginning of year	<u>673,379</u>
Net OPEB obligation - end of year	<u><u>\$744,234</u></u>

For governmental activities, other post-employment benefits are generally liquidated through the General Fund.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

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, 2008. The City's annual OPEB cost (expense) of \$283,891 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of December 31, 2007. A subsequent actuarial valuation was performed for the Plan as of January 1, 2011 which revalued the annual required contribution (ARC) to \$177,174 beginning December 31, 2011. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	\$168,495	\$62,329	36.9%	\$593,042
December 31, 2012	171,579	91,242	53.2%	673,379
December 31, 2013	173,642	102,786	59.2%	744,234

**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 was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
January 1, 2011	\$ -	\$1,621,549	\$1,621,549	0.0%	\$4,800,000	33.78%

\*Using the projected unit credit cost method.

**G. ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and 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 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 accrued liabilities for benefits.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the 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, 2011 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 10% reduced by 0.50% each year to arrive at an ultimate health care cost trend rate of 5.0%, which includes a 3% inflation assumption. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll method over 30 years on a closed basis. The remaining amortization period at December 31, 2012, was 25 years.

**Note 9 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS**

Individual fund interfund receivable and payable balances at December 31, 2013 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
EDA	\$ -	\$440,000
TIF Districts	440,000	-
Total	<u>\$440,000</u>	<u>\$440,000</u>

Interfund receivables and payables are representative of short term lending/borrowing arrangements to cover certain costs related to the TIF District and South Robert Street Redevelopment project.

Individual fund interfund loan balances at December 31, 2013 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
EDA	\$1,281,839	\$ -
TIF Districts	-	1,281,839
Total	<u>\$1,281,839</u>	<u>\$1,281,839</u>

Interfund loans are not expected to be collected within one year. These loans were provided to fund tax increment projects and will be repaid with future tax increment collections.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

Interfund transfers:

	Transfer In					Total
	General	Vehicle and Equipment Reserve	Permanent Improvement Revolving	Nonmajor Governmental Fund	Recreation	
Transfer out:						
General (4)	\$ -	\$ -	\$ -	\$ -	\$68,300	\$68,300
TIF Districts (3)	-	-	-	102,700	-	102,700
Non Major Govt (1) (2) (3) (4) (6)	87,000	225,529	206,500	-	-	519,029
Public Utilities (5)	586,013	-	-	-	-	586,013
Total transfers	<u>\$673,013</u>	<u>\$225,529</u>	<u>\$206,500</u>	<u>\$102,700</u>	<u>\$68,300</u>	<u>\$1,276,042</u>

- (1) Fund closure
- (2) Transfer to eliminate non PERA funds in Police and Fire PERA fund.
- (3) Transfer to pay debt service
- (4) Transfer of funds to cover negative cash at year end
- (5) Transfer of funds for indirect costs and administrative support
- (6) Transfer to pay debt service portion of South Metro Fire contract

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by other funds or close-out funds. All of the City's interfund transfers fall under these categories. All of the 2013 transfers are considered routine and consistent with previous practices.

**Note 10 TAX INCREMENT DISTRICTS**

The City is the administrating authority for the various tax increment districts within the municipal development districts established under MS 472.A as redevelopment districts.

The City has authorized three tax increment pay-as-you-go revenue notes. These notes are not general obligations of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City.



**Note 11 CONTINGENCIES**

**A. 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 not retrospectively rated. However, the actual premium is adjusted based on audited payroll amounts. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property, casualty, and automobile 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 portions. These deductibles are considered immaterial to the financial statements.

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

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

**B. LITIGATION**

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City management, remotely recoverable by plaintiffs.

**C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2013.

**D. TAX INCREMENT DISTRICTS**

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

**Note 12 GOLF COURSE LAND USAGE AGREEMENT**

A portion of the City's golf course is located on property owned by a third party. The City entered into an agreement with the third party which guarantees that the City will have exclusive rights to use this property in exchange for limited exclusive rights for the third party to use a portion of certain City owned parkland. The term of this agreement expires June 30, 2024.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**Note 13 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2013, a summary of the governmental fund balance classifications are as follows:

	General Fund	Economic Development Authority	Special Assessment Bond Fund	Vehicle and Equipment Reserved Fund	Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Prepays	\$110,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$110,133
Total nonspendable	110,133	0	0	0	0	0	0	110,133
<b>Restricted for:</b>								
Debt service	-	-	3,085,604	-	-	-	340,991	3,426,595
Tax increment	-	-	-	-	-	301,366	-	301,366
Police	809	-	-	-	-	-	37,927	38,736
Fire	-	-	-	-	-	-	342,469	342,469
Total restricted	809	0	3,085,604	0	0	301,366	721,387	4,109,166
<b>Committed to:</b>								
Economic development	-	2,815,261	-	-	-	-	-	2,815,261
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	-	1,243,558	1,243,558
Total committed	0	2,815,261	0	0	0	0	1,243,558	4,058,819
<b>Assigned to:</b>								
Street maintenance	648,763	-	-	-	-	-	-	648,763
Equipment acquisition	-	-	-	3,084,939	-	-	-	3,084,939
Technology replacement	-	-	-	-	-	-	393,522	393,522
Park improvement	-	-	-	-	-	-	239,201	239,201
Capital facilities	-	-	-	-	-	-	89,097	89,097
Total assigned	648,763	0	0	3,084,939	0	0	721,820	4,455,522
Unassigned	7,847,235	-	-	-	(633,411)	(1,641,775)	(126,694)	5,445,355
Total	\$8,606,940	\$2,815,261	\$3,085,604	\$3,084,939	(\$633,411)	(\$1,340,409)	\$2,560,071	\$18,178,995

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year-end targeted unassigned fund balance amount for cash-flow timing needs in the amount of 52.5% of the subsequent year’s budgeted expenditures. At December 31, 2013, the unassigned fund balance of the General Fund was 67.4% of the subsequent year’s budgeted expenditures.

**Note 14 CONDUIT DEBT**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, 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, 2013, there were three series of Industrial Revenue Bonds outstanding, with an aggregate scheduled principal amount payable of \$23,595,510.

**Note 15 JOINT VENTURES**

**A. DCC-JOINT POWERS DEBT COMMITMENT**

On August 25, 2005, the City entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount and South St. Paul, Minnesota and, Dakota County Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage in the operation and maintenance of a county-wide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county. Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

On May 1, 2008, the DCC issued Public Safety Revenue Bonds, Series 2008 in the amount of \$7,315,000 to provide financing for the acquisition of equipment and reimbursement for conversion costs. The bonds are special obligations of the DCC, payable from revenues to be received from members. Pursuant to the joint powers agreement, members will levy taxes for the payment of their pro rata share of the principal and interest payments due on the bonds. The bonds mature February 1, 2014, and bear interest rates ranging from 4.5% - 5.0%. The debt will be re-paid with member assessments over a seven year amortization. All members reserve the right to prepay, in whole or in part on any date, their allocated share of principal and interest on the bonds.

Payments from the City are provided from General Fund appropriations. As of December 31, 2013, the City's obligation to DCC was paid in full.

Pursuant to Section 9.5 of the joint powers agreement, member payments are submitted monthly and held in escrow by U.S. Bank National Association (trustee) until the funds are remitted to the bond holders according to the established bond principal and interest due dates. The interest earnings from the escrow account will reduce future member obligations on the debt. Information regarding the Dakota Communications Center can be obtained at the website [www.mn-dcc.org/stats.asp](http://www.mn-dcc.org/stats.asp).

**B. SOUTH METRO FIRE DEPARTMENT**

The City entered into a joint power agreement with the City of South St. Paul to consolidate the cities of West St. Paul and South St. Paul fire departments thereby creating a new entity known as the South Metro Fire Department (SMFD) as of January 1, 2008, the operational date.

The SMFD is governed by a five-member board of directors (Board) that include two council members from each joint city, and one public member which is not an employee nor a resident of either city. The City Council from each respective city appoints four out of the five members to the board. The process for filling the public member position is as follows:

1. The Board shall approve 3 names to be forwarded to each City Council.
2. Each City Council shall rank each nominee in order of preference.
3. If the highest ranked person is the same on each list, then that person is appointed by each Council.

As required by the agreement, the City transferred fire department property and equipment to the SMFD on January 1, 2008, retaining its rights to these assets in the event of SMFD's dissolution. The property and equipment has an estimated original value of \$1,446,249 as of December 31, 2013.

The activities of the SMFD are funded entirely by the Cities of West St. Paul and South St. Paul, with each contributing an equal share of the SMFD annual budget which must be approved by the Board by a four-fifths vote of all of its members. In addition, each City performed in-kind contributed services of approximate equal value during 2013 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website [www.southmetrofire.com](http://www.southmetrofire.com).

Financial statements may be obtained by writing to the South Metro Fire Department, 1616 Humboldt Avenue, West St. Paul, MN 55118

**CITY OF WEST ST. PAUL, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013

**Note 16 CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2013, the City implemented GASB Statements No. 61 and 65. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB No. 14 and No. 34* modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (i.e. blending). GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* resulted in accounts previously presented as liabilities being reclassified as deferred inflows of resources.

**Note 17 PRIOR PERIOD ADJUSTMENTS**

During 2013, corrections to the prior year financial statements were made to move capital assets related to the storm sewer fund from governmental activities to the public utilities fund. Also, an adjustment was made to remove land recorded in governmental activities that is not owned by the City. A summary of these changes are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Public Utilities Fund</u>
Net position:			
December 31, 2012, as previously reported	\$55,122,380	\$9,555,002	\$4,757,078
Prior period adjustments:			
Removal of land	(450,600)	-	-
Storm sewer capital assets - net	(3,625,824)	3,625,824	3,625,824
	<u>(4,076,424)</u>	<u>3,625,824</u>	<u>3,625,824</u>
Net position:			
January 1, 2013, as restated	<u>\$51,045,956</u>	<u>\$13,180,826</u>	<u>\$8,382,902</u>

**Note 18 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 67** *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. The provisions of this Statement are effective for financial statements for fiscal periods beginning after June 15, 2013.

**Statement No. 68** *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The provisions of this Statement are effective for fiscal periods beginning after June 15, 2014.

**Statement No. 69** *Government Combinations and Disposals of Government Operations*. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2013.

**CITY OF WEST ST. PAUL, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

---

**Statement No. 70** *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2013.

**Statement No. 71** *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.* The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

The effect these standards may have on future financial statements is not determinable at this time.

**Note 19 SUBSEQUENT EVENTS**

The City issued \$4,845,000 Taxable General Obligation Tax Abatement Bonds, Series 2014A and \$4,930,000 Taxable General Obligation Bonds, Series 2014B on June 24, 2014. The bonds will be used to fund various public improvements within the City.

**- This page intentionally left blank -**



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2013

**Statement 10**  
**Page 1 of 5**

	2013			
	Budgeted Amounts		Actual	Actual
	Original	Final	Amounts	Over (Under) Final Budget
Revenues:				
Taxes:				
Current	\$7,425,225	\$7,425,225	\$7,637,044	\$211,819
Delinquent	90,000	90,000	101,371	11,371
Franchise tax - Xcel Energy 5% gross earnings	700,000	700,000	833,127	133,127
Franchise tax - cable	50,000	50,000	56,925	6,925
Water Surcharge	18,000	18,000	23,176	5,176
Gravel tax	-	-	15	15
Total taxes	<u>8,283,225</u>	<u>8,283,225</u>	<u>8,651,658</u>	<u>368,433</u>
Licenses and permits:				
Licenses:				
Liquor, beer and wine	132,500	132,500	114,098	(18,402)
General business	95,000	95,000	118,382	23,382
Miscellaneous	4,000	4,000	7,999	3,999
Permits:				
Building	185,000	185,000	165,228	(19,772)
Electrical	30,000	30,000	24,286	(5,714)
Mechanical	77,000	77,000	51,665	(25,335)
Total licenses and permits	<u>523,500</u>	<u>523,500</u>	<u>481,658</u>	<u>(41,842)</u>
Intergovernmental:				
State:				
Local government aid	125,000	125,000	773,763	648,763
Market value homestead credit	-	-	135	135
Police services	187,174	187,174	231,378	44,204
Highway maintenance	145,000	145,000	143,145	(1,855)
County grants	22,100	22,100	22,100	-
Miscellaneous	15,000	15,000	56,768	41,768
Total intergovernmental	<u>494,274</u>	<u>494,274</u>	<u>1,227,289</u>	<u>733,015</u>
Charges for services:				
Public safety services	123,834	123,834	123,624	(210)
Recreation programs and leagues	54,000	54,000	73,920	19,920
General government services	285,451	285,451	326,186	40,735
Administrative - construction	151,200	151,200	112,536	(38,664)
Total charges for services	<u>614,485</u>	<u>614,485</u>	<u>636,266</u>	<u>21,781</u>
Court fines and fees	<u>133,000</u>	<u>133,000</u>	<u>140,612</u>	<u>7,612</u>
Investment income	<u>55,000</u>	<u>55,000</u>	<u>(68,669)</u>	<u>(123,669)</u>
Miscellaneous:				
Penalties and interest on taxes and assessments	5,000	5,000	14,982	9,982
Special assessments	17,000	17,000	16,280	(720)
Contributions	5,000	5,000	18,002	13,002
Miscellaneous	7,500	7,500	32,593	25,093
Total miscellaneous	<u>34,500</u>	<u>34,500</u>	<u>81,857</u>	<u>47,357</u>
Total revenues	<u>10,137,984</u>	<u>10,137,984</u>	<u>11,150,671</u>	<u>1,012,687</u>

	2013			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures:				
General government:				
Mayor/council:				
Personal services	\$56,900	\$56,900	\$54,731	(\$2,169)
Supplies	400	400	256	(144)
Contractual services	88,700	88,700	91,049	2,349
Other charges	24,200	24,200	25,423	1,223
Total mayor/council	<u>170,200</u>	<u>170,200</u>	<u>171,459</u>	<u>1,259</u>
Manager and administration:				
Personal services	481,369	481,369	414,321	(67,048)
Supplies	11,550	11,550	4,389	(7,161)
Contractual services	13,000	13,000	81,529	68,529
Other charges	20,000	20,000	14,530	(5,470)
Total manager and administration	<u>525,919</u>	<u>525,919</u>	<u>514,769</u>	<u>(11,150)</u>
Finance:				
Personal services	278,912	278,912	259,220	(19,692)
Supplies	2,150	2,150	4,058	1,908
Contractual services	51,500	51,500	47,729	(3,771)
Other charges	10,000	10,000	8,133	(1,867)
Total finance	<u>342,562</u>	<u>342,562</u>	<u>319,140</u>	<u>(23,422)</u>
Human relations:				
Personal services	107,415	107,415	71,198	(36,217)
Supplies	1,050	1,050	142	(908)
Contractual services	41,000	41,000	11,713	(29,287)
Other charges	1,850	1,850	517	(1,333)
Total human relations	<u>151,315</u>	<u>151,315</u>	<u>83,570</u>	<u>(67,745)</u>
Elections:				
Supplies	450	450	-	(450)
Contractual services	11,175	11,175	117	(11,058)
Other charges	22,650	22,650	1,954	(20,696)
Total elections	<u>34,275</u>	<u>34,275</u>	<u>2,071</u>	<u>(32,204)</u>
City attorney:				
Contractual services	<u>277,000</u>	<u>277,000</u>	<u>287,422</u>	<u>10,422</u>
Charter commission:				
Contractual services	<u>1,500</u>	<u>1,500</u>	<u>325</u>	<u>(1,175)</u>
General government buildings:				
Personal services	62,950	62,950	61,844	(1,106)
Supplies	18,700	18,700	17,959	(741)
Contractual services	67,000	67,000	73,667	6,667
Other charges	47,362	47,362	26,773	(20,589)
Total general government buildings	<u>196,012</u>	<u>196,012</u>	<u>180,243</u>	<u>(15,769)</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2013

	2013		Actual Amounts	Actual Over (Under) Final Budget
	Budgeted Amounts			
	Original	Final		
Expenditures: (continued)				
General government: (continued)				
Planning and zoning				
Personal services	\$143,344	\$143,344	\$138,008	(\$5,336)
Supplies	2,250	2,250	1,545	(705)
Contractual services	39,675	39,675	7,006	(32,669)
Other charges	300	300	501	201
Total planning and zoning	<u>185,569</u>	<u>185,569</u>	<u>147,060</u>	<u>(38,509)</u>
Recycling				
Contractual services	-	-	1,759	1,759
Other charges	-	-	4,532	4,532
Total recycling	<u>0</u>	<u>0</u>	<u>6,291</u>	<u>6,291</u>
Building inspection:				
Personal services	295,063	295,063	295,400	337
Supplies	4,900	4,900	4,101	(799)
Contractual services	42,100	42,100	58,855	16,755
Other charges	1,500	1,500	2,715	1,215
Total building inspection	<u>343,563</u>	<u>343,563</u>	<u>361,071</u>	<u>17,508</u>
Management information systems				
Personal services	200,997	200,997	178,229	(22,768)
Supplies	4,000	4,000	2,086	(1,914)
Contractual services	79,800	79,800	73,100	(6,700)
Other charges	42,000	42,000	53,336	11,336
Total management information systems	<u>326,797</u>	<u>326,797</u>	<u>306,751</u>	<u>(20,046)</u>
Total general government	<u>2,554,712</u>	<u>2,554,712</u>	<u>2,380,172</u>	<u>(174,540)</u>
Public safety:				
Dispatching:				
Contractual services	607,755	607,755	595,679	(12,076)
Total dispatching	<u>607,755</u>	<u>607,755</u>	<u>595,679</u>	<u>(12,076)</u>
Police protection:				
Personal services	3,258,571	3,258,571	3,282,236	23,665
Supplies	173,100	173,100	142,692	(30,408)
Contractual services	114,450	114,450	90,853	(23,597)
Other charges	50,625	50,625	67,235	16,610
Capital outlay	-	-	321	321
Total police protection	<u>3,596,746</u>	<u>3,596,746</u>	<u>3,583,337</u>	<u>(13,409)</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2013

	2013			Actual Over (Under) Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Fire protection:				
Contractual services	\$1,826,694	\$1,826,694	\$1,826,694	\$ -
Civil defense:				
Supplies	2,000	2,000	4,226	2,226
Contractual services	5,225	5,225	2,578	(2,647)
Other charges	6,155	6,155	6,800	645
Total civil defense	13,380	13,380	13,604	224
Animal control:				
Contractual services	6,000	6,000	4,333	(1,667)
Total public safety	6,050,575	6,050,575	6,023,647	(26,928)
Public works:				
Engineering:				
Personal services	140,881	140,881	137,799	(3,082)
Supplies	2,490	2,490	1,646	(844)
Contractual services	53,350	53,350	16,059	(37,291)
Other charges	1,300	1,300	1,110	(190)
Total engineering	198,021	198,021	156,614	(41,407)
Street department:				
Personal services	841,171	841,171	829,249	(11,922)
Supplies	181,342	181,342	230,206	48,864
Contractual services	60,025	60,025	75,245	15,220
Other charges	19,375	19,375	13,199	(6,176)
Total street department	1,101,913	1,101,913	1,147,899	45,986
Traffic signs:				
Supplies	9,600	9,600	9,318	(282)
Contractual services	11,700	11,700	8,122	(3,578)
Other charges	500	500	509	9
Total traffic signs	21,800	21,800	17,949	(3,851)
Facility:				
Supplies	4,000	4,000	4,377	377
Contractual services	1,500	1,500	700	(800)
Other charges	62,400	62,400	55,297	(7,103)
Total facility	67,900	67,900	60,374	(7,526)
Street lighting:				
Supplies	525	525	339	(186)
Contractual services	132,000	132,000	132,457	457
Total street lighting	132,525	132,525	132,796	271
Total public works	1,522,159	1,522,159	1,515,632	(6,527)

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2013

	2013			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures: (continued)				
Parks and recreation:				
Parks:				
Personal services	\$513,914	\$513,914	\$490,396	(\$23,518)
Supplies	53,837	53,837	55,979	2,142
Contractual services	76,000	76,000	76,604	604
Other charges	39,800	39,800	29,515	(10,285)
Total parks	<u>683,551</u>	<u>683,551</u>	<u>652,494</u>	<u>(31,057)</u>
Total parks and recreation	<u>683,551</u>	<u>683,551</u>	<u>652,494</u>	<u>(31,057)</u>
Unallocated general expenditures:				
Other charges	-	-	159	159
Total unallocated general expenditures	<u>0</u>	<u>0</u>	<u>159</u>	<u>159</u>
Total expenditures	<u>10,810,997</u>	<u>10,810,997</u>	<u>10,572,104</u>	<u>(238,893)</u>
Revenues over (under) expenditures	<u>(673,013)</u>	<u>(673,013)</u>	<u>578,567</u>	<u>1,251,580</u>
Other financing sources (uses):				
Sale of capital assets	-	-	10,644	10,644
Transfers in	673,013	673,013	673,013	-
Transfers out	-	-	(68,300)	(68,300)
Total other financing sources (uses)	<u>673,013</u>	<u>673,013</u>	<u>615,357</u>	<u>(57,656)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	1,193,924	<u>\$1,193,924</u>
Fund balance - January 1			<u>7,413,016</u>	
Fund balance - December 31			<u>\$8,606,940</u>	

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT AUTHORITY**  
For The Year Ended December 31, 2013

**Statement 11**

	2013			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Property taxes:				
Current	\$222,500	\$222,500	\$227,905	\$5,405
Delinquent	5,000	5,000	3,826	(1,174)
Intergovernmental:				
County grants	-	-	396,667	396,667
Investment income	65,000	65,000	36,071	(28,929)
Charges for services	-	-	8	8
Miscellaneous:				
Other income	6,000	6,000	7,953	1,953
Total revenue	<u>298,500</u>	<u>298,500</u>	<u>672,430</u>	<u>373,930</u>
Expenditures:				
General government:				
Personal services	137,705	137,705	145,455	7,750
Supplies	3,451	3,451	2,636	(815)
Contractual services	86,800	86,800	101,721	14,921
Other charges	70,544	70,544	12,112	(58,432)
Capital outlay	-	-	817,168	817,168
Total expenditures	<u>298,500</u>	<u>298,500</u>	<u>1,079,092</u>	<u>780,592</u>
Revenue over (under) expenditures	<u>\$0</u>	<u>\$0</u>	(406,662)	<u>(\$406,662)</u>
Fund balance - January 1			<u>3,221,923</u>	
Fund balance - December 31			<u>\$2,815,261</u>	

**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NOTE TO RSI**  
 December 31, 2013

---

**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund and Economic Development Authority budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the major funds.

During 2013, the Economic Development Authority Special Revenue Fund had expenditures of \$1,079,092, which exceeded budgeted expenditures of \$298,500 by \$780,592.

General Fund exceeded the final budget by \$5,000 or more at the departmental level are as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund:			
City attorney	\$277,000	\$287,422	\$10,422
Recycling	-	6,291	6,291
Building inspection	343,563	361,071	17,508
Street department	1,101,913	1,147,899	45,986



**CITY OF WEST ST. PAUL, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
For The Year Ended December 31, 2013

**Statement 12**

---

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$ -	\$2,294,555	\$2,294,555	0.0%	\$4,918,450	46.7%
1/1/2011	-	1,621,549	1,621,549	0.0%	4,800,000	33.8%

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

**- This page intentionally left blank -**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**- This page intentionally left blank -**

**NONMAJOR GOVERNMENTAL FUNDS**

### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Insurance Fund – used to account for claims paid under the City’s liability, property and casualty and miscellaneous insurance policy deductibles. This is not considered to be a self-insurance fund.

### DEBT SERVICE FUNDS

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

General Obligation CIP Bonds - used to accumulate monies for payment of general obligation bonds which have been issued to finance projects which have not been assessed.

### CAPITAL PROJECT FUNDS

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

Police and Fire PERA – used to account for the acquisition of major pieces of capital equipment. Financing is provided by the issuance of an annual capital note, pursuant to Minnesota Statutes, Section 410.32.

Minnesota State-Aid Streets – used to account for construction done on designated state-aid streets. Financing is provided by State grants for specific state-aid street projects. State law requires that these grants be used for the projects specified in the grant application, or on similar state-aid street projects.

Technology Replacement – used to account for the acquisition of computer hardware and software. Financing is provided by interest earnings on a specified pool of money, which was established in 2001.

Equipment Replacement – used to account for the acquisition of major pieces of capital equipment. Financing is provided by interest earnings on a specified pool of money, which was established in 2001.

Parks Improvement – used to account for the acquisition, development and maintenance of the City’s park infrastructure. Financing is provided by park dedication fees, donations, property taxes and interest earnings on a specified pool of money. This fund was established in 2004.

Public Works Facility – used to account for costs associated with the 2009-2010 construction of the Public Works Facility. Financing was provided through the 2009B Taxable G.O. CIP Build America Bonds.

Government Facilities – used to account for costs associated with construction and capital costs relating to current and future City-owned facilities. Funding is provided through a combination of bond proceeds and transfers from other funds.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2013

	<u>Nonmajor Special Revenue Fund</u>	<u>Nonmajor Debt Service Fund</u>	<u>Capital Project Funds</u>	
	<u>Insurance Fund</u>	<u>General Obligation CIP Bonds (527)(327)</u>	<u>Police and Fire Pera</u>	<u>Minnesota State-Aid Streets</u>
<b>Assets:</b>				
Cash and investments	\$1,202,368	\$340,425	\$380,396	\$109,805
Accounts receivable	7,702	-	-	-
Delinquent taxes receivable	6,696	-	-	-
Accrued interest receivable	3,094	716	-	1,084
Due from county	33,068	-	-	-
	<u>\$1,252,928</u>	<u>\$341,141</u>	<u>\$380,396</u>	<u>\$110,889</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$2,674	\$150	\$ -	\$32,513
Due to other governments	-	-	-	2,889
Contracts payable	-	-	-	202,181
Total liabilities	<u>2,674</u>	<u>150</u>	<u>0</u>	<u>237,583</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	6,696	-	-	-
Total deferred inflows of resources	<u>6,696</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance:</b>				
Restricted	-	340,991	380,396	-
Committed	1,243,558	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(126,694)
Total fund balance	<u>1,243,558</u>	<u>340,991</u>	<u>380,396</u>	<u>(126,694)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$1,252,928</u>	<u>\$341,141</u>	<u>\$380,396</u>	<u>\$110,889</u>



---



---

Capital Project Funds

---

Technology Replacement	Parks Improvement	Public Works Facility	Government Facilities	Totals Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds 2013
\$409,015	\$343,480	\$22,793	\$35,686	\$1,301,175	\$2,843,968
-	-	-	-	-	7,702
-	-	-	6,201	6,201	12,897
1,108	1,010	-	-	3,202	7,012
-	-	-	30,618	30,618	63,686
<u>\$410,123</u>	<u>\$344,490</u>	<u>\$22,793</u>	<u>\$72,505</u>	<u>\$1,341,196</u>	<u>\$2,935,265</u>
\$16,601	\$8,927	\$ -	\$ -	\$58,041	\$60,865
-	-	-	-	2,889	2,889
-	96,362	-	-	298,543	298,543
<u>16,601</u>	<u>105,289</u>	<u>0</u>	<u>0</u>	<u>359,473</u>	<u>362,297</u>
-	-	-	6,201	6,201	12,897
<u>0</u>	<u>0</u>	<u>0</u>	<u>6,201</u>	<u>6,201</u>	<u>12,897</u>
-	-	-	-	380,396	721,387
-	-	-	-	-	1,243,558
393,522	239,201	22,793	66,304	721,820	721,820
-	-	-	-	(126,694)	(126,694)
<u>393,522</u>	<u>239,201</u>	<u>22,793</u>	<u>66,304</u>	<u>975,522</u>	<u>2,560,071</u>
<u>\$410,123</u>	<u>\$344,490</u>	<u>\$22,793</u>	<u>\$72,505</u>	<u>\$1,341,196</u>	<u>\$2,935,265</u>

**- This page intentionally left blank -**

**CITY OF WEST ST. PAUL, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2013

	Nonmajor Special	Debt Service Funds		
	Revenue Fund		General	Totals Nonmajor
			Obligation CIP	Debt Service
	Insurance Fund	TIF Bonds	Bonds	Funds
			(527)(327)	
<b>Revenues:</b>				
General property taxes	\$282,332	\$ -	\$375,000	\$375,000
Intergovernmental	-	-	112,634	112,634
Investment income	(13,244)	-	(1,586)	(1,586)
Insurance dividends	59,181	-	-	-
Other	-	-	-	-
Total revenues	<u>328,269</u>	<u>0</u>	<u>486,048</u>	<u>486,048</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	32,555	-	-	-
Public safety	119,871	-	-	-
Public works	68,055	-	-	-
Parks and recreation	29,090	-	-	-
Unallocated general expenditures	61,099	-	-	-
Capital outlay	-	-	-	-
<b>Debt service:</b>				
Principal	-	40,000	155,000	195,000
Interest and fees	-	62,700	337,098	399,798
Total expenditures	<u>310,670</u>	<u>102,700</u>	<u>492,098</u>	<u>594,798</u>
Revenues over (under) expenditures	<u>17,599</u>	<u>(102,700)</u>	<u>(6,050)</u>	<u>(108,750)</u>
<b>Other financing sources (uses):</b>				
Insurance recoveries	5,643	-	-	-
Transfers in	-	102,700	-	102,700
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>5,643</u>	<u>102,700</u>	<u>0</u>	<u>102,700</u>
Net increase (decrease) in fund balance	23,242	0	(6,050)	(6,050)
Fund balance - January 1	<u>1,220,316</u>	<u>-</u>	<u>347,041</u>	<u>347,041</u>
Fund balance - December 31	<u>\$1,243,558</u>	<u>\$0</u>	<u>\$340,991</u>	<u>\$340,991</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2013

	<u>Capital Projects Funds</u>			
	<u>Police and Fire Pera</u>	<u>Minnesota State- Aid Streets</u>	<u>Technology Replacement</u>	<u>Equipment Replacement</u>
<b>Revenues:</b>				
General property taxes	\$ -	\$ -	\$35,771	\$ -
Intergovernmental	-	-	-	-
Investment income	(8,575)	(4,250)	(7,480)	-
Insurance dividends	-	-	-	-
Other	-	-	-	-
Total revenues	<u>(8,575)</u>	<u>(4,250)</u>	<u>28,291</u>	<u>0</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	12,207	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Unallocated general expenditures	-	-	-	-
Capital outlay	12,033	264,503	307,525	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>12,033</u>	<u>264,503</u>	<u>319,732</u>	<u>0</u>
Revenues over (under) expenditures	<u>(20,608)</u>	<u>(268,753)</u>	<u>(291,441)</u>	<u>0</u>
<b>Other financing sources (uses):</b>				
Insurance recoveries	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(203,489)	(206,500)	-	(109,040)
Total other financing sources (uses)	<u>(203,489)</u>	<u>(206,500)</u>	<u>0</u>	<u>(109,040)</u>
Net increase (decrease) in fund balance	(224,097)	(475,253)	(291,441)	(109,040)
Fund balance - January 1	<u>604,493</u>	<u>348,559</u>	<u>684,963</u>	<u>109,040</u>
Fund balance - December 31	<u><u>\$380,396</u></u>	<u><u>(\$126,694)</u></u>	<u><u>\$393,522</u></u>	<u><u>\$0</u></u>

Capital Projects Funds

<u>Parks Improvement</u>	<u>Public Works Facility</u>	<u>Government Facilities</u>	<u>Totals Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Gov't Funds 2013</u>
\$36,050	\$ -	\$255,927	\$327,748	\$985,080
-	-	-	-	112,634
(8,282)	(391)	73	(28,905)	(43,735)
-	-	-	-	59,181
31,919	-	-	31,919	31,919
<u>59,687</u>	<u>(391)</u>	<u>256,000</u>	<u>330,762</u>	<u>1,145,079</u>
-	-	9,699	21,906	54,461
-	-	-	-	119,871
-	-	-	-	68,055
-	-	-	-	29,090
-	-	-	-	61,099
390,357	4,450	179,945	1,158,813	1,158,813
-	-	-	-	195,000
-	-	-	-	399,798
<u>390,357</u>	<u>4,450</u>	<u>189,644</u>	<u>1,180,719</u>	<u>2,086,187</u>
<u>(330,670)</u>	<u>(4,841)</u>	<u>66,356</u>	<u>(849,957)</u>	<u>(941,108)</u>
-	-	-	-	5,643
-	-	-	-	102,700
-	-	-	(519,029)	(519,029)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(519,029)</u>	<u>(410,686)</u>
(330,670)	(4,841)	66,356	(1,368,986)	(1,351,794)
569,871	27,634	(52)	2,344,508	3,911,865
<u>\$239,201</u>	<u>\$22,793</u>	<u>\$66,304</u>	<u>\$975,522</u>	<u>\$2,560,071</u>

**- This page intentionally left blank -**

## INDIVIDUAL FUND STATEMENTS - SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following Special Revenue Funds during 2013:

Insurance Fund – used to account for claims paid under the City’s liability, property and casualty and miscellaneous insurance policy deductibles. This is not considered to be a self-insurance fund.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**INSURANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For The Year Ended December 31, 2013

**Statement 15**

	2013			Actual Over (Under) Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenue:				
General property taxes	\$274,000	\$274,000	\$282,332	\$8,332
Investment income	7,500	7,500	(13,244)	(20,744)
Insurance dividends	35,000	35,000	59,181	24,181
Miscellaneous revenue	1,982	1,982	-	(1,982)
Total revenue	<u>318,482</u>	<u>318,482</u>	<u>328,269</u>	<u>9,787</u>
Expenditures:				
General government	47,973	47,973	32,555	(15,418)
Public safety	117,590	117,590	119,871	2,281
Public works	29,910	29,910	68,055	38,145
Parks and recreation	17,046	17,046	29,090	12,044
Unallocated general expenditures	110,963	110,963	61,099	(49,864)
Total expenditures	<u>323,482</u>	<u>323,482</u>	<u>310,670</u>	<u>(12,812)</u>
Revenue over (under) expenditures	(5,000)	(5,000)	17,599	22,599
Other financing sources (uses):				
Insurance recoveries	<u>5,000</u>	<u>5,000</u>	<u>5,643</u>	<u>643</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	23,242	<u>\$23,242</u>
Fund balance - January 1			<u>1,220,316</u>	
Fund balance - December 31			<u><u>\$1,243,558</u></u>	



## INDIVIDUAL FUND STATEMENTS - DEBT SERVICE FUNDS

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

Special Assessment Bond Funds - used to account for the payment of principal and interest on Special Assessment Bonds issued to fund the costs of constructing various street, sanitary sewer, storm sewer, and water projects benefiting specified properties in the City.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**SPECIAL ASSESSMENT DEBT SERVICE FUND**  
**COMBINING BALANCE SHEET**  
 December 31, 2013

	2002 G.O. Refunding Bonds (521)(321)	2004 G.O. Improvement Bonds (522)(322)	2006 G.O. Improvement Bonds (523) (323)
<b>Assets</b>			
Cash and investments	\$10,531	\$339,716	\$171,427
Accrued interest receivable	32	716	957
Due from County	-	528	1,167
Delinquent special assessments receivable	-	830	2,067
Deferred special assessments receivable	-	4,988	45,315
<b>Total assets</b>	<b>\$10,563</b>	<b>\$346,778</b>	<b>\$220,933</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	-	5,818	47,381
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>5,818</b>	<b>47,381</b>
<b>Fund balance:</b>			
Restricted fund balance	10,563	340,960	173,552
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$10,563</b>	<b>\$346,778</b>	<b>\$220,933</b>

2008 G.O. Improvement Bonds (524)(324)	2009 G.O. Refunding Bonds (525)(325)	2010 G.O. Improvement Bonds (528)(328)	2012 G.O. Improvement Bonds (529)(329)	2013 G.O. Improvement Bonds (530)(330)	Total 2013
\$358,395	\$778,120	\$841,261	\$460,176	\$111,534	\$3,071,160
1,207	2,641	2,177	996	156	8,882
48	235	2,404	1,630	-	6,012
2,445	536	3,815	1,960	-	11,653
104,318	-	268,950	354,455	142,632	920,658
<u>\$466,413</u>	<u>\$781,532</u>	<u>\$1,118,607</u>	<u>\$819,217</u>	<u>\$254,322</u>	<u>\$4,018,365</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$450</u>	<u>\$450</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>450</u>	<u>450</u>
<u>106,763</u>	<u>536</u>	<u>272,766</u>	<u>356,415</u>	<u>142,632</u>	<u>932,311</u>
<u>106,763</u>	<u>536</u>	<u>272,766</u>	<u>356,415</u>	<u>142,632</u>	<u>932,311</u>
<u>359,650</u>	<u>780,996</u>	<u>845,841</u>	<u>462,802</u>	<u>111,240</u>	<u>3,085,604</u>
<u>\$466,413</u>	<u>\$781,532</u>	<u>\$1,118,607</u>	<u>\$819,217</u>	<u>\$254,322</u>	<u>\$4,018,365</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**SPECIAL ASSESSMENT DEBT SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
For The Year Ended December 31, 2013

	2002 G.O. Refunding Bonds (521)(321)	2004 G.O. Improvement Bonds (522)(322)	2006 G.O. Improvement Bonds (523) (323)
Revenue:			
General property taxes:			
Current	\$ -	\$90,000	\$210,000
Special assessments:			
Current and delinquent	-	18,841	27,610
Prepayments	-	-	-
Investment income	(130)	(4,032)	(5,862)
Total revenue	<u>(130)</u>	<u>104,809</u>	<u>231,748</u>
Expenditures:			
Debt service:			
Principal	-	715,000	240,000
Interest and fiscal charges	-	3,771	68,219
Miscellaneous	-	-	-
Total expenditures	<u>0</u>	<u>718,771</u>	<u>308,219</u>
Revenue over (under) expenditures	(130)	(613,962)	(76,471)
Other financing sources (uses):			
Issuance of debt	-	-	-
Net change in fund balance	(130)	(613,962)	(76,471)
Fund balance - January 1	<u>10,693</u>	<u>954,922</u>	<u>250,023</u>
Fund balance - December 31	<u><u>\$10,563</u></u>	<u><u>\$340,960</u></u>	<u><u>\$173,552</u></u>

2008 G.O. Improvement Bonds (524)(324)	2009 G.O. Refunding Bonds (525)(325)	2010 G.O. Improvement Bonds (528)(328)	2012 G.O. Improvement Bonds (529)(329)	2013 G.O. Improvement Bonds (530)(330)	Total 2013
\$200,000	\$306,605	\$170,000	\$389,430	\$ -	\$1,366,035
39,966	47	69,391	65,091	97,032	317,978
2,509	-	14,099	28,286	-	44,894
(4,988)	(10,721)	(6,938)	(779)	(7)	(33,457)
<u>237,487</u>	<u>295,931</u>	<u>246,552</u>	<u>482,028</u>	<u>97,025</u>	<u>1,695,450</u>
165,000	325,000	240,000	-	-	1,685,000
76,745	45,025	84,013	19,226	-	296,999
-	-	1,681	-	661	2,342
<u>241,745</u>	<u>370,025</u>	<u>325,694</u>	<u>19,226</u>	<u>661</u>	<u>1,984,341</u>
(4,258)	(74,094)	(79,142)	462,802	96,364	(288,891)
-	-	-	-	14,876	14,876
(4,258)	(74,094)	(79,142)	462,802	111,240	(274,015)
363,908	855,090	924,983	-	-	3,359,619
<u>\$359,650</u>	<u>\$780,996</u>	<u>\$845,841</u>	<u>\$462,802</u>	<u>\$111,240</u>	<u>\$3,085,604</u>

**- This page intentionally left blank -**

## INDIVIDUAL FUND STATEMENTS - CAPITAL PROJECT FUNDS

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

TIF District Funds – used to account for the activities of the City’s tax increment districts.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**TIF DISTRICTS**  
**COMBINING BALANCE SHEET**  
December 31, 2013

**Statement 18**

Assets	<u>TIF 1-1 (450)</u>	<u>TIF 1-2 (451)</u>	<u>TIF 1-3 (452)</u>	<u>TIF 1-4 (453)</u>	<u>Total 2013</u>
Cash and investments	\$60,546	\$207,936	\$5,134	\$89,631	\$363,247
Accounts receivable	25,000	-	-	-	25,000
Tax increment receivable	-	827	25	-	852
Accrued interest receivable	38	487	233	168	926
Due from other governmental units	1,821	3,144	-	-	4,965
Total assets	<u>\$87,405</u>	<u>\$212,394</u>	<u>\$5,392</u>	<u>\$89,799</u>	<u>\$394,990</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Deposits payable	\$ -	\$ -	\$12,708	\$ -	\$12,708
Due to other funds	440,000	-	-	-	440,000
Interfund loan payable	-	-	1,281,839	-	1,281,839
Total liabilities	<u>440,000</u>	<u>0</u>	<u>1,294,547</u>	<u>0</u>	<u>1,734,547</u>
Deferred inflows of resources:					
Unavailable revenue	-	827	25	-	852
Total deferred inflows of resources	<u>0</u>	<u>827</u>	<u>25</u>	<u>0</u>	<u>852</u>
Fund balance:					
Restricted		211,567	-	89,799	301,366
Unassigned	(352,595)	-	(1,289,180)	-	(1,641,775)
Total fund balance	<u>(352,595)</u>	<u>211,567</u>	<u>(1,289,180)</u>	<u>89,799</u>	<u>(1,340,409)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$87,405</u>	<u>\$212,394</u>	<u>\$5,392</u>	<u>\$89,799</u>	<u>\$394,990</u>



**CITY OF WEST ST. PAUL, MINNESOTA**  
**TIF DISTRICTS**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
For The Year Ended December 31, 2013

**Statement 19**

	<u>TIF 1-1 (450)</u>	<u>TIF 1-2 (451)</u>	<u>TIF 1-3 (452)</u>	<u>TIF 1-4 (453)</u>	<u>Totals 2013</u>
Revenue:					
Property taxes:					
Tax increment collections	\$537,504	\$229,399	\$63,743	\$86,823	\$917,469
Delinquent tax increment collections	(2,418)	-	-	-	(2,418)
Intergovernmental	-	-	-	-	-
Investment income	(11,252)	(2,269)	(723)	(883)	(15,127)
Miscellaneous	5,000	-	6,395	-	11,395
Total revenue	<u>528,834</u>	<u>227,130</u>	<u>69,415</u>	<u>85,940</u>	<u>911,319</u>
Expenditures:					
General government	143,848	57,169	56,537	82,046	339,600
Capital outlay	<u>1,832,585</u>	-	-	-	<u>1,832,585</u>
Total expenditures	<u>1,976,433</u>	<u>57,169</u>	<u>56,537</u>	<u>82,046</u>	<u>2,172,185</u>
Revenue over (under) expenditures	(1,447,599)	169,961	12,878	3,894	(1,260,866)
Other financing sources (uses):					
Transfers out	-	<u>(102,700)</u>	-	-	<u>(102,700)</u>
Net change in fund balance	(1,447,599)	67,261	12,878	3,894	(1,363,566)
Fund balance (deficit) - January 1	<u>1,095,004</u>	<u>144,306</u>	<u>(1,302,058)</u>	<u>85,905</u>	<u>23,157</u>
Fund balance (deficit) - December 31	<u><u>(\$352,595)</u></u>	<u><u>\$211,567</u></u>	<u><u>(\$1,289,180)</u></u>	<u><u>\$89,799</u></u>	<u><u>(\$1,340,409)</u></u>

**- This page intentionally left blank -**

## COMBINING FUND STATEMENTS - ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's 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; or where the government's Council has decided that periodic determination of net income is appropriate for accountability purposes. The City maintained the following Enterprise Funds during 2013:

Public Utilities Fund - used to account for the provision of sewer service to properties within the City. This fund is maintained pursuant to City Code, Section 705.01. Sewer system users are billed regularly for the services provided, with said collections used to cover the cost of central sewage processing by the Metropolitan Council Environmental Services and the City costs of maintenance, operations, administration, and billing.

Recreation Fund - used to account for City-owned recreation operations including the following:

- Golf course
- Civic center arena
- Swimming pool
- Regional Athletic Center

**CITY OF WEST ST. PAUL, MINNESOTA**  
**PUBLIC UTILITIES FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
December 31, 2013

**Statement 20**

Assets	Storm Sewer (600)	Sanitary Sewer (602) (526)	Total 2013
<b>Current assets:</b>			
Cash and investments	\$955,004	\$1,044,811	\$1,999,815
Due from other governments	-	3,268	3,268
<b>Receivables:</b>			
User accounts - current and delinquent	-	580,454	580,454
Accounts	87,296	-	87,296
Customer assessments	-	507,912	507,912
Interest receivable on investments	2,748	3,025	5,773
Total current assets	<u>1,045,048</u>	<u>2,139,470</u>	<u>3,184,518</u>
<b>Capital assets:</b>			
Land	-	10,945	10,945
Buildings and improvements	-	2,242,652	2,242,652
Vehicles, machinery, and equipment	-	436,479	436,479
Distribution and collection systems	8,101,037	5,607,019	13,708,056
Total capital assets	<u>8,101,037</u>	<u>8,297,095</u>	<u>16,398,132</u>
Less: accumulated depreciation	<u>(4,185,482)</u>	<u>(4,279,222)</u>	<u>(8,464,704)</u>
Net capital assets	<u>3,915,555</u>	<u>4,017,873</u>	<u>7,933,428</u>
Total assets	<u>4,960,603</u>	<u>6,157,343</u>	<u>11,117,946</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	2,225	10,488	12,713
Payroll withholdings payable	-	9,624	9,624
Due to other governments	17,122	24,022	41,144
Accrued bond interest payable	-	16,105	16,105
Accrued compensated absences	-	10,669	10,669
Bonds payable, current portion	-	257,958	257,958
Total current liabilities	<u>19,347</u>	<u>328,866</u>	<u>348,213</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences	-	8,728	8,728
Other post employment benefits payable	-	28,641	28,641
Bonds payable, net of current portion	-	1,702,745	1,702,745
Total noncurrent liabilities	<u>0</u>	<u>1,740,114</u>	<u>1,740,114</u>
Total liabilities	<u>19,347</u>	<u>2,068,980</u>	<u>2,088,327</u>
<b>Net position:</b>			
Net investment in capital assets	3,915,555	2,057,170	5,972,725
Unrestricted	1,025,701	2,031,193	3,056,894
Total net position	<u>\$4,941,256</u>	<u>\$4,088,363</u>	<u>\$9,029,619</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**PUBLIC UTILITIES FUND**  
**COMBINING SCHEDULE OF REVENUE, EXPENSES AND**  
**CHANGES IN NET POSITION**  
For The Year Ended December 31, 2013

**Statement 21**

	<u>Storm Sewer (600)</u>	<u>Sanitary Sewer (602) (526)</u>	<u>Total 2013</u>
Operating revenue:			
User charges for services	\$405,423	\$2,997,725	\$3,403,148
Retained fees	-	1,228	1,228
Total operating revenue	<u>405,423</u>	<u>2,998,953</u>	<u>3,404,376</u>
Operating expenses:			
Personal services	-	264,273	264,273
Supplies	2,245	14,678	16,923
Contractual services	38,390	1,653,367	1,691,757
Miscellaneous other charges	9,176	67,818	76,994
Depreciation	160,739	170,185	330,924
Total operating expenses	<u>210,550</u>	<u>2,170,321</u>	<u>2,380,871</u>
Operating income	<u>194,873</u>	<u>828,632</u>	<u>1,023,505</u>
Nonoperating revenue (expense):			
Investment income	(11,439)	(8,252)	(19,691)
Interest on special assessments	-	16,489	16,489
Bond interest expense	-	(81,180)	(81,180)
Total nonoperating revenue (expense)	<u>(11,439)</u>	<u>(72,943)</u>	<u>(84,382)</u>
Income before capital contributions and transfers	<u>183,434</u>	<u>755,689</u>	<u>939,123</u>
Capital contributions and transfers:			
Capital contributions - capital assets	225,744	67,863	293,607
Transfers out	(205,902)	(380,111)	(586,013)
Total capital contributions and transfers	<u>19,842</u>	<u>(312,248)</u>	<u>(292,406)</u>
Change in net position	<u>203,276</u>	<u>443,441</u>	<u>646,717</u>
Net position - January 1, as previously reported	1,112,156	3,644,922	4,757,078
Prior period adjustment	3,625,824	-	3,625,824
Net position - January 1, as restated	<u>4,737,980</u>	<u>3,644,922</u>	<u>8,382,902</u>
Net position - December 31	<u>\$4,941,256</u>	<u>\$4,088,363</u>	<u>\$9,029,619</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**PUBLIC UTILITIES FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
For The Year Ended December 31, 2013

**Statement 22**

	<u>Storm Sewer (600)</u>	<u>Sanitary Sewer (602) (526)</u>	<u>Total 2013</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$404,769	\$3,072,287	\$3,477,056
Payment to suppliers	(30,464)	(1,756,033)	(1,786,497)
Payment to employees	-	(255,811)	(255,811)
Net cash flows from operating activities	<u>374,305</u>	<u>1,060,443</u>	<u>1,434,748</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers out	(205,902)	(380,111)	(586,013)
Customer assessments receivable	-	58,904	58,904
Net cash flows from noncapital financing activities	<u>(205,902)</u>	<u>(321,207)</u>	<u>(527,109)</u>
<b>Cash flows from capital and related financing activities:</b>			
Principal paid on capital debt	-	(250,000)	(250,000)
Interest paid on capital debt	-	(63,388)	(63,388)
Interest received on special assessments	-	16,489	16,489
Net cash flows from capital and related financing activities	<u>0</u>	<u>(296,899)</u>	<u>(296,899)</u>
<b>Cash flows from investing activities:</b>			
Investment income	(10,581)	(7,217)	(17,798)
Net increase (decrease) in cash and cash equivalents	157,822	435,120	592,942
Cash and cash equivalents - January 1	797,182	609,691	1,406,873
Cash and cash equivalents - December 31	<u>\$955,004</u>	<u>\$1,044,811</u>	<u>\$1,999,815</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income	\$194,873	\$828,632	\$1,023,505
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	160,739	170,185	330,924
Changes in assets and liabilities:			
Decrease (increase) in receivables	(654)	73,334	72,680
Increase (decrease) in payables	19,347	(20,170)	(823)
Increase (decrease) in accrued compensated absences	-	8,462	8,462
Total adjustments	<u>179,432</u>	<u>231,811</u>	<u>411,243</u>
Net cash provided by operating activities	<u>\$374,305</u>	<u>\$1,060,443</u>	<u>\$1,434,748</u>
<b>Noncash capital financing activities:</b>			
Amortization of bond premium	\$ -	\$5,013	\$5,013
Amortization of bond discount	\$ -	(\$2,055)	(\$2,055)
Assets contributed from governmental activities	\$225,744	\$67,863	\$293,607

CITY OF WEST ST. PAUL, MINNESOTA  
RECREATION FUND  
COMBINING SCHEDULE OF NET POSITION  
December 31, 2013

Statement 23

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2013
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments	\$9	\$83,889	\$27,635	\$549,339	\$660,872
<b>Receivables:</b>					
Accounts	40	-	-	1,752	1,792
User accounts - current and delinquent	-	88,233	-	51,614	139,847
Interest receivable on investments	-	281	41	1,198	1,520
Inventory	3,022	-	-	-	3,022
Total current assets	3,071	172,403	27,676	603,903	807,053
<b>Capital assets:</b>					
Land	1,070,302	32,296	30,625	-	1,133,223
Buildings and improvements	276,975	2,084,298	1,719,949	6,827,453	10,908,675
Vehicles, machinery, and equipment	221,819	118,850	-	69,193	409,862
Total capital assets	1,569,096	2,235,444	1,750,574	6,896,646	12,451,760
Less: accumulated depreciation	(341,917)	(1,322,561)	(687,934)	(122,904)	(2,475,316)
Net capital assets	1,227,179	912,883	1,062,640	6,773,742	9,976,444
Total assets	1,230,250	1,085,286	1,090,316	7,377,645	10,783,497
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Payroll withholdings payable	52	3,199	-	-	3,251
Accounts payable	380	7,728	73	38,493	46,674
Contracts payable	-	-	-	158,230	158,230
Due to other governments	-	-	-	324	324
Unearned revenue	-	-	-	38,750	38,750
Accrued bond interest payable	1,194	-	-	48,210	49,404
Accrued compensated absences	-	2,349	-	-	2,349
Bonds payable, current portion	40,000	-	-	1,403	41,403
Total current liabilities	41,626	13,276	73	285,410	340,385
<b>Noncurrent liabilities:</b>					
Accrued compensated absences	-	1,921	-	-	1,921
Other postemployment benefits payable	2,337	7,445	2,103	-	11,885
Bonds payable, net of current portion	375,000	-	-	5,096,843	5,471,843
Total noncurrent liabilities	377,337	9,366	2,103	5,096,843	5,485,649
Total liabilities	418,963	22,642	2,176	5,382,253	5,826,034
<b>Net position:</b>					
Net investment in capital assets	812,179	912,883	1,062,640	1,517,266	4,304,968
Unrestricted	(892)	149,761	25,500	478,126	652,495
Total net position	\$811,287	\$1,062,644	\$1,088,140	\$1,995,392	\$4,957,463

**CITY OF WEST ST. PAUL, MINNESOTA**  
**RECREATION FUND**  
**COMBINING SCHEDULE OF REVENUE, EXPENSES AND**  
**CHANGES IN NET POSITION**  
For The Year Ended December 31, 2013

**Statement 24**

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2013
Operating revenue:					
User charges for services	\$125,690	\$194,994	\$5,642	\$748,861	\$1,075,187
Miscellaneous	16,698	6,980	-	14,966	38,644
Total operating revenue	<u>142,388</u>	<u>201,974</u>	<u>5,642</u>	<u>763,827</u>	<u>1,113,831</u>
Operating expenses:					
Personal services	32,054	103,806	-	-	135,860
Supplies	24,210	9,761	15,518	19,602	69,091
Contractual services	72,475	90,325	23,891	340,356	527,047
Miscellaneous other charges	7,046	15	982	4,882	12,925
Depreciation	19,119	51,506	49,164	122,904	242,693
Total operating expenses	<u>154,904</u>	<u>255,413</u>	<u>89,555</u>	<u>487,744</u>	<u>987,616</u>
Operating income (loss)	<u>(12,516)</u>	<u>(53,439)</u>	<u>(83,913)</u>	<u>276,083</u>	<u>126,215</u>
Nonoperating revenue (expense):					
Property taxes	4,350	-	37,170	61,277	102,797
Intergovernmental	-	4,500	-	-	4,500
Investment income	(17)	(1,581)	(275)	(16,007)	(17,880)
Bond interest expense	(15,810)	-	-	(114,582)	(130,392)
Total nonoperating revenue (expense)	<u>(11,477)</u>	<u>2,919</u>	<u>36,895</u>	<u>(69,312)</u>	<u>(40,975)</u>
Income (loss) before capital contributions and transfers	<u>(23,993)</u>	<u>(50,520)</u>	<u>(47,018)</u>	<u>206,771</u>	<u>85,240</u>
Capital contributions and transfers:					
Capital contributions	-	-	-	5,999	5,999
Transfers in	68,300	-	-	-	68,300
Total capital contributions and transfers	<u>68,300</u>	<u>0</u>	<u>0</u>	<u>5,999</u>	<u>74,299</u>
Change in net position	<u>44,307</u>	<u>(50,520)</u>	<u>(47,018)</u>	<u>212,770</u>	<u>159,539</u>
Net position - January 1	<u>766,980</u>	<u>1,113,164</u>	<u>1,135,158</u>	<u>1,782,622</u>	<u>4,797,924</u>
Net position - December 31	<u><u>\$811,287</u></u>	<u><u>\$1,062,644</u></u>	<u><u>\$1,088,140</u></u>	<u><u>\$1,995,392</u></u>	<u><u>\$4,957,463</u></u>



**CITY OF WEST ST. PAUL, MINNESOTA**  
**RECREATION FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
For The Year Ended December 31, 2013

**Statement 25**

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2013
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$125,650	\$197,937	\$5,642	\$762,589	\$1,091,818
Payment to suppliers	(105,259)	(126,013)	(47,351)	(423,701)	(702,324)
Payment to employees	(32,027)	(99,523)	-	-	(131,550)
Miscellaneous revenue	16,698	6,980	-	14,966	38,644
Net cash flows from operating activities	<u>5,062</u>	<u>(20,619)</u>	<u>(41,709)</u>	<u>353,854</u>	<u>296,588</u>
<b>Cash flows from noncapital financing activities:</b>					
Property taxes	4,491	432	38,244	61,277	104,444
Intergovernmental	449	5,695	3,040	1,452	10,636
Transfers in	68,300	-	-	-	68,300
Net cash flows from noncapital financing activities	<u>73,240</u>	<u>6,127</u>	<u>41,284</u>	<u>62,729</u>	<u>183,380</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(22,979)	-	-	(1,292,327)	(1,315,306)
Principal paid on capital debt	(40,000)	-	-	-	(40,000)
Interest paid on capital debt	(15,925)	-	-	(112,504)	(128,429)
Net cash flows from capital and related financing activities	<u>(78,904)</u>	<u>0</u>	<u>0</u>	<u>(1,404,831)</u>	<u>(1,483,735)</u>
<b>Cash flows from investing activities:</b>					
Investment income	126	(1,398)	(257)	(5,638)	(7,167)
Net increase (decrease) in cash and cash equivalents	(476)	(15,890)	(682)	(993,886)	(1,010,934)
Cash and cash equivalents - January 1	485	99,779	28,317	1,543,225	1,671,806
Cash and cash equivalents - December 31	<u>\$9</u>	<u>\$83,889</u>	<u>\$27,635</u>	<u>\$549,339</u>	<u>\$660,872</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income	(\$12,516)	(\$53,439)	(\$83,913)	\$276,083	\$126,215
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	19,119	51,506	49,164	122,904	242,693
Changes in assets and liabilities:					
Decrease (increase) in receivables	(40)	2,943	-	(14,322)	(11,419)
Decrease (increase) in other assets	(1,428)	-	-	-	(1,428)
Increase (decrease) in payables	(100)	(25,912)	(6,960)	(58,861)	(91,833)
Increase (decrease) in unearned revenue	-	-	-	28,050	28,050
Increase (decrease) in accrued compensated absences	27	4,283	-	-	4,310
Total adjustments	<u>17,578</u>	<u>32,820</u>	<u>42,204</u>	<u>77,771</u>	<u>170,373</u>
Net cash provided by operating activities	<u>\$5,062</u>	<u>(\$20,619)</u>	<u>(\$41,709)</u>	<u>\$353,854</u>	<u>\$296,588</u>
<b>Noncash capital financing activities:</b>					
Amortization of bond premium	\$ -	\$ -	\$ -	\$1,404	\$1,404

**- This page intentionally left blank -**

FIDUCIARY FUNDS

**CITY OF WEST ST. PAUL, MINNESOTA**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For The Year Ended December 31, 2013

**Statement 26**

---

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<u>South Metro Fire Fund:</u>				
Assets:				
Cash and investments	\$ -	\$146,143	(\$146,143)	\$ -
Liabilities:				
Due to other governmental units	\$ -	\$146,143	(\$146,143)	\$ -

### **III. STATISTICAL SECTION (UNAUDITED)**

**- This page intentionally left blank -**

### III. STATISTICAL SECTION (UNAUDITED)

This part of the City of West St. Paul, Minnesota'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 of West St. Paul, Minnesota's overall financial health.

#### Contents

---

##### **Financial Trends**

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

##### **Revenue Capacity**

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

##### **Debt Capacity**

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

##### **Demographic and Economic Information**

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's financial report relates to the services the City provides and the activities it performs.

**CITY OF WEST ST. PAUL, MINNESOTA****NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	\$27,388,025	\$28,530,217	\$28,838,130	\$28,849,102
Restricted	7,156,411	7,304,612	7,105,350	7,041,256
Unrestricted	11,890,845	9,643,747	11,335,204	13,668,115
Total governmental activities net position	<u>\$46,435,281</u>	<u>\$45,478,576</u>	<u>\$47,278,684</u>	<u>\$49,558,473</u>
Business-type activities:				
Net investment in capital assets	\$6,039,322	\$5,919,902	\$5,857,428	\$5,736,609
Restricted	-	-	-	-
Unrestricted	2,481,016	2,460,843	2,340,294	2,283,949
Total business-type activities net position	<u>\$8,520,338</u>	<u>\$8,380,745</u>	<u>\$8,197,722</u>	<u>\$8,020,558</u>
Primary government:				
Net investment in capital assets	\$33,427,347	\$34,450,119	\$34,695,558	\$34,585,711
Restricted	7,156,411	7,304,612	7,105,350	7,041,256
Unrestricted	14,371,861	12,104,590	13,675,498	15,952,064
Total primary government net position	<u>\$54,955,619</u>	<u>\$53,859,321</u>	<u>\$55,476,406</u>	<u>\$57,579,031</u>



**Table 1**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$28,259,027	\$30,796,241	\$31,069,506	\$33,835,227	\$33,876,690	\$32,092,175
7,390,280	12,968,106	5,065,984	5,223,837	4,686,286	3,399,206
14,788,580	9,846,265	18,126,311	17,264,839	16,559,404	13,698,514
<u>\$50,437,887</u>	<u>\$53,610,612</u>	<u>\$54,261,801</u>	<u>\$56,323,903</u>	<u>\$55,122,380</u>	<u>\$49,189,895</u>
\$5,744,038	\$5,657,805	\$4,078,198	\$4,219,590	\$5,299,774	\$10,277,693
-	-	257,135	-	-	
2,291,545	887,385	2,174,747	2,707,322	4,255,228	3,709,389
<u>\$8,035,583</u>	<u>\$6,545,190</u>	<u>\$6,510,080</u>	<u>\$6,926,912</u>	<u>\$9,555,002</u>	<u>\$13,987,082</u>
\$34,003,065	\$36,454,046	\$35,147,704	\$38,054,817	\$39,176,464	\$42,369,868
7,390,280	12,968,106	5,323,119	5,223,837	4,686,286	3,399,206
17,080,125	10,733,650	20,301,058	19,972,161	20,814,632	17,407,903
<u>\$58,473,470</u>	<u>\$60,155,802</u>	<u>\$60,771,881</u>	<u>\$63,250,815</u>	<u>\$64,677,382</u>	<u>\$63,176,977</u>

**CITY OF WEST ST. PAUL, MINNESOTA**

**CHANGES IN NET POSITION**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$3,824,547	\$3,625,984	\$2,950,118	\$2,586,165
Public safety	4,485,265	4,883,434	5,248,453	6,072,424
Public works	2,680,865	2,817,726	2,907,025	3,165,152
Parks and recreation	700,766	678,888	665,065	808,763
Interest and fees on long-term debt	531,889	529,178	545,727	573,403
Total governmental activities expenses	<u>12,223,332</u>	<u>12,535,210</u>	<u>12,316,388</u>	<u>13,205,907</u>
Business-type activities:				
Public utilities	1,826,699	1,776,694	1,991,350	1,884,927
Recreation	661,034	668,694	685,347	692,598
Total business-type activities expenses	<u>2,487,733</u>	<u>2,445,388</u>	<u>2,676,697</u>	<u>2,577,525</u>
Total primary government expenses	<u><u>\$14,711,065</u></u>	<u><u>\$14,980,598</u></u>	<u><u>\$14,993,085</u></u>	<u><u>\$15,783,432</u></u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$940,156	\$816,436	\$699,460	\$720,739
Public safety	419,966	519,993	414,528	452,865
Public works	91,733	94,653	182,852	176,451
Parks and recreation	32,028	60,168	63,526	260,802
Operating grants and contributions	547,533	527,126	562,144	882,769
Capital grants and contributions	2,017,748	627,689	2,007,373	587,582
Total governmental activities program revenues	<u>4,049,164</u>	<u>2,646,065</u>	<u>3,929,883</u>	<u>3,081,208</u>
Business-type activities:				
Charges for services:				
Public utilities	1,950,711	2,007,210	2,377,834	2,492,158
Recreation	494,184	473,027	467,611	469,462
Operating grants and contributions	-	-	560	-
Capital grants and contributions	24,974	-	-	105
Total business-type activities program revenues	<u>2,469,869</u>	<u>2,480,237</u>	<u>2,846,005</u>	<u>2,961,725</u>
Total primary government program revenues	<u><u>\$6,519,033</u></u>	<u><u>\$5,126,302</u></u>	<u><u>\$6,775,888</u></u>	<u><u>\$6,042,933</u></u>
<b>Net (expense) revenue:</b>				
Governmental activities	(\$8,174,168)	(\$9,889,145)	(\$8,386,505)	(\$10,124,699)
Business-type activities	<u>(17,864)</u>	<u>34,849</u>	<u>169,308</u>	<u>384,200</u>
Total primary government net (expense) revenue	<u><u>(8,192,032)</u></u>	<u><u>(9,854,296)</u></u>	<u><u>(8,217,197)</u></u>	<u><u>(9,740,499)</u></u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$2,796,893	\$3,360,035	\$3,302,702	\$3,437,501	\$3,642,850	\$3,389,974
5,927,420	5,890,526	6,049,004	6,167,218	6,285,568	6,303,232
3,867,676	3,435,137	3,213,509	3,143,689	4,053,264	6,306,335
912,410	838,059	860,994	849,591	755,629	789,544
556,157	397,208	824,286	795,508	746,047	945,296
<u>14,060,556</u>	<u>13,920,965</u>	<u>14,250,495</u>	<u>14,393,507</u>	<u>15,483,358</u>	<u>17,734,381</u>
2,361,447	3,824,046	2,139,272	2,146,608	2,341,621	2,462,051
686,534	655,524	584,478	516,700	809,898	1,118,008
<u>3,047,981</u>	<u>4,479,570</u>	<u>2,723,750</u>	<u>2,663,308</u>	<u>3,151,519</u>	<u>3,580,059</u>
<u>\$17,108,537</u>	<u>\$18,400,535</u>	<u>\$16,974,245</u>	<u>\$17,056,815</u>	<u>\$18,634,877</u>	<u>\$21,314,440</u>
\$515,872	\$617,830	\$747,044	\$868,587	\$721,933	\$712,530
274,322	297,953	393,749	354,840	362,190	392,902
217,132	297,969	219,053	223,280	248,158	120,755
78,598	64,684	67,479	63,568	69,121	73,920
748,435	1,401,375	808,067	582,445	843,318	568,633
530,873	581,053	797,237	880,307	576,047	733,961
<u>2,365,232</u>	<u>3,260,864</u>	<u>3,032,629</u>	<u>2,973,027</u>	<u>2,820,767</u>	<u>2,602,701</u>
2,787,280	2,965,137	2,772,372	3,111,202	3,361,552	3,420,865
435,019	444,752	373,644	332,450	503,440	1,110,429
-	-	-	-	-	7,902
158,345	-	-	117,060	58,017	5,999
<u>3,380,644</u>	<u>3,409,889</u>	<u>3,146,016</u>	<u>3,560,712</u>	<u>3,923,009</u>	<u>4,545,195</u>
<u>\$5,745,876</u>	<u>\$6,670,753</u>	<u>\$6,178,645</u>	<u>\$6,533,739</u>	<u>\$6,743,776</u>	<u>\$7,147,896</u>
(\$11,695,324)	(\$10,660,101)	(\$11,217,866)	(\$11,420,480)	(\$12,662,591)	(\$15,131,680)
332,663	(1,069,681)	422,266	897,404	771,490	965,136
<u>(11,362,661)</u>	<u>(11,729,782)</u>	<u>(10,795,600)</u>	<u>(10,523,076)</u>	<u>(11,891,101)</u>	<u>(14,166,544)</u>

**CITY OF WEST ST. PAUL, MINNESOTA**

**CHANGES IN NET POSITION**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$5,018,466	\$6,447,982	\$7,148,433	\$7,588,912
Tax increment collections	-	139,217	312,082	736,055
Franchise and other taxes	562,465	632,746	728,551	775,255
Grants and contributions not restricted to specific programs	1,589,976	752,494	660,873	962,269
Unrestricted investment earnings	346,232	540,474	790,632	1,166,186
Gain on sale of capital assets	11,236	19,229	-	40,596
Miscellaneous revenues	140,127	124,798	54,165	48,531
Transfers	229,378	275,500	491,877	(321,950)
Total governmental activities	<u>7,897,880</u>	<u>8,932,440</u>	<u>10,186,613</u>	<u>10,995,854</u>
Business-type activities:				
Property taxes	-	27,937	28,351	90,211
Grants and contributions not restricted to specific programs	-	2,063	1,721	-
Unrestricted investment earnings	54,528	71,058	109,098	132,134
Gain on sale of capital assets	-	-	376	800
Miscellaneous revenues	1,378	-	-	435
Transfers	(229,378)	(275,500)	(491,877)	321,950
Total business-type activities	<u>(173,472)</u>	<u>(174,442)</u>	<u>(352,331)</u>	<u>545,530</u>
Total primary government	<u>\$7,724,408</u>	<u>\$8,757,998</u>	<u>\$9,834,282</u>	<u>\$11,541,384</u>
<b>Change in net position:</b>				
Governmental activities	(\$276,288)	(\$956,705)	\$1,800,108	\$871,155
Business-type activities	(191,336)	(139,593)	(183,023)	929,730
Total primary government	<u>(\$467,624)</u>	<u>(\$1,096,298)</u>	<u>\$1,617,085</u>	<u>\$1,800,885</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$8,114,780	\$9,230,584	\$8,593,238	\$9,304,895	\$10,112,316	\$10,525,106
885,302	1,001,532	1,017,676	898,424	886,540	870,109
784,951	778,465	727,378	854,084	829,627	915,396
1,439,729	1,780,315	899,359	917,984	788,847	788,259
789,661	493,389	259,595	710,644	396,479	(177,976)
45,165	5,774	6,523	8,418	11,908	-
-	-	84,894	125,488	155,250	130,619
515,150	542,768	736,390	662,645	(1,719,899)	224,106
<u>12,574,738</u>	<u>13,832,827</u>	<u>12,325,053</u>	<u>13,482,582</u>	<u>11,461,068</u>	<u>13,275,619</u>
100,036	100,112	264,946	45,403	54,118	102,797
5,192	5,245	3,866	658	-	-
92,284	16,699	14,432	45,269	82,583	(37,571)
-	-	-	-	-	-
-	-	-	-	-	-
(515,150)	(542,768)	(736,390)	(662,645)	1,719,899	(224,106)
<u>(317,638)</u>	<u>(420,712)</u>	<u>(453,146)</u>	<u>(571,315)</u>	<u>1,856,600</u>	<u>(158,880)</u>
<u>\$12,257,100</u>	<u>\$13,412,115</u>	<u>\$11,871,907</u>	<u>\$12,911,267</u>	<u>\$13,317,668</u>	<u>\$13,116,739</u>
\$879,414	\$3,172,726	\$1,107,187	\$2,062,102	(\$1,201,523)	(\$1,856,061)
15,025	(1,490,393)	(30,880)	326,089	2,628,090	806,256
<u>\$894,439</u>	<u>\$1,682,333</u>	<u>\$1,076,307</u>	<u>\$2,388,191</u>	<u>\$1,426,567</u>	<u>(\$1,049,805)</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
<b>General Fund:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved				
Designated for subsequent years' budget	75,000	83,725	-	-
Designated for working capital	3,469,774	3,667,070	3,918,128	4,152,541
Designated for contingencies	816,417	770,846	495,324	980,223
Designated for police forfeitures	-	-	22,223	22,223
Undesignated	280,141	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$4,641,332</u>	<u>\$4,521,641</u>	<u>\$4,435,675</u>	<u>\$5,154,987</u>
<b>All other governmental funds:</b>				
Reserved	\$2,523,129	\$3,789,964	\$4,140,803	\$4,140,803
Unreserved, reported in:				
Special revenue funds	998,406	1,000,000	1,000,000	1,000,000
Capital projects funds	3,966,143	3,889,151	3,894,047	3,964,170
Undesignated	6,531,263	4,861,916	6,032,981	5,801,188
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$14,018,941</u>	<u>\$13,541,031</u>	<u>\$15,067,831</u>	<u>\$14,906,161</u>

<sup>(1)</sup>The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011, resulting in significant reclassification of the components of fund balance.

Table 3

Fiscal Year					
2008	2009	2010	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>
\$ -	\$ -	\$278	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,096,047	5,274,336	5,374,535	-	-	-
980,223	468,023	527,811	-	-	-
22,223	5,304	8,929	-	-	-
-	-	-	-	-	-
-	-	-	-	560	110,133
-	-	-	782	809	809
-	-	-	-	-	-
-	-	-	29,004	-	648,763
-	-	-	7,114,327	7,411,647	7,847,235
<u>\$5,098,493</u>	<u>\$5,747,663</u>	<u>\$5,911,553</u>	<u>\$7,144,113</u>	<u>\$7,413,016</u>	<u>\$8,606,940</u>
\$4,366,569	\$10,016,943	\$5,327,248	\$ -	\$ -	\$ -
1,000,000	1,737,298	3,074,627	-	-	-
3,887,555	7,253,715	9,291,114	-	-	-
7,135,022	2,086,109	574,511	-	-	-
-	-	-	2,003,349	1,588,890	-
-	-	-	5,917,882	5,519,879	4,108,357
-	-	-	2,454,012	2,853,349	4,058,819
-	-	-	7,363,458	6,789,739	3,806,759
-	-	-	(1,276,852)	(1,302,110)	(2,401,880)
<u>\$16,389,146</u>	<u>\$21,094,065</u>	<u>\$18,267,500</u>	<u>\$16,461,849</u>	<u>\$15,449,747</u>	<u>\$9,572,055</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues:</b>				
General property taxes	\$5,613,840	\$6,461,819	\$7,093,714	\$7,589,626
Tax increment collections	48,149	139,217	311,127	737,231
Franchise and other taxes	558,632	632,746	728,551	770,594
Licenses and permits	710,632	602,122	557,771	725,347
Intergovernmental	1,938,928	1,283,509	2,549,294	2,144,118
Special assessments	463,801	439,923	531,896	470,834
Charges for services	674,711	687,304	681,772	615,954
Fines and forfeits	68,905	91,986	98,384	117,986
Investment income	587,327	540,474	790,632	1,151,057
Contributions and donations	14,913	20,703	17,690	-
Sale of land held for resale	-	-	-	-
Miscellaneous	120,563	164,941	157,604	444,912
Insurance policy dividends	10,057	104,495	5,935	16,872
<b>Total revenues</b>	<b>10,810,458</b>	<b>11,169,239</b>	<b>13,524,370</b>	<b>14,784,531</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,643,264	3,247,668	2,639,410	2,467,715
Public safety	4,563,019	4,661,066	4,982,224	5,908,111
Public works	1,630,255	1,421,692	1,543,044	1,711,250
Parks and recreation	734,512	641,397	635,065	725,223
Unallocated general expenditures	131,253	225,597	163,397	112,637
Capital outlay	2,915,948	1,720,909	3,280,104	1,887,240
<b>Debt service:</b>				
Principal	1,257,034	1,349,482	1,485,546	1,640,579
Interest	531,818	534,528	534,765	590,245
Bond issuance costs	25,152	23,669	30,055	-
Miscellaneous	-	-	-	1,130
<b>Total expenditures</b>	<b>14,432,255</b>	<b>13,826,008</b>	<b>15,293,610</b>	<b>15,044,130</b>
Revenues over (under) expenditures	<u>(3,621,797)</u>	<u>(2,656,769)</u>	<u>(1,769,240)</u>	<u>(259,599)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	9,340	19,229	21,192	35,102
Refunding bonds issued	-	-	-	-
Issuance of debt	1,540,000	1,790,000	2,692,000	190,000
Capital lease	703,000	-	-	-
Bond discount	(16,345)	(25,561)	(18,008)	-
Bond premium	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	1,297,232	1,941,046	1,122,751	834,908
Transfers out	(719,795)	(1,665,546)	(607,861)	(334,758)
<b>Total other financing sources (uses)</b>	<b>2,813,432</b>	<b>2,059,168</b>	<b>3,210,074</b>	<b>725,252</b>
Net change in fund balance	<u>(\$808,365)</u>	<u>(\$597,601)</u>	<u>\$1,440,834</u>	<u>\$465,653</u>
Debt service as a percentage of noncapital expenditures	15.5%	15.6%	16.8%	17.0%



**Table 4**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$8,026,104	\$8,198,676	\$8,595,194	\$9,306,243	\$10,073,778	\$10,554,349
890,559	1,038,990	939,241	958,223	859,384	915,051
775,702	766,070	777,432	851,778	827,713	913,228
470,559	515,595	539,594	548,118	498,897	481,658
2,039,715	3,003,528	1,727,742	1,679,334	1,646,494	1,736,590
526,298	557,691	990,289	562,175	440,060	398,142
572,455	681,621	695,683	793,786	763,861	636,274
119,783	132,957	124,744	95,600	88,062	151,256
789,661	493,389	250,374	710,644	396,479	(177,976)
-	-	-	-	-	-
-	-	-	-	-	-
94,268	146,371	192,541	416,228	237,398	179,864
17,160	9,190	4,310	-	-	-
<u>14,322,264</u>	<u>15,544,078</u>	<u>14,837,144</u>	<u>15,922,129</u>	<u>15,832,126</u>	<u>15,788,436</u>
2,903,076	2,970,876	2,764,914	2,850,517	3,354,742	3,036,157
5,738,646	5,727,556	5,868,395	6,031,175	6,101,857	6,143,197
1,645,992	1,512,683	1,415,267	1,440,843	1,451,514	3,315,490
800,658	744,114	771,283	724,218	660,754	681,584
158,914	113,079	123,535	120,957	103,940	61,258
2,614,096	3,355,188	8,148,622	2,902,851	5,332,713	6,687,137
1,497,996	5,054,428	1,402,900	2,327,900	1,479,700	1,880,000
510,674	647,703	674,433	770,469	746,145	696,797
64,703	-	46,808	-	63,058	53,096
904	40,819	1,113	3,813	3,658	2,342
<u>15,935,659</u>	<u>20,166,446</u>	<u>21,217,270</u>	<u>17,172,743</u>	<u>19,298,081</u>	<u>22,557,058</u>
<u>(1,613,395)</u>	<u>(4,622,368)</u>	<u>(6,380,126)</u>	<u>(1,250,614)</u>	<u>(3,465,955)</u>	<u>(6,768,622)</u>
45,165	5,774	21,103	8,418	18,940	-
-	-	-	-	690,000	-
2,600,000	9,427,915	2,940,000	-	3,105,000	1,530,000
-	-	-	-	-	-
(28,440)	-	-	-	-	-
-	-	71,453	-	-	31,498
-	-	4,853	6,460	14,164	5,643
693,134	1,919,527	1,445,484	701,065	766,652	586,013
<u>(177,984)</u>	<u>(1,376,759)</u>	<u>(709,094)</u>	<u>(38,420)</u>	<u>(1,872,000)</u>	<u>(68,300)</u>
<u>3,131,875</u>	<u>9,976,457</u>	<u>3,773,799</u>	<u>677,523</u>	<u>2,722,756</u>	<u>2,084,854</u>
<u>\$1,518,480</u>	<u>\$5,354,089</u>	<u>(\$2,606,327)</u>	<u>(\$573,091)</u>	<u>(\$743,199)</u>	<u>(\$4,683,768)</u>
15.1%	33.9%	15.9%	21.7%	15.9%	16.2%

**CITY OF WEST ST. PAUL, MINNESOTA**  
**TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

**Table 5**

Fiscal Year Ended December 31,	Residential Property	Commercial/Industrial Property	All Other	Total Tax Capacity	Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
2004	\$8,807,151	\$1,932,827	\$3,844,079	\$14,584,057	\$1,174,964	\$10,739,978	41.680	\$1,243,913,500	0.86%
2005	10,059,828	3,182,145	2,873,191	16,115,164	1,222,578	13,241,973	42.289	1,382,649,200	0.96%
2006	11,320,958	3,553,175	2,878,158	17,752,291	1,338,159	14,874,133	42.761	1,530,023,000	0.97%
2007	12,330,829	4,865,981	2,419,777	19,616,587	1,487,932	17,196,810	42.082	1,687,050,300	1.02%
2008	12,573,491	5,234,351	2,489,211	20,297,053	1,855,711	17,807,842	43.706	1,734,621,300	1.03%
2009	12,188,009	5,568,526	2,418,915	20,175,450	2,001,404	17,756,535	44.608	1,707,579,700	1.04%
2010	11,048,101	5,569,775	2,596,131	19,214,007	3,271,505	16,617,876	50.873	1,594,050,200	1.04%
2011	10,240,464	5,279,185	2,429,209	17,948,858	3,271,375	15,519,649	56.078	1,485,245,000	1.04%
2012	8,821,628	5,182,698	2,443,500	16,447,826	2,023,373	14,004,326	62.205	1,339,567,341	1.05%
2013	7,651,552	5,115,816	2,473,126	15,240,494	1,986,284	12,767,368	69.447	1,342,545,100	0.95%

Source: Dakota County Assessing Services

Note: The year associated with a Tax Capacity or a Market Value means one of two things:  
 Assessment Year: the year for which the property market values are determined. Market values must be assessed annually on January 2nd. Pay year or tax payment year: the year in which the taxes are payable. Current year taxes - are based on the prior January 2nd assessment. To more accurately compare the information on this table to the financial statements the year is the pay year.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years

**Table 6**

Fiscal Year	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2004	10.46 %	31.22 %	41.680 %	12.920 %	4.930 %	30.300 %	89.830 %
2005	10.37 %	31.92 %	42.289 %	21.878 %	4.907 %	28.267 %	97.341 %
2006	10.61 %	32.15 %	42.761 %	21.428 %	4.616 %	26.318 %	95.123 %
2007	8.28 %	33.80 %	42.082 %	19.838 %	4.416 %	25.127 %	91.463 %
2008	10.09 %	33.62 %	43.706 %	18.914 %	4.393 %	25.184 %	92.197 %
2009	10.03 %	34.58 %	44.608 %	18.051 %	4.328 %	25.821 %	92.808 %
2010	11.04 %	39.84 %	50.873 %	18.850 %	4.421 %	27.269 %	101.413 %
2011	11.06 %	45.02 %	56.078 %	19.692 %	4.644 %	29.149 %	109.563 %
2012	13.12 %	49.09 %	62.205 %	21.857 %	5.021 %	31.426 %	120.509 %
2013	12.66 %	56.79 %	69.447 %	24.429 %	7.115 %	33.421 %	134.412 %

Source: Dakota County website [www.dakotacounty.us](http://www.dakotacounty.us)

Note: The City's basic property tax rate may be increased only by a majority vote of the City's Councilmembers. Rates for debt service are set based on each year's requirements.

\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

**Table 7**

Taxpayer	2013			2004		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Signal Hills Co. II	\$262,348	1	1.73%	\$193,512	2	1.43%
Target Corporation	259,942	2	1.71%	222,614	1	1.64%
Xcel Energy	223,668	3	1.47%	164,948	6	1.22%
Menards	200,960	4	1.32%	170,706	4	1.26%
Lowes Home Centers Inc.	198,060	5	1.31%	na	na	na
Wal-Mart	187,022	6	1.23%	na	na	na
Westview Apartments	167,668	7	1.11%	na	na	na
Mailand Property Ltd. Partnership	166,618	8	1.10%	157,324	8	1.16%
Sasco Investment LLP	160,488	9	1.06%	190,750	3	1.41%
Walker Senior Housing Corp.	150,033	10	0.99%	na	na	na
Total	<u>\$1,976,807</u>		13.03%	<u>\$1,099,854</u>		8.12%
Total All Property	<u>\$15,170,148</u>			<u>\$13,557,406</u>		

Source: 2013 information from Ehler's Annual Disclosure.  
 2004 from City's 2004 CAFR.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$6,209,900	\$6,112,388	98.43%	\$54,487	\$6,166,875	99.31%
2005	6,941,900	6,854,442	98.74%	95,855	6,950,297	100.12%
2006	7,607,225	7,482,046	98.35%	86,326	7,568,371	99.49%
2007	8,094,100	7,969,034	98.45%	123,964	8,092,998	99.99%
2008	8,522,075	8,409,350	98.68%	120,360	8,529,710	100.09%
2009	8,745,974	8,629,734	98.67%	106,331	8,736,065	99.89%
2010*	9,265,888	8,844,367	95.45%	104,694	8,949,061	96.58%
2011*	9,760,512	9,212,265	94.38%	96,022	9,308,287	95.37%
2012	9,954,113	9,814,866	98.60%	-	9,814,866	98.60%
2013	10,339,245	10,105,751	97.74%	-	10,105,751	97.74%

Sources: City Budget Book (Levy) and Dakota County tax collection reports of Finance.

\* The total amount of property taxes levied is partially supported by property tax relief payments on behalf of lower-valued residential properties. In FY 2010 and 2011, 75% this payment, known as Market Value Homestead Credit was withheld by the State of Minnesota, resulting in a lower overall collection percentage.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	Capital Leases		
2004	\$860,000	\$10,275,000	\$ -	\$608,355	\$11,743,355	80.52%
2005	816,000	9,370,000	1,605,000	476,548	12,267,548	76.12%
2006	826,000	10,790,000	1,605,000	338,026	13,559,026	76.38%
2007	766,000	9,615,000	1,605,000	192,447	12,178,447	62.08%
2008	746,000	10,985,000	1,580,000	39,450	13,350,450	65.78%
2009	7,160,500	9,105,000	1,555,000	-	17,820,500	88.33%
2010	6,907,600	11,730,000	1,525,000	-	20,162,600	101.22%
2011	6,609,700	9,730,000	1,495,000	-	17,834,700	99.36%
2012	6,239,233	12,530,996	1,443,412	-	20,213,641	122.51%
2013	6,083,359	12,400,635	1,404,435	-	19,888,429	130.50%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(a)</sup>See Table 14 for personal income and population data.

**Table 9**

<b>Business-Type Activities</b>						
<u>Sewer Bonds</u>	<u>Sports Dome Bonds</u>	<u>Term Loan Payable</u>	<u>Total Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of County-Wide Personal Income<sup>(a)</sup></u>	<u>Per Capita<sup>(a)</sup></u>
\$1,585,000	\$ -	\$2,055,000	\$3,640,000	\$15,383,355	1.00%	790
1,520,000	-	1,950,000	3,470,000	15,737,548	0.99%	835
1,450,000	-	1,840,000	3,290,000	16,849,026	N/A	895
1,375,000	-	1,740,000	3,115,000	15,293,447	N/A	809
1,300,000	-	1,635,000	2,935,000	16,285,450	N/A	857
2,755,000	-	1,365,000	4,120,000	21,940,500	N/A	1,158
2,660,000	-	525,000	3,185,000	23,347,600	N/A	1,195
2,430,000	-	490,000	2,920,000	20,754,700	N/A	1,059
2,213,661	5,080,000	455,000	7,748,661	27,962,302	N/A	1,415
1,960,703	5,098,246	415,000	7,473,949	27,362,378	N/A	1,385

**CITY OF WEST ST. PAUL, MINNESOTA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

**Table 10**

Fiscal Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percentage of Est. Actual Taxable Value of Property <sup>(a)</sup>	Per Capita <sup>(b)</sup>
2004	\$860,000	\$102,651	\$757,349	0.06%	40.25
2005	816,000	105,296	710,704	0.05%	37.77
2006	826,000	117,328	708,672	0.05%	37.66
2007	766,000	120,243	645,757	0.04%	34.32
2008	746,000	152,363	593,637	0.03%	31.55
2009	7,160,500	199,241	6,961,259	0.41%	367.41
2010	6,907,600	214,880	6,692,720	0.39%	342.51
2011	6,609,700	303,451	6,306,249	0.42%	321.67
2012	6,239,233	346,611	5,892,622	0.42%	298.27
2013	6,083,359	337,619	5,745,740	0.43%	290.84

(a) See Table 5 for property value data.

(b) See Table 14 for population data.



**CITY OF WEST ST. PAUL, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 December 31, 2013

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Dakota County	\$46,400,000	3.57%	\$1,655,506
School Districts:			
ISD No. 197	57,940,000	24.78%	14,359,618
Metropolitan Council	189,450,000	0.47%	884,163
Subtotal - overlapping debt			16,899,287
City direct debt			27,362,378
Total direct and overlapping debt			\$44,261,665

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

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

\*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the County's capital lease, loan, and other debt. The applicable percentage of the County Economic Development Bonds, which are backed by county sales taxes, was estimated by dividing the City's retail sales by the County's retail sales.

**CITY OF WEST ST. PAUL, MINNESOTA**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2013**

Market value	<u>\$1,342,545,100</u>
Debt limit (3% of market value) (a)	<u>40,276,353</u>
Debt applicable to limit:	
General obligation bonds	6,083,359
Less: Amount set aside for repayment of general obligation debt	<u>337,619</u>
Total net debt applicable to limit	<u>5,745,740</u>
Legal debt margin	<u><u>\$34,530,613</u></u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$24,878,270	\$27,652,984	\$30,600,460	\$33,741,006
Total net debt applicable to limit	<u>772,626</u>	<u>621,066</u>	<u>645,757</u>	<u>645,757</u>
Legal debt margin	<u><u>\$24,105,644</u></u>	<u><u>\$27,031,918</u></u>	<u><u>\$29,954,703</u></u>	<u><u>\$33,095,249</u></u>
Total net debt applicable to the limit as a percentage of debt limit	3.11%	2.56%	2.11%	1.91%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

(a) In 2008 debt limitation increased from 2% of market value to 3%.

Table 12

---

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$52,038,639	\$51,227,391	\$47,821,506	\$44,557,350	\$40,092,078	\$40,276,353
<u>593,637</u>	<u>461,259</u>	<u>6,692,720</u>	<u>6,306,249</u>	<u>5,873,389</u>	<u>5,745,740</u>
<u><u>\$51,445,002</u></u>	<u><u>\$50,766,132</u></u>	<u><u>\$40,026,406</u></u>	<u><u>\$40,026,406</u></u>	<u><u>\$34,218,689</u></u>	<u><u>\$34,530,613</u></u>
1.14%	0.90%	14.00%	14.15%	14.65%	14.27%

**CITY OF WEST ST. PAUL, MINNESOTA**

**PLEDGED-REVENUE COVERAGE**

Last Ten Fiscal Years

Fiscal Year	Sewer Revenue Bonds					Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2004	\$1,953,124	\$1,469,313	\$483,811	\$65,000	\$80,320	3.33 %
2005	1,999,199	1,550,140	449,059	65,000	77,395	3.15 %
2006	2,364,928	1,776,688	588,240	70,000	74,470	4.07 %
2007	2,445,899	1,956,727	489,172	75,000	71,320	3.34 %
2008	2,747,281	2,121,595	625,686	80,000	67,945	4.23 %
2009	2,940,335	3,636,003	(695,668)	95,000	45,616	(4.95) %
2010	2,757,291	1,895,475	861,816	135,012	47,227	4.73 %
2011	2,704,849	1,890,974	813,875	230,000	73,413	2.68 %
2012	2,950,106	2,088,407	861,699	240,000	67,094	2.81 %
2013	2,998,953	2,170,321	828,632	255,000	57,626	2.65 %

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. Golf course revenue bonds are excluded since they are an internal issue.

Table 13

Improvement Bonds				Tax Increment Bonds			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$160,797	\$870,000	\$393,962	0.13 %	N/A	N/A	N/A	N/A
161,694	905,000	401,431	0.12 %	N/A	N/A	N/A	N/A
135,485	1,030,000	364,239	0.10 %	\$51,769	\$ -	\$51,769	1.00 %
109,947	1,175,000	411,260	0.07 %	69,025	-	69,025	1.00 %
77,718	1,000,000	373,735	0.06 %	93,556	25,000	68,556	1.00 %
102,651	1,090,000	424,397	0.07 %	92,619	25,000	67,619	1.00 %
233,585	1,190,000	340,929	0.15 %	96,587	30,000	66,587	1.00 %
254,479	2,000,000	331,910	0.11 %	95,463	30,000	65,463	1.00 %
188,232	1,055,000	294,513	0.14 %	99,200	35,000	64,200	1.00 %
225,526	1,330,000	307,328	0.14 %	101,100	40,000	61,100	1.00 %

---

<u>Fiscal Year</u>	<u>Population *</u>	<u>County-Wide Personal Income **</u>	<u>Per Capita Personal Income **</u>	<u>Unemployment Rate ***</u>
2004	19,481	15,432,000,000	40,788	4.00%
2005	18,849	15,878,000,000	41,416	4.10%
2006	18,816	16,627,273,000	43,095	4.00%
2007	18,914	17,541,000,000	45,045	4.00%
2008	19,002	18,243,000,000	46,357	6.90%
2009	18,947	17,594,416,000	44,374	7.50%
2010	19,540	17,970,760,000	45,022	7.30%
2011	19,605	18,612,486,000	46,299	6.20%
2012	19,756	18,984,735,000	47,255	5.60%
2013	19,756	19,721,342,718	48,684	4.70%

\* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census.

\*\* Source of data: Bureau of Economic Analysis, Rates prior to 2012 are for Dakota County - 2012 rates are extrapolated using the Minneapolis/St Paul metro area percentage change from 2010 to 2011.

\*\*\* Source of data: Minnesota Department of Employment and Economic Development.

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

**CITY OF WEST ST. PAUL, MINNESOTA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

**Table 15**

Employer	2013		Employer	2004	
	Employees	Percentage of Total City Employment		Employees	Percentage of Total City Employment
I.S.D. No. 197	784	10.32%	I.S.D. No. 197	830	10.92%
Dakota County	600	7.90%	Dakota County	554	7.29%
Southview Acres Health Center	383	5.04%	Southview Acres Health Center	375	4.94%
Super Target	310	4.08%	TapeMark Company	290	3.82%
Wal-Mart Superstore	285	3.75%	Army National Guard	224	2.95%
TapeMark Company	230	3.03%	Super Target	210	2.76%
YMCA	160	2.11%	Cub Foods	190	2.50%
Darts	150	1.97%	Menards	140	1.84%
Menards	138	1.82%	Rainbow Foods	130	1.71%
Lowe's Home Improvement	115	1.51%	City of West St Paul	114	1.50%
Total	<u>3,155</u>		Total	<u>3,057</u>	

Sources: Ehlers and Associates, Inc. and Metropolitan Council

**CITY OF WEST ST. PAUL, MINNESOTA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31,		
	2004	2005	2006
General government:			
Administration	4.0	4.0	5.0
Finance	5.0	5.0	4.0
Community Development	6.0	5.0	5.0
Building inspections	1.0	1.0	1.0
MIS	-	-	1.0
Police:			
Officers	26.0	26.0	28.0
Civilians	4.0	4.0	5.5
Dispatch	7.0	7.0	-
Fire:			
Firefighters and officers	19.0	19.0	19.0
Civilians	0.5	0.5	0.5
Public works:			
Engineering	3.0	1.0	2.0
Streets	11.0	11.0	10.0
Sewer	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0
Parks and recreation	7.0	7.0	6.0
Golf course manager	2.0	1.0	1.0
Ice arena / pool manager	1.0	1.0	1.0
<b>Total</b>	<b>101.5</b>	<b>97.5</b>	<b>94.0</b>

Source: City Budget Books

Notes: 1. The numbers above represent full-time and permanent part-time budgeted positions.

Seasonal employees are not included.

2. Building inspections was moved to Community Development in 2002.



**Table 16**

Full-Time Equivalent Employees as of December 31,						
2007	2008	2009	2010	2011	2012	2013
5.0	5.0	4.0	4.0	4.0	4.0	5.5
5.0	5.0	5.0	5.0	5.0	4.0	3.0
5.0	5.0	4.0	3.8	3.8	2.8	3.6
1.5	1.5	1.5	1.5	1.0	2.0	3.0
1.0	1.0	1.0	1.0	2.0	2.0	2.0
30.0	30.0	30.0	30.0	29.0	29.0	30.0
6.0	6.0	5.8	5.6	5.6	5.6	3.0
-	-	-	-	-	-	-
20.0	-	-	-	-	-	-
0.5	-	-	-	-	-	-
2.0	2.0	2.0	2.0	2.0	2.0	2.5
11.0	11.0	11.0	11.0	11.0	12.0	11.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
2.0	2.0	2.0	2.0	1.0	1.0	1.0
7.0	7.0	7.0	7.0	7.0	7.0	6.0
1.0	1.0	1.0	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0	1.5
<u>101.0</u>	<u>80.5</u>	<u>78.3</u>	<u>76.9</u>	<u>75.4</u>	<u>75.4</u>	<u>75.1</u>

**CITY OF WEST ST. PAUL, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year		
	2004	2005	2006
Police:			
Part 1 Crimes reports	1,227	1,323	1,177
Part 2 Crimes reports	1,021	1,220	1,184
Total arrests	792	978	1,099
Part 1 arrests	301	331	392
Cases investigated	158	442	387
Building inspection:			
Permits issued:			
Residential	655	627	451
Commercial/Other	111	101	83
Public works:			
Streets/Alleys patched (person hrs)	3,220	2,310	3,380
Parks and recreation:			
Recreation programs offered	N/A	N/A	150
Ice Arena annual admissions	N/A	N/A	65,000
Golf course:			
Rounds played	15,345	14,472	13,330
Golf cars rented	N/A	N/A	N/A
Sports Dome:			
Field hours rented			
Wastewater:			
Average sewer lines cleaned (miles)	41	41	30

Sources: Various City departments.

**Table 17**

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
1,080	1,047	1,265	1,007	713	997	1,049
1,182	989	1,045	1,042	720	742	716
1,153	827	1,117	801	395	677	870
451	341	525	334	185	345	445
535	608	628	643	417	390	310
1,023	623	790	744	689	874	349
156	83	55	886	967	768	117
2,195	3,035	3,409	2,900	2,889	3,082	3,667
160	167	170	60	59	61	65
65,425	65,700	65,750	65,750	65,750	65,800	65,800
12,487	12,348	14,713	14,837	10,263	12,539	10,542
566	608	1,086	1,176	1,110	1,387	1,460
						7,513
38	31	43	30	31	33	33

**CITY OF WEST ST. PAUL, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year		
	2004	2005	2006
Police:			
Stations	1	1	1
Police Vehicles:			
Marked	9	10	10
Unmarked	7	8	8
Gun Range	1	1	1
Holding cells	3	3	3
Fire:			
Stations	1	1	1
Engines	3	3	3
Ladder	1	1	1
Ambulances	2	2	2
Rescue truck	1	1	1
Vehicles	2	2	2
SCBA	20	20	20
Public works:			
Streets (miles)	69.16	69.16	69.16
Alley (miles)	5	5	5
Streetlights	240	240	240
Parks and recreation:			
Acreage	136.5	136.5	136.5
Parks and playgrounds	17	17	17
Baseball/softball diamonds	9	9	9
Soccer/football fields	3	3	3
Community (senior) centers	1	1	1
Outdoor skating rinks	11	11	11
Executive golf course (par 29)	1	1	1
Public sports dome	-	-	-
Public swimming pool	1	1	1
Public ice arena	1	1	1
Wastewater:			
Sanitary sewers (miles)	63	63	63
Storm sewers (miles)	35	35	35

Sources: Various City departments.

Table 18

							Fiscal Year			
2007	2008	2009	2010	2011	2012	2013				
1	1	1	1	1	1	1				
10	11	11	11	11	11	11				
8	8	8	8	8	9	9				
1	1	1	1	1	1	1				
3	3	3	3	3	3	3				
1	1	1	1	1	1	1				
3	N/A	N/A	N/A	N/A	N/A	N/A				
1	N/A	N/A	N/A	N/A	N/A	N/A				
2	N/A	N/A	N/A	N/A	N/A	N/A				
1	N/A	N/A	N/A	N/A	N/A	N/A				
2	N/A	N/A	N/A	N/A	N/A	N/A				
20	N/A	N/A	N/A	N/A	N/A	N/A				
71.16	71.16	71.20	71.20	71.20	71.20	71.20				
5	5	5	5	5	5	5				
240	240	243	253	256	256	256				
152.0	152.0	155.0	155.0	155.0	155.0	155.0				
17	17	17	17	17	17	17				
9	9	9	9	9	9	9				
3	3	3	3	3	3	3				
1	1	1	1	1	1	1				
12	12	12	12	12	12	12				
1	1	1	1	1	1	1				
-	-	-	-	-	-	1				
1	1	1	1	1	1	1				
1	1	1	1	1	1	1				
63	63	63	63	63	63	63				
35	35	35	35	35	35	35				

**- This page intentionally left blank -**