
City of
WEST ST. PAUL
MINNESOTA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended December 31, 2014

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

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

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

**Joan Carlson
Director of Finance**

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CITY OF WEST ST. PAUL, MINNESOTA
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I. INTRODUCTORY SECTION

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CITY OF WEST ST. PAUL

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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

June 12, 2015

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, 2014, 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. 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, 2014, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2014 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 for passing ordinances, adopting budgets, appointing committees and hiring both the City Manager and the City Attorney, among other things. 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 fund, but any transfers between funds 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.

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 *Rack Shack BBQ*, *Leeann Chin*, *Sarpino's Pizzeria* and *Castillo's Bakery* in 2013 and *5-8 Club* and *Papa John's* in 2014.

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 was completed in 2014 with completion of the second phase 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 which was nearly completed in 2014.

Tapemark – a contract development and manufacturing organization providing manufacturing for drug, device and combination products is expanding its operation in West St Paul. They have invested significantly in equipment and facility renovations. As the company grows, they will continue to add the high skilled jobs required by the pharmaceutical industry. They anticipate adding approximately 82 new jobs – bringing their total to 175 employees within the next few years.

Prime Design – a leading innovator of ladder storage solutions for fleet vehicles, reorganized its operations in 2014. They currently have 82 employees and plan to create 30 more jobs in the next two years.

New 8,190 sq. ft. Retail Building – construction has begun at 1963 Robert Street. The project will include a new dental clinic, vitamin shop with room for one other retail business unknown at this time.

Goven Doyle Addition – in 2014 construction began on a new housing development which is planned to include 11 new homes in the \$400,000 to \$700,000 price range. The first two homes were nearly completed in 2014 and two more were anticipated to begin in early 2015.

MAJOR INITIATIVES

During 2014, 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 and designs for this important project continued in 2014. The \$7.0 million federal grant that was awarded to the City in early 2010 was increased to \$8.0 million in 2014. The City also partnered with the State of Minnesota and Dakota County for additional funding of \$8.6 million. The City continued to obtain the many right-of-way easements needed for the project. Work also continued on the Streetscape Plan to enhance the appearance of Robert Street and encourage further development. The construction contract was let and work began in early 2015.

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.

Ice Arena Renovation Project – During 2014 the City began discussions with the City of Mendota Heights and Independent School District 197 to develop a plan to renovate the City's ice arena with the goal to make it viable for another twenty years.

Harmon Park – In the fall of 2013 the City Council approved a 4.8 million improvement plan for Harmon Park. 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, concession and restroom buildings. The project began in 2014 and is expected to be complete by summer of 2015.

Street Reconstruction Program – Continuing a program begun in 1986, the City started work on a local street improvement project in 2014. The improvements are funded through bond issuance with assessments covering approximately 25% of the total construction costs. The City also allocated a portion of Local Government Aid (LGA) to improve local 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 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, joined this 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 in 2013. 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.

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.

CASE – The City puts an emphasis on the maintenance of residential and commercial properties through the Complaint-Activated Spot Enforcement (CASE) program. During 2014, 1,571 residential and commercial properties were inspected through the CASE program.

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 2014, the City presented its sixth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at ten years in advance. The 2015-2024 CIP includes planned projects for streets, parks, sewer system and City facilities.

City of West St. Paul
Letter of Transmittal

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.

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 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

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Government Finance Officers Association

**Certificate of
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for Excellence
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Reporting**

Presented to

**City of West St. Paul
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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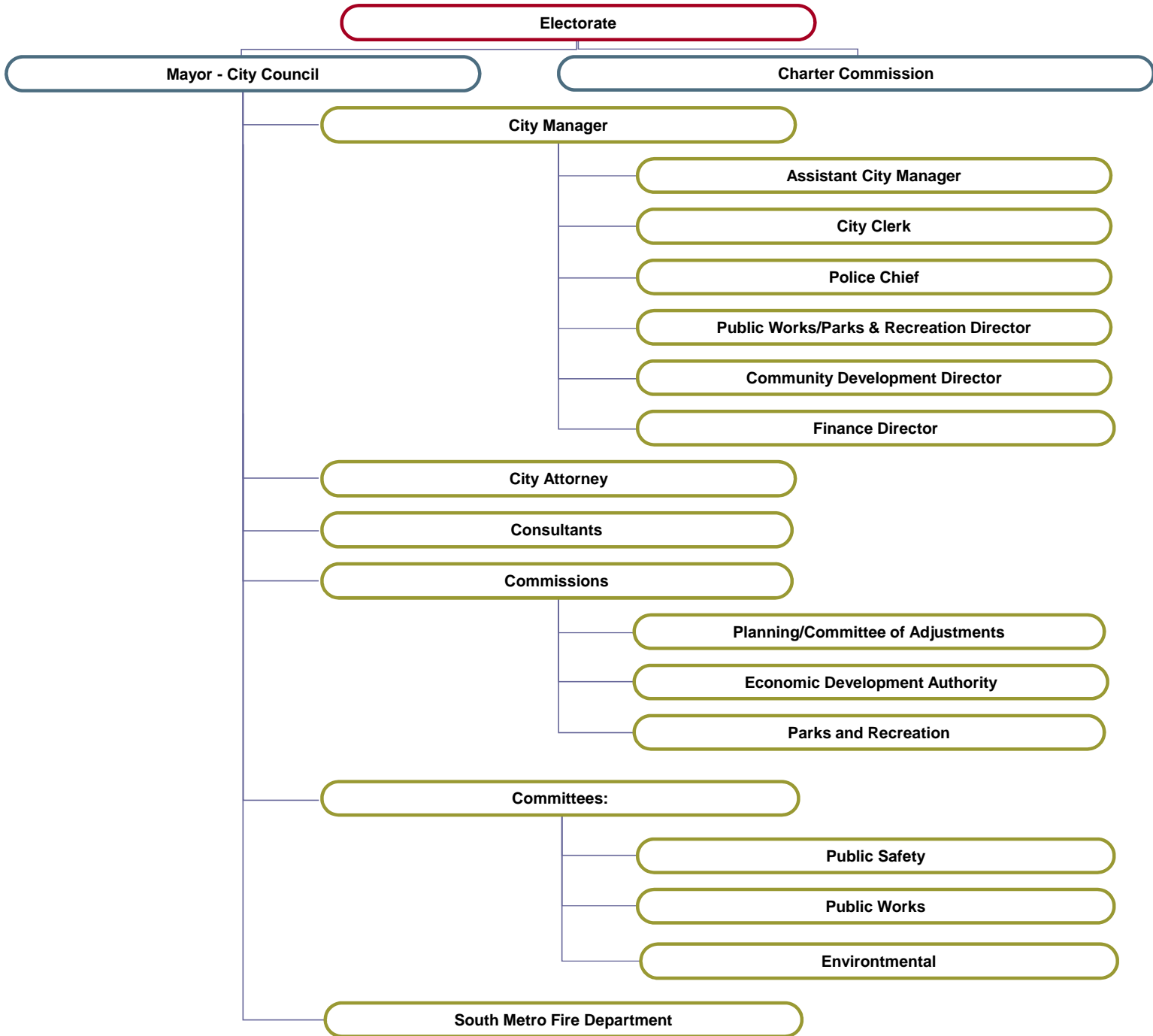
LEGISLATIVE

	<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

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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, 2014, and the related notes to the financial statements, which collectively comprise the City of West St. Paul, Minnesota'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, 2014, 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.

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 82-89, 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 June 12, 2015, 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.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 12, 2015

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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, 2014. 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 7 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 \$61,781,228 (net position). Of this amount, \$17,904,173 (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 \$1,395,752. This decrease in net position of roughly 2.2% 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 and major improvements to Harmon Park. The Park Improvement Fund had an increase in fund balance resulting from unspent bond proceeds at year end and the TIF Districts Fund increased due to sale of "assets held for resale" during 2014. 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 \$24,185,874. Of this total amount, \$330,465 is nonspendable, \$8,130,726 is restricted, \$3,533,479 is committed, \$5,028,547 is assigned and \$7,162,657 is unassigned.

\$11,664,205 or 48% is restricted or committed through legal restrictions and City Council authorization.

At the end of the current fiscal year the General Fund fund balance of \$9,014,509 was split as follows: \$330,465 was nonspendable, \$4,231 was restricted and \$8,679,813 was unassigned.

The City's total bonded debt increased by \$7,950,000 during the current fiscal year; increasing from \$27,235,000 to \$35,185,000. This increase was the net result of the issuance of debt for street and sidewalk reconstruction in the amount of \$4,930,000 and park improvements in the amount of \$4,845,000. Principal payments for the year totaled \$1,825,000.

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 seven 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 four capital projects funds (Vehicle and Equipment Reserve, Permanent Improvement Revolving, Parks Improvement 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 Economic Development Authority 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.

Management's Discussion and Analysis

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

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 79 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 96 through 120 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 \$61,781,228 at the close of the most recent fiscal year.

The largest portion of the City's net position \$36,668,290 (or 59% 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	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$27,324,872	\$21,290,560	\$4,457,581	\$3,991,571	\$31,782,453	\$25,282,131
Capital assets	51,639,341	51,099,068	18,019,243	17,909,872	69,658,584	69,008,940
Total assets	<u>\$78,964,213</u>	<u>\$72,389,628</u>	<u>\$22,476,824</u>	<u>\$21,901,443</u>	<u>\$101,441,037</u>	<u>\$94,291,071</u>
Liabilities:						
Long-term liabilities outstanding	\$29,885,246	\$21,299,364	\$7,240,827	\$7,538,142	\$37,126,073	\$28,837,506
Other liabilities	2,200,294	1,900,369	333,442	376,219	2,533,736	2,276,588
Total liabilities	<u>\$32,085,540</u>	<u>\$23,199,733</u>	<u>\$7,574,269</u>	<u>\$7,914,361</u>	<u>\$39,659,809</u>	<u>\$31,114,094</u>
Net assets:						
Net investment in capital assets	\$25,948,421	\$32,092,175	\$10,719,869	\$10,277,693	\$36,668,290	\$42,369,868
Restricted	7,208,765	3,399,206	-	-	7,208,765	3,399,206
Unrestricted	13,721,487	13,698,514	4,182,686	3,709,389	17,904,173	17,407,903
Total net position	<u>\$46,878,673</u>	<u>\$49,189,895</u>	<u>\$14,902,555</u>	<u>\$13,987,082</u>	<u>\$61,781,228</u>	<u>\$63,176,977</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 of \$17,904,173 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 \$2,311,225. The amount of revenue generated from taxes, including excess tax increment, increased \$44,417 from 2013. The market value of the City's investments increased in 2014 causing a net gain of \$574,401 for investment earnings, an increase of nearly \$752,000 compared to 2013. Operating grants and contributions for 2014 were up almost \$350,000. Capital grants and contributions for 2014 were up almost \$360,000.

Expenses increased \$2,336,441 over the prior year almost entirely from two street reconstruction projects and a park improvement project. General government expenses increased approximately \$772,000 from the previous year.

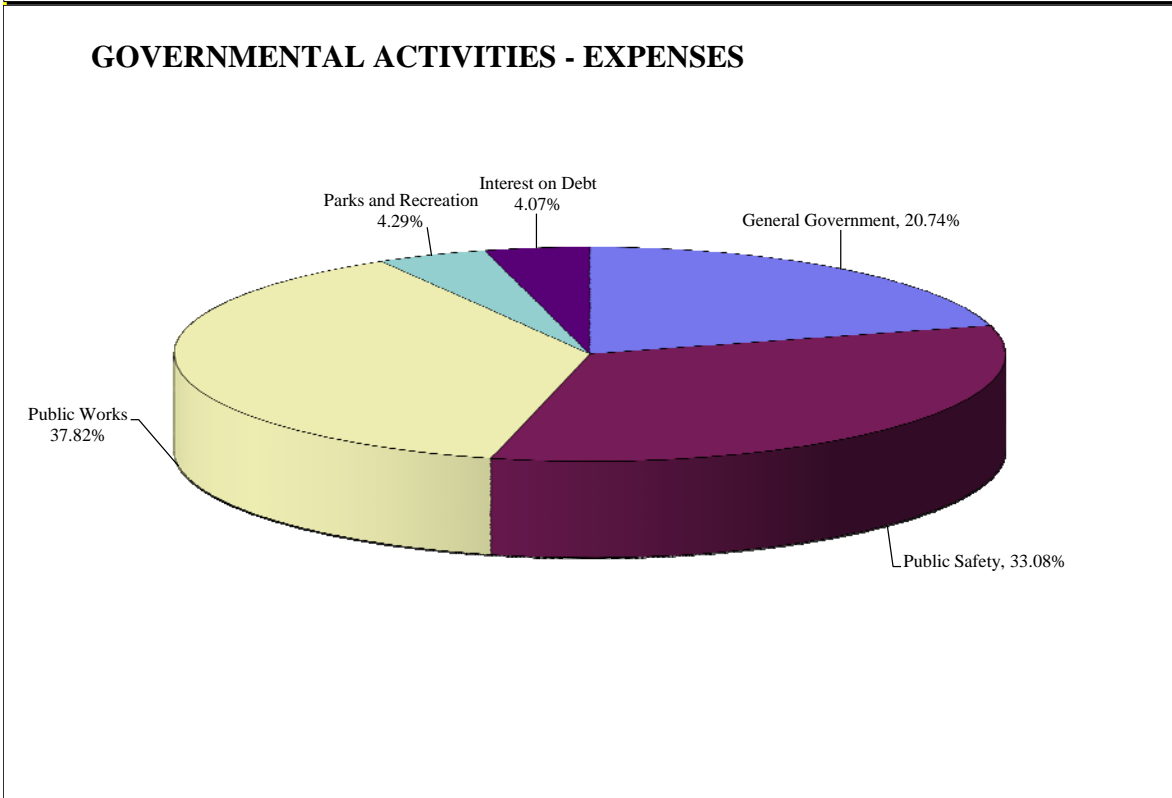
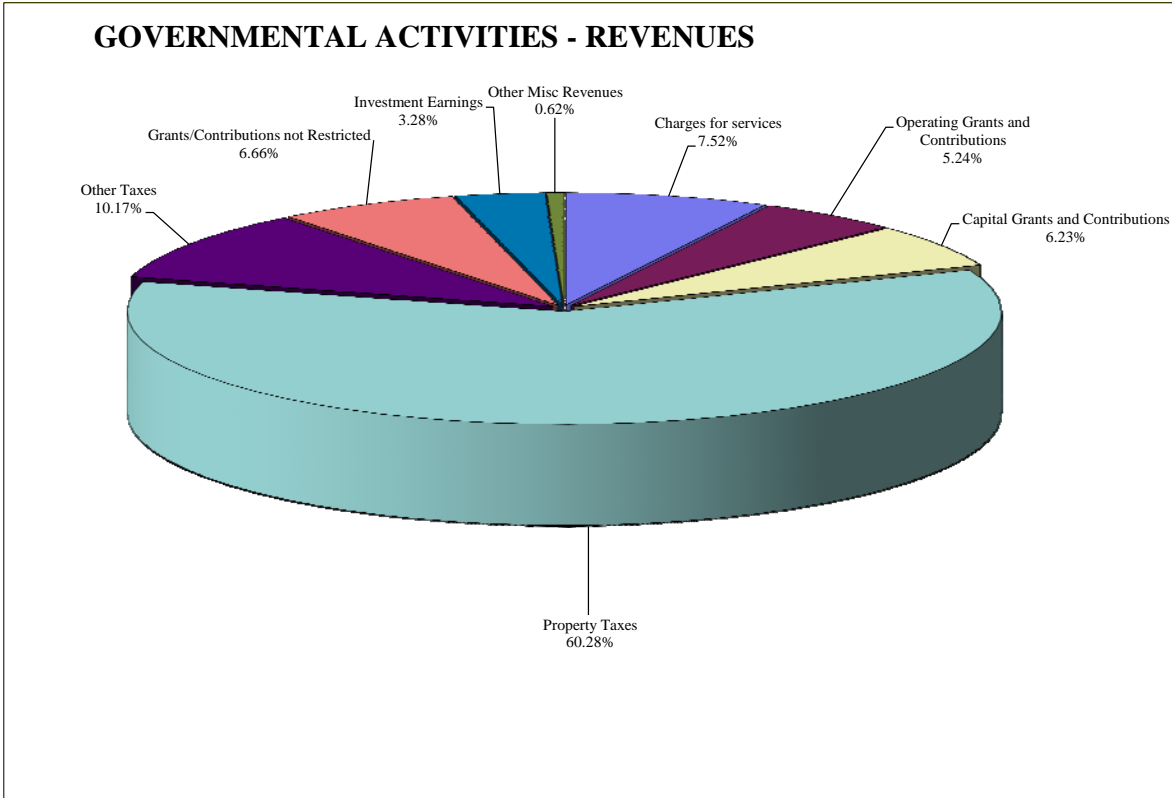
Management's Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$1,318,098	\$1,289,463	\$4,387,382	\$4,531,294	\$5,705,480	\$5,820,757
Operating grants and contributions	918,514	568,633	10,224	7,902	928,738	576,535
Capital grants and contributions	1,091,846	733,961	50,431	5,999	1,142,277	739,960
General revenues:						
Property taxes	10,571,093	10,525,106	387,054	102,797	10,958,147	10,627,903
Other taxes	1,783,935	1,785,505	-	-	1,783,935	1,785,505
Grants and contributions not restricted to specific programs	1,168,041	788,259	-	-	1,168,041	788,259
Unrestricted investment earnings	574,401	(177,976)	98,375	(37,571)	672,776	(215,547)
Gain (Loss) on disposal of capital asset	-	10,644	-	-	-	10,644
Other miscellaneous revenues	109,389	130,619	-	-	109,389	130,619
Total revenues	<u>17,535,317</u>	<u>15,654,214</u>	<u>4,933,466</u>	<u>4,610,421</u>	<u>22,468,783</u>	<u>20,264,635</u>
Expenses:						
General government	4,161,997	3,389,974	-	-	4,161,997	3,389,974
Public safety	6,638,595	6,303,232	-	-	6,638,595	6,303,232
Public works	7,591,595	6,306,335	-	-	7,591,595	6,306,335
Parks and recreation	862,074	789,544	-	-	862,074	789,544
Interest and fees on long-term debt	816,561	945,296	-	-	816,561	945,296
Public utilities	-	-	2,543,165	2,462,051	2,543,165	2,462,051
Recreation	-	-	1,250,548	1,118,008	1,250,548	1,118,008
Total expenses	<u>20,070,822</u>	<u>17,734,381</u>	<u>3,793,713</u>	<u>3,580,059</u>	<u>23,864,535</u>	<u>21,314,440</u>
Increase (decrease) in net assets before transfers	(2,535,505)	(2,080,167)	1,139,753	1,030,362	(1,395,752)	(1,049,805)
Transfers	<u>224,280</u>	<u>224,106</u>	<u>(224,280)</u>	<u>(224,106)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>(2,311,225)</u>	<u>(1,856,061)</u>	<u>915,473</u>	<u>806,256</u>	<u>(1,395,752)</u>	<u>(1,049,805)</u>
Net position - January 1 as previously reported	49,189,898	55,122,380	13,987,082	9,555,002	63,176,977	64,677,382
Prior period adjustment	-	(4,076,424)	-	3,625,824	-	(450,600)
Net position - January 1, as restated	<u>49,189,898</u>	<u>51,045,956</u>	<u>13,987,082</u>	<u>13,180,826</u>	<u>63,176,977</u>	<u>64,226,782</u>
Net position - December 31	<u>\$46,878,673</u>	<u>\$49,189,895</u>	<u>\$14,902,555</u>	<u>\$13,987,082</u>	<u>\$61,781,225</u>	<u>\$63,176,977</u>

Management's Discussion and Analysis

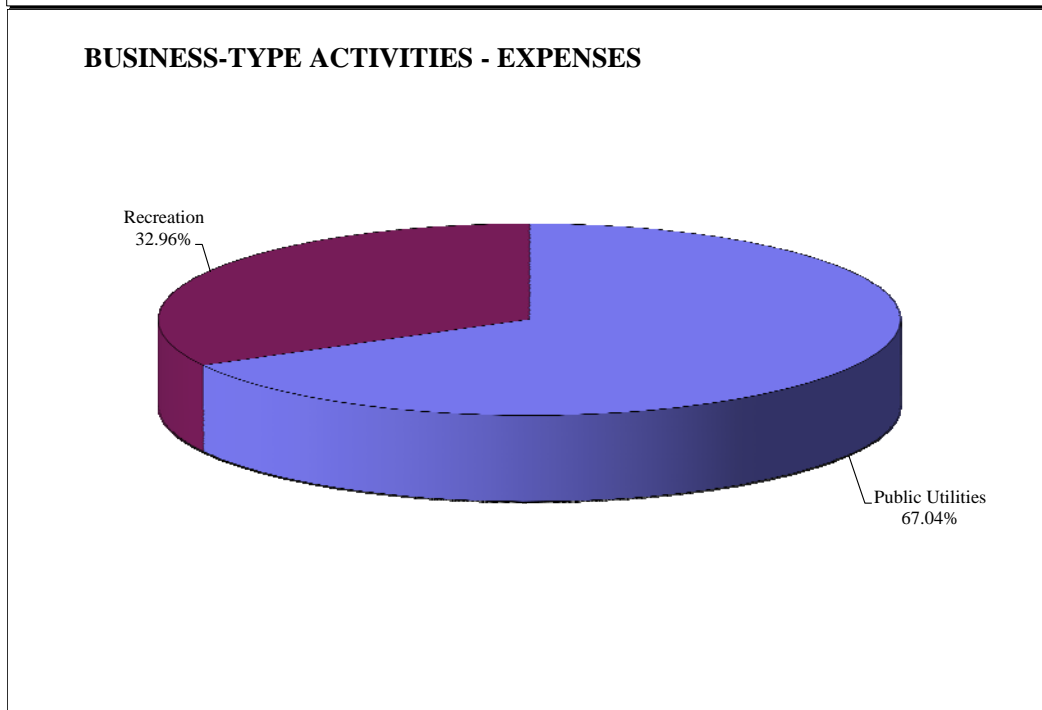
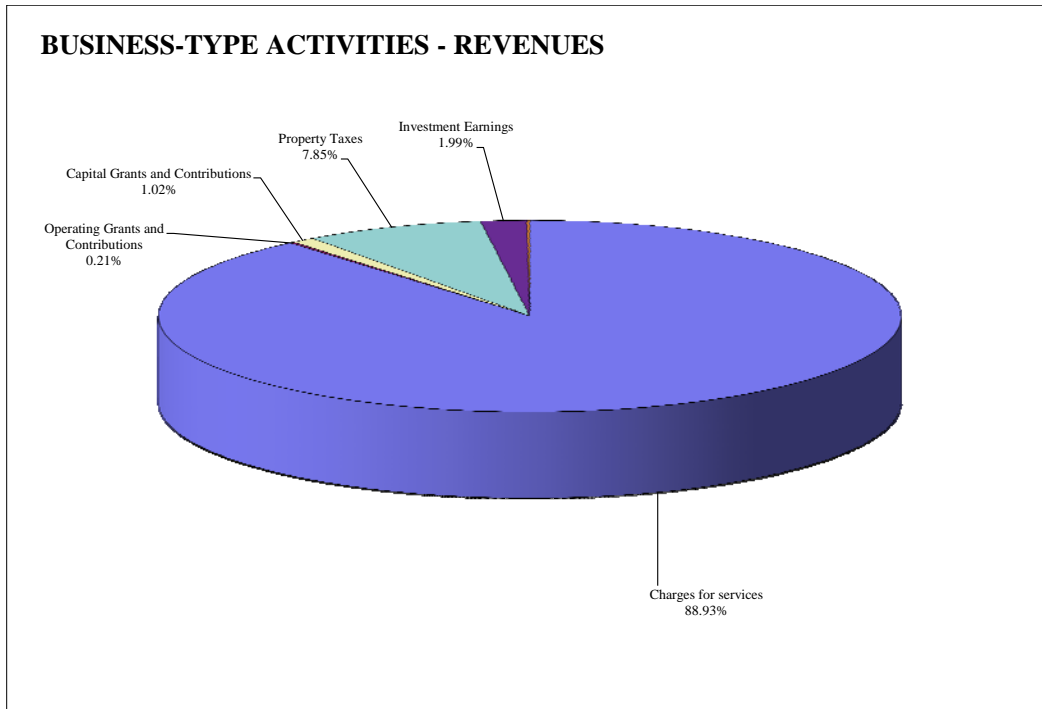
The charts below reflect the sources and uses of funds associated with governmental activities:



Management's Discussion and Analysis

Business-Type Activities

Business-type activities increased in net position by \$915,473. The increase is a result of an increase of property tax revenue in the Recreation Funds for future debt service payments and, an increase in contributed capital from governmental funds for system improvements made with street reconstruction projects. 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 \$24,185,874.

Approximately 30% of this total amount (\$7,162,657) constitutes unassigned Fund balance. The remainder of the fund balance is as follows; \$330,465 nonspendable, \$8,130,726 restricted, \$3,533,479 committed and \$5,028,547 assigned.

The General Fund is the chief operating fund of the City. The total General fund balance increased \$407,569 during 2014 resulting primarily from greater than expected revenues and less than expected expenditures.

The EDA Fund decreased by \$250,462 in 2014 due mainly to the purchase of properties for economic development.

The Special Assessment Bonds Fund increased by \$119,728 in 2014 primarily due to increase in property tax revenue accumulated for future bond payments.

The Vehicle and Equipment Reserve Fund decreased \$340,865 in 2014 mainly from increased capital expenditures of vehicles and equipment during the year.

The Permanent Improvement Revolving Fund increased by \$551,271 in 2014 due to receipt of state aid for street reconstruction.

The Parks Improvement Fund increased by \$2,934,938 in 2014 due to unspent bond proceeds.

The TIF District Fund increased by \$1,802,429 as a result of the sale of a capital asset.

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

The Public Utilities Funds increased by \$701,477 for 2014. The increase was due chiefly to increases in contributed capital from governmental funds for utility system improvements made in conjunction with street reconstruction projects.

The Recreation Funds increased by \$213,996 in 2014. This increase was due mainly to an increase of property tax revenue for future debt service payments.

Management's Discussion and Analysis

Budgetary Highlights

General Fund

In response to the unreliable nature of Local Government Aid (LGA), 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 2014 budget, the State certified an LGA allocation of \$1,153,343. The City assumed that there was a possibility of unallotment of funding and, therefore, budgeted to receive \$0. The final allocation for 2014 was \$1,153,343, which resulted in a surplus for the City of \$1,153,343. The City Council intends to utilize LGA surpluses for one-time purchases such as capital outlay to continue non-reliance on these funds for on-going operations. In 2014, the surplus was assigned to support park improvements and technology upgrades.

The 5% Gross Earnings Franchise Tax from the local electric energy provider continues to be a major part of the General Fund annual revenues. \$844,383 was collected for 2014. This compares to \$833,127 collected for 2013.

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, 2014, amounted to \$69,658,584 (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)

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$5,834,879	\$7,238,058	\$1,144,168	\$1,144,168	\$6,979,047	\$8,382,226
Construction in progress	6,142,065	3,973,621	377,396	-	6,519,461	3,973,621
Buildings	7,973,927	8,319,835	9,547,656	9,949,338	17,521,583	18,269,173
Improvements other than buildings	228,008	227,045	-	-	228,008	227,045
Vehicles, machinery and equipment	1,211,216	1,124,948	354,578	384,567	1,565,794	1,509,515
Software	198,894	122,227	-	-	198,894	122,227
Infrastructure	30,050,352	30,093,334	6,595,445	6,431,799	36,645,797	36,525,133
Net Capital Assets	<u>\$51,639,341</u>	<u>\$51,099,068</u>	<u>\$18,019,243</u>	<u>\$17,909,872</u>	<u>\$69,658,584</u>	<u>\$69,008,940</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 \$35,185,000, an increase of \$7,950,000 from 2013. \$10,985,000 is for general obligation improvement debt, which is supported in part by special assessments. \$15,680,000 is general obligation bonded debt that is financed solely by annual property tax levies. \$1,380,000 of general obligation tax increment bonds are outstanding, which will be financed with tax increment collections. There are \$2,060,000 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	
	2014	2013	2014	2013	2014	2013
Special Assessment Bonds	\$10,985,000	\$12,315,000	\$ -	\$ -	\$10,985,000	\$12,315,000
General Obligations Bonds	15,680,000	6,065,000	5,080,000	5,080,000	20,760,000	11,145,000
TIF bonds	1,380,000	1,420,000	-	-	1,380,000	1,420,000
Revenue bonds	-	-	2,060,000	2,355,000	2,060,000	2,355,000
Total long-term debt	<u>\$28,045,000</u>	<u>\$19,800,000</u>	<u>\$7,140,000</u>	<u>\$7,435,000</u>	<u>\$35,185,000</u>	<u>\$27,235,000</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 two general obligation bonds sold in 2014.

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 \$40,092,078. Only \$15,166,818 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

The following items are important factors the City will consider when planning its fiscal future to meet the needs of the residents and business owners.

- The unemployment rate for 2014 was 3.9% compared to the statewide rate of 4.3%
- Property values stabilized in 2014 and are expected to increase in 2015.
- The tax base is expected to grow as the economy improves and new development begins.
- Property tax rates are expected to increase as Robert Street, the major economic artery of the City, is reconstructed over the next two years.
- Utility rates are expected to have modest increases to build funds for upcoming capital projects.

Management's Discussion and Analysis

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

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CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2014

Statement 1

	Primary Government		Totals 2014
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$22,660,013	\$3,219,538	\$25,879,551
Accounts receivable - net	579,520	790,894	1,370,414
Property taxes receivable	171,626	-	171,626
Special assessments receivable	1,014,992	430,099	1,445,091
Accrued interest receivable	64,156	9,036	73,192
Due from other governments	1,442,987	6,600	1,449,587
Inventory	-	1,414	1,414
Prepaid items	129,465	-	129,465
Notes receivable	252,000	-	252,000
Land held for resale	1,010,113	-	1,010,113
Capital assets - net of accumulated depreciation:			
Nondepreciable	11,976,944	1,521,564	13,498,508
Depreciable	39,662,397	16,497,679	56,160,076
Total assets	<u>78,964,213</u>	<u>22,476,824</u>	<u>101,441,037</u>
Liabilities:			
Accounts payable	391,812	57,287	449,099
Deposits payable	259,362	-	259,362
Contracts payable	738,773	124,787	863,560
Accrued salaries and fringes	205,724	10,760	216,484
Accrued interest payable	359,334	63,740	423,074
Unearned revenue	-	28,134	28,134
Due to other governmental units	245,289	48,734	294,023
Long-term liabilities:			
Due within one year			
Compensated absences payable	439,920	13,478	453,398
Debt payable	1,670,417	504,361	2,174,778
Due in more than one year			
Compensated absences payable	359,934	11,027	370,961
Debt payable	26,687,378	6,670,226	33,357,604
Other postemployment benefits	727,597	41,735	769,332
Total liabilities	<u>32,085,540</u>	<u>7,574,269</u>	<u>39,659,809</u>
Net position:			
Net investment in capital assets	25,948,421	10,719,869	36,668,290
Restricted for:			
Debt service	3,030,654	-	3,030,654
Tax increment purposes	1,779,414	-	1,779,414
Police purposes	41,890	-	41,890
Fire purposes	267,365	-	267,365
Park improvement	2,089,442	-	2,089,442
Unrestricted	13,721,487	4,182,686	17,904,173
Total net position	<u>\$46,878,673</u>	<u>\$14,902,555</u>	<u>\$61,781,228</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, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges For Services
Primary government:		
Governmental activities:		
General government	\$4,161,997	\$813,207
Public safety	6,638,595	435,572
Public works	7,591,595	5,188
Parks and recreation	862,074	64,131
Interest on long-term debt	816,561	-
Total governmental activities	<u>20,070,822</u>	<u>1,318,098</u>
Business-type activities:		
Storm sewer	211,786	411,025
Sanitary sewer	2,331,379	2,935,666
Golf course	177,254	132,776
Civic Center Arena	253,677	195,706
Swimming pool	82,121	-
Regional Athletic Center	737,496	712,209
Total business-type activities	<u>3,793,713</u>	<u>4,387,382</u>
Total primary government	<u>\$23,864,535</u>	<u>\$5,705,480</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 2014
\$24,000	\$ -	(\$3,324,790)	\$ -	(\$3,324,790)
307,205	-	(5,895,818)	-	(5,895,818)
449,622	1,042,596	(6,094,189)	-	(6,094,189)
29,991	49,250	(718,702)	-	(718,702)
107,696	-	(708,865)	-	(708,865)
<u>918,514</u>	<u>1,091,846</u>	<u>(16,742,364)</u>	<u>0</u>	<u>(16,742,364)</u>
-	-	-	199,239	199,239
8,425	50,431	-	663,143	663,143
-	-	-	(44,478)	(44,478)
1,799	-	-	(56,172)	(56,172)
-	-	-	(82,121)	(82,121)
-	-	-	(25,287)	(25,287)
<u>10,224</u>	<u>50,431</u>	<u>0</u>	<u>654,324</u>	<u>654,324</u>
<u>\$928,738</u>	<u>\$1,142,277</u>	<u>(16,742,364)</u>	<u>654,324</u>	<u>(16,088,040)</u>
General revenues:				
General property taxes		10,571,093	387,054	10,958,147
Tax increment taxes		853,759	-	853,759
Franchise and other taxes		930,176	-	930,176
Grants and contributions not restricted to specific programs		1,168,041	-	1,168,041
Unrestricted investment earnings		574,401	98,375	672,776
Miscellaneous		109,389	-	109,389
Transfers		224,280	(224,280)	-
Total general revenues and transfers		<u>14,431,139</u>	<u>261,149</u>	<u>14,692,288</u>
Change in net position		(2,311,225)	915,473	(1,395,752)
Net position - beginning		<u>49,189,898</u>	<u>13,987,082</u>	<u>63,176,980</u>
Net position - ending		<u>\$46,878,673</u>	<u>\$14,902,555</u>	<u>\$61,781,228</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	<u>General Fund</u>	<u>Economic Development Authority</u>	<u>Special Assessment Bonds Fund</u>
Assets			
Cash and investments	\$7,475,846	\$243,021	\$3,189,751
Accrued interest receivable	20,023	590	9,451
Prepays	129,465	-	-
Due from other governmental units	1,313,800	34,336	6,130
Accounts receivable	579,520	-	-
Delinquent taxes receivable	149,058	4,589	-
Special assessments receivable:			
Delinquent	5,305	-	7,200
Deferred	74,089	-	807,817
Loans receivable	201,000	51,000	-
Interfund loan receivable	-	1,308,113	-
Land held for resale	-	1,010,113	-
Total assets	<u>\$9,948,106</u>	<u>\$2,651,762</u>	<u>\$4,020,349</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$160,200	\$25,274	\$ -
Deposits payable	255,143	-	-
Contracts payable	-	-	-
Accrued salaries and withholdings payable	195,763	5,993	-
Due to other governmental units	33,620	107	-
Interfund loan payable	-	-	-
Total liabilities	<u>644,726</u>	<u>31,374</u>	<u>0</u>
Deferred inflows of resources:			
Unavailable revenue	288,871	55,589	815,017
Total deferred inflows of resources	<u>288,871</u>	<u>55,589</u>	<u>815,017</u>
Fund balance:			
Nonspendable	330,465	-	-
Restricted	4,231	-	3,205,332
Committed	-	2,564,799	-
Assigned	-	-	-
Unassigned	8,679,813	-	-
Total fund balance	<u>9,014,509</u>	<u>2,564,799</u>	<u>3,205,332</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$9,948,106</u>	<u>\$2,651,762</u>	<u>\$4,020,349</u>

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

Vehicle and Equipment Reserve Fund	Permanent Improvement Revolving Fund	Parks Improvement	TIF Districts	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
						2014
\$2,745,744	\$219,374	\$3,790,704	\$1,776,864	\$3,218,709	\$ -	\$22,660,013
8,252	1,146	12,598	4,584	7,512	-	64,156
-	-	-	-	-	-	129,465
-	67,057	16,829	-	4,835	-	1,442,987
-	-	-	-	-	-	579,520
2,690	-	-	9,072	6,217	-	171,626
-	-	-	-	-	-	12,505
2,670	59,218	-	-	58,693	-	1,002,487
-	-	-	-	-	-	252,000
-	-	-	-	-	(1,308,113)	-
-	-	-	-	-	-	1,010,113
<u>\$2,759,356</u>	<u>\$346,795</u>	<u>\$3,820,131</u>	<u>\$1,790,520</u>	<u>\$3,295,966</u>	<u>(\$1,308,113)</u>	<u>\$27,324,872</u>
\$9,234	\$142,210	\$53,521	\$152	\$1,221	\$ -	\$391,812
-	-	-	4,219	-	-	259,362
-	146,302	592,471	-	-	-	738,773
-	3,968	-	-	-	-	205,724
687	203,931	-	6,944	-	-	245,289
-	-	-	1,308,113	-	(1,308,113)	-
<u>9,921</u>	<u>496,411</u>	<u>645,992</u>	<u>1,319,428</u>	<u>1,221</u>	<u>(1,308,113)</u>	<u>1,840,960</u>
<u>5,361</u>	<u>59,218</u>	<u>-</u>	<u>9,072</u>	<u>64,910</u>	<u>-</u>	<u>1,298,038</u>
<u>5,361</u>	<u>59,218</u>	<u>-</u>	<u>9,072</u>	<u>64,910</u>	<u>0</u>	<u>1,298,038</u>
-	-	-	-	-	-	330,465
-	-	2,089,442	1,770,342	1,061,379	-	8,130,726
-	-	-	-	968,680	-	3,533,479
2,744,074	-	1,084,697	-	1,199,776	-	5,028,547
-	(208,834)	-	(1,308,322)	-	-	7,162,657
<u>2,744,074</u>	<u>(208,834)</u>	<u>3,174,139</u>	<u>462,020</u>	<u>3,229,835</u>	<u>0</u>	<u>24,185,874</u>
<u>\$2,759,356</u>	<u>\$346,795</u>	<u>\$3,820,131</u>	<u>\$1,790,520</u>	<u>\$3,295,966</u>	<u>(\$1,308,113)</u>	<u>\$27,324,872</u>

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

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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, 2014

Statement 4

	2014	
Total fund balances for governmental funds	\$24,185,874	
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	5,834,879	
Construction in progress	6,142,065	
Infrastructure	57,908,734	
Land improvements	1,159,131	
Buildings	10,651,592	
Machinery and equipment	3,535,825	
Software	358,254	
Total capital assets	85,590,480	
Less: accumulated depreciation	(33,951,139)	51,639,341
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.		
		1,298,038
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.		
		(359,334)
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	(28,045,000)	
Unamortized premiums	(352,648)	
Unamortized discount	39,853	
OPEB payable	(727,597)	
Compensated absence payable	(799,854)	(29,885,246)
Total net position of governmental activities		\$46,878,673

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, 2014

	General Fund	Economic Development Authority	Special Assessment Bonds Fund
Revenues:			
General property taxes	\$8,407,864	\$258,808	\$1,425,834
Tax increment collections	-	-	-
Franchise and other taxes	928,850	-	-
Licenses and permits	499,336	-	-
Intergovernmental	542,938	-	-
Special assessments	25,936	-	261,617
Charges for services	613,751	505	-
Fines and forfeits	168,869	-	-
Investment income	229,646	65,858	74,437
Miscellaneous	59,241	21,356	-
Total revenues	<u>11,476,431</u>	<u>346,527</u>	<u>1,761,888</u>
Expenditures:			
Current:			
General government	2,697,874	596,989	-
Public safety	6,277,817	-	-
Public works	1,563,030	-	-
Parks and recreation	716,749	-	-
Unallocated general expenditures	3,924	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	1,330,000
Interest and fees	-	-	307,329
Bond issuance costs	-	-	-
Miscellaneous	-	-	4,831
Total expenditures	<u>11,259,394</u>	<u>596,989</u>	<u>1,642,160</u>
Revenues over (under) expenditures	<u>217,037</u>	<u>(250,462)</u>	<u>119,728</u>
Other financing sources (uses):			
Sale of capital assets	-	-	-
Bonds issued	-	-	-
Premium on bonds	-	-	-
Transfers in	642,000	-	-
Transfers out	(451,468)	-	-
Total other financing sources (uses)	<u>190,532</u>	<u>0</u>	<u>0</u>
Net change in fund balance	407,569	(250,462)	119,728
Fund balance (deficit) - January 1	<u>8,606,940</u>	<u>2,815,261</u>	<u>3,085,604</u>
Fund balance (deficit) - December 31	<u><u>\$9,014,509</u></u>	<u><u>\$2,564,799</u></u>	<u><u>\$3,205,332</u></u>

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

Vehicle and Equipment Reserve Fund	Permanent Improvement Revolving Fund	Parks Improvement	TIF Districts	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds 2014
\$2,891	\$ -	\$ -	\$ -	\$520,065	\$ -	\$10,615,462
-	-	-	845,540	-	-	845,540
-	-	-	-	-	-	928,850
-	-	-	-	-	-	499,336
-	918,743	813,938	-	535,464	-	2,811,083
-	4,297	-	-	124,898	-	416,748
-	-	-	-	-	-	614,256
-	-	-	-	-	-	168,869
99,548	6,806	41,767	38,838	68,775	(51,273)	574,402
-	10,000	87,778	-	34,221	-	212,596
<u>102,439</u>	<u>939,846</u>	<u>943,483</u>	<u>884,378</u>	<u>1,283,423</u>	<u>(51,273)</u>	<u>17,687,142</u>
-	-	-	331,247	37,842	(51,273)	3,612,679
-	-	-	-	182,973	-	6,460,790
76,488	165,880	-	-	67,310	-	1,872,708
-	-	13,242	-	37,466	-	767,457
-	-	-	-	77,236	-	81,160
366,816	5,172,162	2,699,381	-	121,838	-	8,360,197
-	-	-	-	200,000	-	1,530,000
-	-	-	-	392,678	-	700,007
-	79,112	117,329	-	-	-	196,441
-	-	-	-	749	-	5,580
<u>443,304</u>	<u>5,417,154</u>	<u>2,829,952</u>	<u>331,247</u>	<u>1,118,092</u>	<u>(51,273)</u>	<u>23,587,019</u>
<u>(340,865)</u>	<u>(4,477,308)</u>	<u>(1,886,469)</u>	<u>553,131</u>	<u>165,331</u>	<u>0</u>	<u>(5,899,877)</u>
-	-	-	1,350,398	-	-	1,350,398
-	4,850,222	4,765,701	-	159,077	-	9,775,000
-	178,357	55,706	-	-	-	234,063
-	-	-	-	544,863	(631,863)	555,000
-	-	-	(101,100)	(87,000)	631,863	(7,705)
<u>0</u>	<u>5,028,579</u>	<u>4,821,407</u>	<u>1,249,298</u>	<u>616,940</u>	<u>0</u>	<u>11,906,756</u>
<u>(340,865)</u>	<u>551,271</u>	<u>2,934,938</u>	<u>1,802,429</u>	<u>782,271</u>	<u>0</u>	<u>6,006,879</u>
<u>3,084,939</u>	<u>(760,105)</u>	<u>239,201</u>	<u>(1,340,409)</u>	<u>2,447,564</u>	<u>-</u>	<u>18,178,995</u>
<u>\$2,744,074</u>	<u>(\$208,834)</u>	<u>\$3,174,139</u>	<u>\$462,020</u>	<u>\$3,229,835</u>	<u>\$0</u>	<u>\$24,185,874</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, 2014

Statement 6

	2014
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)	\$6,006,879
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	8,360,197
Capital outlay not capitalized	(4,035,071)
Proceeds from sale of capital assets	(1,350,398)
Loss on sale of capital assets	(52,781)
Depreciation	(2,058,659)
Transfer out of governmental capital assets contributed to Enterprise Funds	(323,015)
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 2013 and 2014, other postemployment benefits payable changed.	
Other postemployment benefits - December 31, 2013	703,708
Other postemployment benefits - December 31, 2014	(727,597)
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	(9,775,000)
Premium on issuance of general obligation bonds	(234,063)
Repayment of debt principal	1,530,000
Accrued interest expense	(120,671)
Amortization of bond discount/premium	9,697
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, 2013	(1,449,862)
Unavailable revenue - December 31, 2014	1,298,038
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.	(92,627)
Change in net position of governmental activities (Statement 2)	(\$2,311,225)

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, 2014

Statement 7

	Business-Type Activities - Enterprise Funds		
	Public Utilities	Recreation Fund	Total
	Fund		2014
Assets:			
Current assets:			
Cash and investments	\$2,430,818	\$788,720	\$3,219,538
Due from other governments	\$6,600	-	6,600
Receivables:			
Accounts	94,306	-	94,306
User accounts - current and delinquent	571,230	125,358	696,588
Customer assessments	430,099	-	430,099
Interest receivable on investments	6,678	2,358	9,036
Inventory	-	1,414	1,414
Total current assets	3,539,731	917,850	4,457,581
Capital assets:			
Land	10,945	1,133,223	1,144,168
Buildings and improvements	2,224,939	10,908,675	13,133,614
Vehicles, machinery, and equipment	457,836	461,232	919,068
Distribution and collection systems	14,109,162	-	14,109,162
Construction in process	-	377,396	377,396
Total capital assets	16,802,882	12,880,526	29,683,408
Less: accumulated depreciation	(8,781,132)	(2,883,033)	(11,664,165)
Net capital assets	8,021,750	9,997,493	18,019,243
Total assets	11,561,481	10,915,343	22,476,824
Liabilities:			
Current liabilities:			
Payroll withholdings payable	7,462	3,298	10,760
Accounts payable	10,632	46,655	57,287
Contracts payable	-	124,787	124,787
Due to other governmental units	43,791	4,943	48,734
Unearned revenue	-	28,134	28,134
Accrued bond interest payable	14,451	49,289	63,740
Accrued compensated absences, current portion	11,966	1,512	13,478
Bonds payable, current portion	262,958	241,403	504,361
Total current liabilities	351,260	500,021	851,281
Noncurrent liabilities:			
Accrued compensated absences	9,790	1,237	11,027
Other post employment benefits payable	29,548	12,187	41,735
Bonds payable, net of current portion	1,439,787	5,230,439	6,670,226
Total noncurrent liabilities	1,479,125	5,243,863	6,722,988
Total liabilities	1,830,385	5,743,884	7,574,269
Net position:			
Net investment in capital assets	6,319,005	4,400,864	10,719,869
Unrestricted	3,412,091	770,595	4,182,686
Total net position	\$9,731,096	\$5,171,459	\$14,902,555

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, 2014

Statement 8

Business-Type Activities - Enterprise Funds

	Public Utilities		Total 2014
	Fund	Recreation Fund	
Operating revenue:			
User charges for services	\$3,330,528	\$1,015,806	\$4,346,334
Retained fees	1,314	-	1,314
Miscellaneous	-	26,684	26,684
Total operating revenue	<u>3,331,842</u>	<u>1,042,490</u>	<u>4,374,332</u>
Operating expenses:			
Personal services	282,814	145,035	427,849
Supplies	35,780	51,684	87,464
Contractual services	1,787,739	554,494	2,342,233
Miscellaneous other charges	49,678	13,263	62,941
Depreciation	327,764	356,347	684,111
Total operating expenses	<u>2,483,775</u>	<u>1,120,823</u>	<u>3,604,598</u>
Operating income (loss)	<u>848,067</u>	<u>(78,333)</u>	<u>769,734</u>
Nonoperating revenue (expense):			
Property taxes	-	387,054	387,054
Investment income	71,080	27,295	98,375
Interest on special assessments	14,849	-	14,849
Intergovernmental	8,425	-	8,425
Bond interest expense	(53,013)	(129,725)	(182,738)
Loss on disposal	(6,377)	-	(6,377)
Total nonoperating revenue (expense)	<u>34,964</u>	<u>284,624</u>	<u>319,588</u>
Income (loss) before capital contributions and transfers	<u>883,031</u>	<u>206,291</u>	<u>1,089,322</u>
Capital contributions and transfers:			
Capital contributions - capital assets	323,015	-	323,015
Capital contributions - intergovernmental	50,431	-	50,431
Transfers in	-	7,705	7,705
Transfers out	(555,000)	-	(555,000)
Total capital contributions and transfers	<u>(181,554)</u>	<u>7,705</u>	<u>(173,849)</u>
Change in net position	701,477	213,996	915,473
Net position - January 1	<u>9,029,619</u>	<u>4,957,463</u>	<u>13,987,082</u>
Net position - December 31	<u><u>\$9,731,096</u></u>	<u><u>\$5,171,459</u></u>	<u><u>\$14,902,555</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, 2014

Statement 9

	Business-Type Activities - Enterprise Funds		
	Public Utilities		Total
	Fund	Recreation Fund	2014
Cash flows from operating activities:			
Receipts from customers and users	\$3,330,724	\$1,021,471	\$4,352,195
Payment to suppliers	(1,872,631)	(613,233)	(2,485,864)
Payment to employees	(281,710)	(146,207)	(427,917)
Miscellaneous revenue	-	26,684	26,684
Net cash flows provided (used) by operating activities	<u>1,176,383</u>	<u>288,715</u>	<u>1,465,098</u>
Cash flows from noncapital financing activities:			
Property taxes	-	387,054	387,054
Intergovernmental	8,425	-	8,425
Increase in customer assessments receivable	77,813	-	77,813
Transfers in	-	7,705	7,705
Transfers out	(555,000)	-	(555,000)
Net cash flows provided (used) by noncapital financing activities	<u>(468,762)</u>	<u>394,759</u>	<u>(74,003)</u>
Cash flows from capital and related financing activities:			
Intergovernmental - capital	50,431	-	50,431
Acquisition of capital assets	(99,449)	(410,839)	(510,288)
Principal paid on capital debt	(255,000)	(40,000)	(295,000)
Interest paid on capital debt	(57,624)	(131,244)	(188,868)
Interest received on special assessments	14,849	-	14,849
Net cash flows used by capital and related financing activities	<u>(346,793)</u>	<u>(582,083)</u>	<u>(928,876)</u>
Cash flows from investing activities:			
Investment income	70,175	26,457	96,632
Net increase (decrease) in cash and cash equivalents	431,003	127,848	558,851
Cash and cash equivalents - January 1	1,999,815	660,872	2,660,687
Cash and cash equivalents - December 31	<u>\$2,430,818</u>	<u>\$788,720</u>	<u>\$3,219,538</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$848,067	(\$78,333)	\$769,734
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	327,764	356,347	684,111
Changes in assets and liabilities:			
(Increase) decrease in receivables	(1,118)	16,281	15,163
(Increase) decrease in other assets	-	1,608	1,608
Increase (decrease) in payables	566	4,600	5,166
Increase (decrease) in deferred revenue	-	(10,616)	(10,616)
Increase (decrease) in accrued compensated absences	1,104	(1,172)	(68)
Total adjustments	<u>328,316</u>	<u>367,048</u>	<u>695,364</u>
Net cash provided (used) by operating activities	<u>\$1,176,383</u>	<u>\$288,715</u>	<u>\$1,465,098</u>
Noncash capital financing activities:			
Amortization of bond premium	\$5,012	\$1,404	\$6,416
Amortization of bond discount	(\$2,054)	\$ -	(\$2,054)
Assets contributed from governmental activities	\$323,015	\$ -	\$323,015

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

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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, 2014

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. It is also 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.

The *Parks Improvement Fund* accounts 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.

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 Economic Development Authority Fund. 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.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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.

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, 2014, 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:

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, 2014 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, 2014

As of December 31, 2014 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+	\$8,443,448	\$ -	\$1,746,805	\$5,206,143	\$1,490,500
Federal Home Loan Mortgage Corp. Notes	AA+	250,462	-	250,462	-	-
Federal National Mortgage Assn. Notes	AA+	3,439,549	-	984,109	493,020	1,962,420
Federal Farm Credit Bank Notes	AA+	1,480,835	-	-	1,480,835	-
Municipal Bond	(1)	375,000	-	-	375,000	-
Taxable Municipal Bonds	AA	811,120	-	433,127	-	377,993
Taxable Municipal Bonds	AA+	986,778	-	-	986,778	-
Taxable Municipal Bonds	AAA	1,263,231	-	1,263,231	-	-
External Investment Pool - 4M Fund	(2)	3,445	3,445	-	-	-
Negotiable Certificates of Deposit	(2)	5,344,808	-	4,633,410	711,398	-
Money Market	(2)	1,568,189	1,568,189	-	-	-
Total		\$23,966,865	\$1,571,634	\$9,311,144	\$9,253,174	\$3,830,913
Total Investments		\$23,966,865				
Deposits		1,909,836				
Petty Cash		2,850				
Total Cash and Investments		\$25,879,551				

(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, 2014

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	35.2%
Federal National Mortgage Association Notes	14.4%
Federal Farm Credit Bank Notes	6.2%

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2014 are as follows:

	<u>Loan Receivable</u>	<u>Interfund Loan Receivable</u>	<u>Property Taxes Receivable</u>	<u>Special Assessments Receivable</u>	<u>Total</u>
Governmental Funds:					
General Fund	\$157,300	\$ -	\$50,900	\$7,000	\$215,200
EDA	45,000	1,308,113	-	-	1,353,113
Special Assessment Bonds	-	-	-	662,000	662,000
Permanent Improvement Revolving	-	-	-	56,000	56,000
Other nonmajor	-	-	-	53,000	53,000
Public Utilities Fund	-	-	-	355,000	355,000
 Total	 <u>\$202,300</u>	 <u>\$1,308,113</u>	 <u>\$50,900</u>	 <u>\$1,133,000</u>	 <u>\$2,694,313</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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	\$149,058	\$ -	\$ -	\$79,394	\$ -	\$60,419	\$288,871
EDA	4,589	-	-	-	51,000	-	55,589
Vehicle and Equipment Reserve	2,690	2,671	-	-	-	-	5,361
Special Assessment Bonds	-	815,017	-	-	-	-	815,017
Permanent Improvement Revolving	-	59,218	-	-	-	-	59,218
TIF Districts	-	-	9,072	-	-	-	9,072
Non- Major Governmental Funds	6,217	58,693	-	-	-	-	64,910
Total	\$162,554	\$935,599	\$9,072	\$79,394	\$51,000	\$60,419	\$1,298,038

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 is as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$7,238,058	\$ -	(\$1,403,179)	\$ -	\$5,834,879
Construction in progress	3,973,621	3,909,014	(1,417,555)	(323,015)	6,142,065
Total capital assets, not being depreciated	11,211,679	3,909,014	(2,820,734)	(323,015)	11,976,944
Capital assets, being depreciated:					
Buildings	10,651,592	-	-	-	10,651,592
Improvements other than buildings	1,149,122	10,009	-	-	1,159,131
Vehicles, machinery and equipment	3,749,743	385,365	(547,913)	(51,370)	3,535,825
Software	385,157	130,871	(157,774)	-	358,254
Infrastructure	56,601,312	1,307,422	-	-	57,908,734
Total capital assets, being depreciated	72,536,926	1,833,667	(705,687)	(51,370)	73,613,536
Less accumulated depreciation for:					
Buildings	2,331,757	345,908	-	-	2,677,665
Improvements other than buildings	922,077	9,046	-	-	931,123
Vehicles, machinery and equipment	2,624,795	299,097	(547,913)	(51,370)	2,324,609
Software	262,930	54,204	(157,774)	-	159,360
Infrastructure	26,507,978	1,350,404	-	-	27,858,382
Total accumulated depreciation	32,649,537	2,058,659	(705,687)	(51,370)	33,951,139
Total capital assets being depreciated - net	39,887,389	(224,992)	-	-	39,662,397
Governmental activities capital assets - net	\$51,099,068	\$3,684,022	(\$2,820,734)	(\$323,015)	\$51,639,341

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Primary Government	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$1,144,168	\$ -	\$ -	\$ -	\$1,144,168
Construction in progress	-	377,396	-	-	377,396
Total capital assets, not being depreciated	<u>1,144,168</u>	<u>377,396</u>	<u>0</u>	<u>0</u>	<u>1,521,564</u>
Capital assets, being depreciated:					
Buildings and improvements	13,151,328	-	(17,714)	-	13,133,614
Vehicles, machinery and equipment	846,340	21,358	-	51,370	919,068
Distribution and collection systems	13,708,056	78,091	-	323,015	14,109,162
Total capital assets, being depreciated	<u>27,705,724</u>	<u>99,449</u>	<u>(17,714)</u>	<u>374,385</u>	<u>28,161,844</u>
Less accumulated depreciation for:					
Buildings and improvements	3,201,990	395,304	(11,336)	-	3,585,958
Vehicles, machinery and equipment	461,773	51,347	-	51,370	564,490
Distribution and collection systems	7,276,257	237,460	-	-	7,513,717
Total accumulated depreciation	<u>10,940,020</u>	<u>684,111</u>	<u>(11,336)</u>	<u>51,370</u>	<u>11,664,165</u>
Total capital assets being depreciated - net	<u>16,765,704</u>	<u>(584,662)</u>	<u>(6,378)</u>	<u>323,015</u>	<u>16,497,679</u>
Business-type activities capital assets - net	<u>\$17,909,872</u>	<u>(\$207,266)</u>	<u>(\$6,378)</u>	<u>\$323,015</u>	<u>\$18,019,243</u>

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

Governmental activities:	
General government	\$164,347
Public safety	99,804
Public works, including depreciation of general infrastructure assets	1,737,095
Parks and recreation	57,413
Total depreciation/amortization expense - governmental activities	<u>\$2,058,659</u>
Business-type activities:	
Public utilities	\$327,764
Recreation	356,347
Total depreciation/amortization expense - business-type activities	<u>\$684,111</u>

CONSTRUCTION COMMITMENTS

At December 31, 2014, the City had construction project contracts in progress. The commitments related to the remaining contract balances at December 31, 2014 totaled approximately \$3,064,000.

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, 2014

Long-term debt at December 31, 2014 consisted of the following:

	Interest Rate	Issue Date	Maturity Date	Authorized and Issued	Outstanding
Governmental-Type Activities:					
G.O. Special Assessment Bonds:					
Improvement Bonds of 2006A	3.50-3.90%	12/7/2006	12/1/2021	\$2,450,000	\$1,445,000
Improvement Bonds of 2008A	2.50-4.60%	12/23/2008	12/1/2023	2,370,000	1,555,000
Improvement and Refunding Bonds of 2009A	2.50-4.60%	3/18/2009	12/1/2017	2,685,000	905,000
Improvement and Refunding Bonds of 2010A	3.00-3.75%	12/29/2010	2/1/2026	2,940,000	2,195,000
Improvement and Refunding Bonds of 2012C	0.40-1.45%	12/27/2012	2/1/2023	3,795,000	3,355,000
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>15,770,000</u>	<u>10,985,000</u>
G.O. Bonds:					
G.O. TIF Bonds of 2005A	3.75-4.50%	11/1/2005	2/1/2031	1,605,000	1,380,000
G.O. Capital Improvement Bonds 2009B	1.50-6.00%	11/18/2009	2/1/2035	6,500,000	5,905,000
G.O. Tax Abatement Bonds, 2014A	2.00-3.75%	6/24/2014	2/1/2035	4,845,000	4,845,000
G.O. Bonds, 2014B	2.00-3.25%	6/24/2014	2/1/2030	4,930,000	4,930,000
Total general obligation bonds				<u>17,880,000</u>	<u>17,060,000</u>
Unamortized bond discount				N/A	<u>(39,853)</u>
Unamortized bond premium				N/A	<u>352,648</u>
Compensated absences				N/A	<u>799,854</u>
Total governmental type activities					<u>\$29,157,649</u>
Business-Type Activities:					
Revenue bonds:					
Golf Course Bonds of 1995	6.50%	7/1/1995	12/1/2016	\$970,000	\$375,000
Improvement and Refunding Bonds of 2009A	2.50-4.60%	3/18/2009	2/1/2020	1,315,000	710,000
G.O. Sewer Revenue Bonds of 2009C	2.00-3.50%	11/18/2009	2/1/2020	1,545,000	975,000
Total revenue bonds				<u>3,830,000</u>	<u>2,060,000</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	<u>(12,331)</u>
Unamortized bond premium				N/A	<u>46,918</u>
Compensated absences				N/A	<u>24,505</u>
Total business-type activities				<u>\$8,910,000</u>	<u>\$7,199,092</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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
2015	\$160,000	\$617,167	\$1,440,000	\$273,585	\$45,000	\$59,400
2016	640,000	579,091	1,355,000	242,343	50,000	57,438
2017	655,000	562,369	1,425,000	210,041	50,000	55,312
2018	665,000	544,963	1,110,000	175,369	55,000	53,081
2019	680,000	526,850	1,120,000	149,400	60,000	50,637
2020	695,000	507,850	1,040,000	122,738	65,000	47,981
2021	710,000	488,100	1,060,000	94,491	70,000	45,113
2022	730,000	466,150	830,000	64,433	70,000	42,138
2023	760,000	441,313	850,000	42,215	75,000	39,056
2024	800,000	414,053	355,000	20,460	85,000	35,603
2025	840,000	383,794	195,000	11,344	90,000	31,775
2026	880,000	350,406	205,000	3,844	95,000	27,727
2027	920,000	314,481	-	-	100,000	23,400
2028	950,000	276,906	-	-	105,000	18,788
2029	990,000	237,275	-	-	115,000	13,838
2030	1,035,000	195,200	-	-	120,000	8,550
2031	665,000	157,806	-	-	130,000	2,926
2032	690,000	125,378	-	-	-	-
2033	715,000	91,381	-	-	-	-
2034	735,000	55,875	-	-	-	-
2035	765,000	18,881	-	-	-	-
Totals	<u>\$15,680,000</u>	<u>\$7,355,289</u>	<u>\$10,985,000</u>	<u>\$1,410,263</u>	<u>\$1,380,000</u>	<u>\$612,763</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Due in Year	Revenue Bonds		Tax Abatement Bonds	
	Principal	Interest	Principal	Interest
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>\$2,060,000</u>	<u>\$240,215</u>	<u>\$5,080,000</u>	<u>\$1,341,638</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. bonds	\$6,065,000	\$9,775,000	(\$160,000)	\$15,680,000	\$160,000
G.O. improvement bonds	12,315,000	-	(1,330,000)	10,985,000	1,440,000
G.O. TIF bonds	1,420,000	-	(40,000)	1,380,000	45,000
Unamortized bond discount	(59,692)	-	19,839	(39,853)	(4,119)
Unamortized bond premium	148,121	234,063	(29,536)	352,648	29,536
Compensated absences	707,227	478,912	(386,285)	799,854	439,920
	<u>\$20,595,656</u>	<u>\$10,487,975</u>	<u>(\$1,925,982)</u>	<u>\$29,157,649</u>	<u>\$2,110,337</u>
Business-type activities					
Revenue bonds	\$2,355,000	\$ -	(\$295,000)	\$2,060,000	\$300,000
Tax abatement bonds	5,080,000	-	-	5,080,000	200,000
Unamortized bond discount	(14,385)	-	2,054	(12,331)	(2,055)
Unamortized bond premium	53,334	-	(6,416)	46,918	6,416
Compensated absences	23,667	22,668	(21,830)	24,505	13,478
	<u>\$7,497,616</u>	<u>\$22,668</u>	<u>(\$321,192)</u>	<u>\$7,199,092</u>	<u>\$517,839</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

PLEDGED REVENUE

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

Bond Issue	Use of Proceeds	Revenue Pledged				Current Year 2014		
		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
323 2006A Improvement Bonds \$2,450 K	Infrastructure Improvement Projects	Assessments	28.90%	N/A	2006-2016	\$1,690,500	\$168,920	\$26,018
324 2008A Improvement Bonds \$2,370 K	Infrastructure Improvement Projects	Assessments	13.48%	N/A	2008-2018	\$1,895,790	\$240,635	\$40,957
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	\$10,250,544	\$491,578	\$107,696
328 2010A Improvement and Refunding Bonds \$2,940 K	Infrastructure Improvement Projects	Assessments	0.40%	N/A	2010-2020	\$2,650,119	\$361,138	\$78,178
329 2012C Improvement and Refunding Bonds \$3,795 K	Infrastructure Improvement Projects	Assessments	19.11%	N/A	2012-2023	\$3,505,720	\$470,705	\$92,215
330 2013A Improvement Bonds \$1,530 K	Infrastructure Improvement Projects	Assessments	17.53%	N/A	2013-2024	\$1,695,183	\$34,031	\$23,730
375 2005A GO TIF Bonds \$1,605 K	Redevelopment and Renovation	Tax Increment	100.00%	N/A	2005-2033	\$1,992,763	\$101,100	\$101,100
325 2009A Improvement Refunding Bonds \$1,315 K	Infrastructure Improvement Projects	User Fees	100.00%	N/A	2009-2019	\$1,749,463	\$492,288	\$492,288
526/602 2009C GO Sewer Revenue Bonds \$1,545 K	Infrastructure Improvement Projects	User Fees	100.00%	N/A	2009-2019	\$1,072,100	\$182,238	\$182,238
332 2014B GO Bonds \$4,930 K	Infrastructure Improvement Projects	Assessments	4.48%	N/A	2014-2030	\$6,231,315	\$ -	\$124,898

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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the internet at www.mnpera.org, by writing to PERA, 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 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. The City was required to contribute the following percentages of annual covered payroll in 2014: 11.78% for Basic Plan GERF members, 7.25% for Coordinated Plan GERF members, and 15.3% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$224,633, \$201,801, and \$194,170, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2014, 2013 and 2012 were \$359,576, \$318,054, and \$298,084, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) and the Police and Fire Fund (10.8% for members and 16.2% for employers).

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 7, 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, 2014

C. PARTICIPANTS

As of the actuarial valuation dated January 1, 2014, participants consisted of:

Retirees and beneficiaries currently receiving benefits	11
Active employees	<u>70</u>
Total	<u>81</u>
Participating employers	<u>1</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, 2014, was calculated as follows:

Annual required contribution (ARC)	\$163,868
Interest on net OPEB obligation	29,769
Adjustment to ARC	<u>(43,039)</u>
Annual OPEB cost	150,598
Contributions made during the year	<u>125,500</u>
Increase (decrease) in net OPEB obligation	25,098
Net OPEB obligation - beginning of year	<u>744,234</u>
Net OPEB obligation - end of year	<u>\$769,332</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
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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, 2014 which revalued the annual required contribution (ARC) to \$163,868 beginning December 31, 2014. 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, 2012	\$171,579	\$91,242	53.2%	\$673,379
December 31, 2013	173,642	102,786	59.2%	744,234
December 31, 2014	150,598	125,500	83.3%	769,332

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, 2014	\$ -	\$1,897,694	\$1,897,694	0.0%	\$5,311,287	35.73%

*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
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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, 2014 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 7.5% reduced by 0.31% 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 a level dollar amount over a 30 year open period. The remaining amortization period at December 31, 2014, was 23 years.

Note 9 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

Individual fund interfund loan balances at December 31, 2014 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
EDA	\$1,308,113	\$ -
TIF Districts	-	1,308,113
Total	<u>\$1,308,113</u>	<u>\$1,308,113</u>

Interfund loans are not expected to be collected in full 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, 2014

Interfund transfers:

	Transfer In			Total
	General	Nonmajor Governmental Fund	Recreation	
Transfer out:				
General (1) (4)	\$ -	\$443,763	\$7,705	\$451,468
TIF Districts (3)	-	101,100	-	101,100
Non Major Govt (2)	87,000	-	-	87,000
Public Utilities (5)	555,000	-	-	555,000
Total transfers	<u>\$642,000</u>	<u>\$544,863</u>	<u>\$7,705</u>	<u>\$1,194,568</u>

- (1) Fund establishment
- (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

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 2014 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, 2014.

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, 2014

Note 13 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2014, 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	Parks Improvement Fund	TIF Districts	Other Governmental Funds	Total
Nonspendable:									
Prepays	\$129,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$129,465
Loans receivable	201,000	-	-	-	-	-	-	-	201,000
Total nonspendable	330,465	0	0	0	0	0	0	0	330,465
Restricted for:									
Debt service	-	-	3,205,332	-	-	-	-	756,355	3,961,687
Tax increment	-	-	-	-	-	-	1,770,342	-	1,770,342
Park improvement	-	-	-	-	-	2,089,442	-	-	2,089,442
Police	4,231	-	-	-	-	-	-	37,659	41,890
Fire	-	-	-	-	-	-	-	267,365	267,365
Total restricted	4,231	0	3,205,332	0	0	2,089,442	1,770,342	1,061,379	8,130,726
Committed to:									
Economic development	-	2,564,799	-	-	-	-	-	-	2,564,799
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	-	-	968,680	968,680
Total committed	0	2,564,799	0	0	0	0	0	968,680	3,533,479
Assigned to:									
Street maintenance	-	-	-	-	-	-	-	521,837	521,837
Equipment acquisition	-	-	-	2,744,074	-	-	-	-	2,744,074
Technology replacement	-	-	-	-	-	-	-	333,057	333,057
Park improvement	-	-	-	-	-	1,084,697	-	-	1,084,697
Capital facilities	-	-	-	-	-	-	-	344,882	344,882
Total assigned	0	0	0	2,744,074	0	1,084,697	0	1,199,776	5,028,547
Unassigned	8,679,813	-	-	-	(208,834)	-	(1,308,322)	-	7,162,657
Total	\$9,014,509	\$2,564,799	\$3,205,332	\$2,744,074	(\$208,834)	\$3,174,139	\$462,020	\$3,229,835	\$24,185,874

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, 2014, the unassigned fund balance of the General Fund was 71.9% 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, 2014, there were three series of Industrial Revenue Bonds outstanding, with an aggregate scheduled principal amount payable of \$22,616,659.

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.

Information regarding the Dakota Communications Center can be obtained at the website 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.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 had an estimated original value of \$1,446,249.

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 2014 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website www.southmetrofire.com.

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

Note 16 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. 68 *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement 27. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time.

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.

Statement No. 72 *Fair Value Measurement and Application* - The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015.

Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this statement are effective for financial statements of periods beginning after June 15, 2015.

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2016.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2017.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statements No. 68 and No. 71 will have a material impact.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 17 SUBSEQUENT EVENTS

The City issued \$6,880,000 General Obligation Refunding Bonds, Series 2015A on June 8, 2015. The bonds will be used to refund the G.O. Improvement Bonds of 2006A and the G.O. Capital Improvement Bonds of 2009B.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2014

Statement 10
Page 1 of 5

	2014			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current	\$8,269,873	\$8,269,873	\$8,313,111	\$43,238
Delinquent	25,000	25,000	94,753	69,753
Franchise tax - Xcel Energy 5% gross earnings	750,000	750,000	844,383	94,383
Franchise tax - cable	55,000	55,000	59,093	4,093
Water Surcharge	20,000	20,000	25,374	5,374
Total taxes	<u>9,119,873</u>	<u>9,119,873</u>	<u>9,336,714</u>	<u>216,841</u>
Licenses and permits:				
Licenses:				
Liquor, beer and wine	112,500	112,500	116,709	4,209
General business	100,000	100,000	97,639	(2,361)
Miscellaneous	4,000	4,000	8,259	4,259
Permits:				
Building	190,000	190,000	184,968	(5,032)
Electrical	30,000	30,000	26,700	(3,300)
Mechanical	47,000	47,000	65,061	18,061
Total licenses and permits	<u>483,500</u>	<u>483,500</u>	<u>499,336</u>	<u>15,836</u>
Intergovernmental:				
State:				
Police services	186,500	186,500	270,487	83,987
Highway maintenance	144,000	144,000	175,204	31,204
County grants	30,500	30,500	53,991	23,491
Miscellaneous	42,361	42,361	43,256	895
Total intergovernmental	<u>403,361</u>	<u>403,361</u>	<u>542,938</u>	<u>139,577</u>
Charges for services:				
Public safety services	151,334	151,334	145,280	(6,054)
Recreation programs and leagues	61,000	61,000	64,131	3,131
General government services	300,000	300,000	403,484	103,484
Administrative - construction	211,200	211,200	856	(210,344)
Total charges for services	<u>723,534</u>	<u>723,534</u>	<u>613,751</u>	<u>(109,783)</u>
Court fines and fees	<u>111,500</u>	<u>111,500</u>	<u>168,869</u>	<u>57,369</u>
Investment income	<u>80,000</u>	<u>80,000</u>	<u>229,646</u>	<u>149,646</u>
Miscellaneous:				
Penalties and interest on taxes and assessments	4,500	4,500	17,348	12,848
Special assessments	22,500	22,500	25,936	3,436
Contributions	7,500	7,500	8,282	782
Miscellaneous	43,279	43,279	33,611	(9,668)
Total miscellaneous	<u>77,779</u>	<u>77,779</u>	<u>85,177</u>	<u>7,398</u>
Total revenues	<u>10,999,547</u>	<u>10,999,547</u>	<u>11,476,431</u>	<u>476,884</u>

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2014

Statement 10
Page 2 of 5

	2014			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures:				
General government:				
Mayor/council:				
Personal services	\$57,291	\$57,291	\$55,409	(\$1,882)
Supplies	250	250	-	(250)
Contractual services	127,000	127,000	80,689	(46,311)
Other charges	29,200	29,200	31,973	2,773
Total mayor/council	213,741	213,741	168,071	(45,670)
Manager and administration:				
Personal services	574,807	574,807	549,387	(25,420)
Supplies	11,050	11,050	12,016	966
Contractual services	20,650	20,650	22,694	2,044
Other charges	20,500	20,500	20,624	124
Total manager and administration	627,007	627,007	604,721	(22,286)
Finance:				
Personal services	282,390	282,390	272,427	(9,963)
Supplies	3,000	3,000	2,472	(528)
Contractual services	51,300	51,300	49,579	(1,721)
Other charges	8,177	8,177	6,685	(1,492)
Total finance	344,867	344,867	331,163	(13,704)
Human relations:				
Personal services	91,800	91,800	71,672	(20,128)
Supplies	850	850	1,205	355
Contractual services	29,000	29,000	15,270	(13,730)
Other charges	2,350	2,350	13,334	10,984
Total human relations	124,000	124,000	101,481	(22,519)
Elections:				
Personal services	-	-	1,349	1,349
Supplies	450	450	1,091	641
Contractual services	21,220	21,220	19,458	(1,762)
Other charges	2,190	2,190	2,730	540
Total elections	23,860	23,860	24,628	768
City attorney:				
Contractual services	298,000	298,000	338,941	40,941
Charter commission:				
Contractual services	1,500	1,500	4,774	3,274
General government buildings:				
Personal services	65,839	65,839	57,045	(8,794)
Supplies	19,850	19,850	15,763	(4,087)
Contractual services	70,700	70,700	96,364	25,664
Other charges	35,325	35,325	24,573	(10,752)
Total general government buildings	191,714	191,714	193,745	2,031

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2014

	2014			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures: (continued)				
General government: (continued)				
Planning and zoning				
Personal services	\$227,305	\$227,305	\$220,796	(\$6,509)
Supplies	1,700	1,700	(979)	(2,679)
Contractual services	39,600	39,600	74,085	34,485
Other charges	850	850	1,822	972
Total planning and zoning	<u>269,455</u>	<u>269,455</u>	<u>295,724</u>	<u>26,269</u>
Recycling				
Supplies	2,000	2,000	2,966	966
Contractual services	1,000	1,000	1,496	496
Other charges	4,500	4,500	6,939	2,439
Total recycling	<u>7,500</u>	<u>7,500</u>	<u>11,401</u>	<u>3,901</u>
Building inspection:				
Personal services	265,414	265,414	225,981	(39,433)
Supplies	3,956	3,956	2,374	(1,582)
Contractual services	28,600	28,600	39,223	10,623
Other charges	1,425	1,425	26,139	24,714
Total building inspection	<u>299,395</u>	<u>299,395</u>	<u>293,717</u>	<u>(5,678)</u>
Management information systems				
Personal services	218,321	218,321	199,462	(18,859)
Supplies	4,000	4,000	1,296	(2,704)
Contractual services	144,000	144,000	44,661	(99,339)
Other charges	25,320	25,320	84,089	58,769
Total management information systems	<u>391,641</u>	<u>391,641</u>	<u>329,508</u>	<u>(62,133)</u>
Total general government	<u>2,792,680</u>	<u>2,792,680</u>	<u>2,697,874</u>	<u>(94,806)</u>
Public safety:				
Dispatching:				
Contractual services	661,463	661,463	581,576	(79,887)
Total dispatching	<u>661,463</u>	<u>661,463</u>	<u>581,576</u>	<u>(79,887)</u>
Police protection:				
Personal services	3,439,056	3,439,056	3,477,951	38,895
Supplies	178,220	178,220	141,965	(36,255)
Contractual services	114,700	114,700	82,380	(32,320)
Other charges	57,920	57,920	52,173	(5,747)
Total police protection	<u>3,789,896</u>	<u>3,789,896</u>	<u>3,754,469</u>	<u>(35,427)</u>

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2014

Statement 10
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	2014			Actual Over (Under) Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Fire protection:				
Contractual services	\$1,925,800	\$1,925,800	\$1,925,800	\$ -
Civil defense:				
Supplies	2,500	2,500	1,714	(786)
Contractual services	5,260	5,260	5,341	81
Other charges	7,135	7,135	6,830	(305)
Total civil defense	14,895	14,895	13,885	(1,010)
Animal control:				
Contractual services	6,940	6,940	2,087	(4,853)
Total public safety	6,398,994	6,398,994	6,277,817	(121,177)
Public works:				
Engineering:				
Personal services	178,790	178,790	149,815	(28,975)
Supplies	2,450	2,450	2,370	(80)
Contractual services	21,250	21,250	12,544	(8,706)
Other charges	1,350	1,350	850	(500)
Total engineering	203,840	203,840	165,579	(38,261)
Street department:				
Personal services	915,839	915,839	879,024	(36,815)
Supplies	194,725	194,725	204,497	9,772
Contractual services	70,710	70,710	99,865	29,155
Other charges	17,675	17,675	11,932	(5,743)
Total street department	1,198,949	1,198,949	1,195,318	(3,631)
Traffic signs:				
Supplies	9,900	9,900	7,583	(2,317)
Contractual services	11,700	11,700	11,124	(576)
Other charges	700	700	1,273	573
Total traffic signs	22,300	22,300	19,980	(2,320)
Facility:				
Supplies	5,200	5,200	3,068	(2,132)
Contractual services	16,030	16,030	25,010	8,980
Other charges	41,200	41,200	35,342	(5,858)
Total facility	62,430	62,430	63,420	990
Street lighting:				
Supplies	2,425	2,425	652	(1,773)
Contractual services	132,000	132,000	118,081	(13,919)
Total street lighting	134,425	134,425	118,733	(15,692)
Total public works	1,621,944	1,621,944	1,563,030	(58,914)

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2014

	2014			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures: (continued)				
Parks and recreation:				
Parks:				
Personal services	\$621,223	\$621,223	\$549,498	(\$71,725)
Supplies	59,450	59,450	59,711	261
Contractual services	74,180	74,180	71,885	(2,295)
Other charges	38,076	38,076	35,655	(2,421)
Total parks	<u>792,929</u>	<u>792,929</u>	<u>716,749</u>	<u>(76,180)</u>
Total parks and recreation	<u>792,929</u>	<u>792,929</u>	<u>716,749</u>	<u>(76,180)</u>
Unallocated general expenditures:				
Other charges	-	-	3,924	3,924
Total unallocated general expenditures	<u>0</u>	<u>0</u>	<u>3,924</u>	<u>3,924</u>
Total expenditures	<u>11,606,547</u>	<u>11,606,547</u>	<u>11,259,394</u>	<u>(347,153)</u>
Revenues over (under) expenditures	<u>(607,000)</u>	<u>(607,000)</u>	<u>217,037</u>	<u>824,037</u>
Other financing sources (uses):				
Transfers in	642,000	642,000	642,000	-
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(451,468)</u>	<u>(416,468)</u>
Total other financing sources (uses)	<u>607,000</u>	<u>607,000</u>	<u>190,532</u>	<u>(416,468)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>407,569</u>	<u>\$407,569</u>
Fund balance - January 1			<u>8,606,940</u>	
Fund balance - December 31			<u>\$9,014,509</u>	

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT AUTHORITY
For The Year Ended December 31, 2014

Statement 11

	2014			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Property taxes:				
Current	\$250,000	\$250,000	\$255,949	\$5,949
Delinquent	-	-	2,859	2,859
Investment income	75,000	75,000	65,858	(9,142)
Charges for services	-	-	505	505
Miscellaneous:				
Other income	6,000	6,000	21,356	15,356
Total revenue	<u>331,000</u>	<u>331,000</u>	<u>346,527</u>	<u>15,527</u>
Expenditures:				
General government:				
Personal services	145,426	145,426	144,937	(489)
Supplies	3,200	3,200	2,641	(559)
Contractual services	106,800	106,800	95,768	(11,032)
Other charges	143,500	143,500	353,643	210,143
Total expenditures	<u>398,926</u>	<u>398,926</u>	<u>596,989</u>	<u>198,063</u>
Revenue over (under) expenditures	<u>(\$67,926)</u>	<u>(\$67,926)</u>	(250,462)	<u>(\$182,536)</u>
Fund balance - January 1			<u>2,815,261</u>	
Fund balance - December 31			<u>\$2,564,799</u>	

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
 December 31, 2014

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 2014, the Economic Development Authority Special Revenue Fund had expenditures of \$596,989, which exceeded budgeted expenditures of \$398,926 by \$198,063.

General Fund departments whose expenditures exceeded the final budget by \$5,000 or more are as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund:			
City attorney	\$298,000	\$338,941	\$40,941
Planing and zoning	\$269,455	\$295,724	26,269

CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For The Year Ended December 31, 2014

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%
1/1/2014	-	1,897,694	1,897,694	0.0%	5,311,287	35.7%

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

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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.

TIF Bonds – used to account for payment of tax increment financing bonds which have been issued to finance tax increment projects.

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

Tax Abatement Bonds – used to accumulate monies for payment of general obligation tax abatement bonds which have been issued to finance a park improvement project.

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.

Street Maintenance Fund – used to accumulate funds for significant street maintenance costs which occur periodically but are not part of a street reconstruction project.

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.

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, 2014

	Nonmajor Special	Nonmajor Debt Service Funds			Totals Nonmajor Debt Service Funds
	Revenue Fund	General Obligation CIP Bonds (327)	2014A G.O. Tax Abatement Bonds (331)	2014B G.O. Bonds (332)	
	Insurance Fund				
Assets:					
Cash and investments	\$965,861	\$469,960	\$79,709	\$200,384	\$750,053
Delinquent taxes receivable	3,228	-	-	-	-
Accrued interest receivable	2,819	873	243	351	1,467
Deferred special assessments receivable	-	-	-	58,693	58,693
Due from county	-	-	-	4,835	4,835
Total assets	\$971,908	\$470,833	\$79,952	\$264,263	\$815,048
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	0	0	0	0	0
Deferred inflows of resources:					
Unavailable revenue	3,228	-	-	58,693	58,693
Total deferred inflows of resources	3,228	0	0	58,693	58,693
Fund balance:					
Restricted	-	470,833	79,952	205,570	756,355
Committed	968,680	-	-	-	-
Assigned	-	-	-	-	-
Total fund balance	968,680	470,833	79,952	205,570	756,355
Total liabilities, deferred inflows of resources and fund balance	\$971,908	\$470,833	\$79,952	\$264,263	\$815,048

Nonmajor Capital Project Funds

Police and Fire Pera	Street Maintenance Fund	Technology Replacement	Public Works Facility	Government Facilities	Totals Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds 2014
\$304,114	\$520,480	\$333,575	\$24,224	\$320,402	\$1,502,795	\$3,218,709
-	-	-	-	2,989	2,989	6,217
910	1,357	699	73	187	3,226	7,512
-	-	-	-	-	-	58,693
-	-	-	-	-	-	4,835
<u>\$305,024</u>	<u>\$521,837</u>	<u>\$334,274</u>	<u>\$24,297</u>	<u>\$323,578</u>	<u>\$1,509,010</u>	<u>\$3,295,966</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$1,217</u>	<u>\$4</u>	<u>\$ -</u>	<u>\$1,221</u>	<u>\$1,221</u>
<u>0</u>	<u>0</u>	<u>1,217</u>	<u>4</u>	<u>0</u>	<u>1,221</u>	<u>1,221</u>
-	-	-	-	2,989	2,989	64,910
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,989</u>	<u>2,989</u>	<u>64,910</u>
305,024	-	-	-	-	305,024	1,061,379
-	-	-	-	-	-	968,680
-	521,837	333,057	24,293	320,589	1,199,776	1,199,776
<u>305,024</u>	<u>521,837</u>	<u>333,057</u>	<u>24,293</u>	<u>320,589</u>	<u>1,504,800</u>	<u>3,229,835</u>
<u>\$305,024</u>	<u>\$521,837</u>	<u>\$334,274</u>	<u>\$24,297</u>	<u>\$323,578</u>	<u>\$1,509,010</u>	<u>\$3,295,966</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, 2014

	Nonmajor Special Revenue Fund		Nonmajor Debt Service Funds			Totals Nonmajor Debt Service Funds
	Insurance Fund	TIF Bonds	General Obligation CIP Bonds (327)	2014A G.O. Tax Abatement Bonds (331)	2014B G.O. Bonds (332)	
Revenues:						
General property taxes	\$3,469	\$ -	\$513,384	\$ -	\$ -	\$513,384
Special assessments:						
Current and delinquent	-	-	-	-	124,898	124,898
Intergovernmental	-	-	107,696	-	-	107,696
Investment income	36,504	-	1,089	653	894	2,636
Insurance dividends	33,636	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>73,609</u>	<u>0</u>	<u>622,169</u>	<u>653</u>	<u>125,792</u>	<u>748,614</u>
Expenditures:						
Current:						
General government	37,837	-	-	-	-	-
Public safety	128,638	-	-	-	-	-
Public works	67,310	-	-	-	-	-
Parks and recreation	37,466	-	-	-	-	-
Unallocated general expenditures	77,236	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	40,000	160,000	-	-	200,000
Interest and fees	-	61,100	331,578	-	-	392,678
Miscellaneous	-	-	749	-	-	749
Total expenditures	<u>348,487</u>	<u>101,100</u>	<u>492,327</u>	<u>0</u>	<u>0</u>	<u>593,427</u>
Revenues over (under) expenditures	<u>(274,878)</u>	<u>(101,100)</u>	<u>129,842</u>	<u>653</u>	<u>125,792</u>	<u>155,187</u>
Other financing sources (uses):						
Transfers in	-	101,100	-	-	-	101,100
Transfers out	-	-	-	-	-	-
Bonds issued	-	-	-	79,299	79,778	159,077
Total other financing sources (uses)	<u>0</u>	<u>101,100</u>	<u>0</u>	<u>79,299</u>	<u>79,778</u>	<u>260,177</u>
Net increase (decrease) in fund balance	(274,878)	0	129,842	79,952	205,570	415,364
Fund balance - January 1	1,243,558	-	340,991	-	-	340,991
Fund balance - December 31	<u>\$968,680</u>	<u>\$0</u>	<u>\$470,833</u>	<u>\$79,952</u>	<u>\$205,570</u>	<u>\$756,355</u>

Nonmajor Capital Projects Funds							
	Police and Fire Pera	Street Maintenance Fund	Technology Replacement	Public Works Facility	Government Facilities	Totals Nonmajor Capital Project Funds	Total Nonmajor Gov't Funds 2014
Revenues:							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$3,212	\$3,212	\$520,065
Special assessments:							
Current and delinquent	-	-	-	-	-	-	124,898
Intergovernmental	-	74,425	103,343	-	250,000	427,768	535,464
Investment income	13,198	3,649	10,210	1,505	1,073	29,635	68,775
Insurance dividends	-	-	-	-	-	-	33,636
Other	-	-	585	-	-	585	585
Total revenues	<u>13,198</u>	<u>78,074</u>	<u>114,138</u>	<u>1,505</u>	<u>254,285</u>	<u>461,200</u>	<u>1,283,423</u>
Expenditures:							
Current:							
General government	-	-	-	5	-	5	37,842
Public safety	-	-	54,335	-	-	54,335	182,973
Public works	-	-	-	-	-	-	67,310
Parks and recreation	-	-	-	-	-	-	37,466
Unallocated general expenditures	-	-	-	-	-	-	77,236
Capital outlay	1,570	-	120,268	-	-	121,838	121,838
Debt service:							
Principal	-	-	-	-	-	-	200,000
Interest and fees	-	-	-	-	-	-	392,678
Bond issuance costs	-	-	-	-	-	-	749
Total expenditures	<u>1,570</u>	<u>0</u>	<u>174,603</u>	<u>5</u>	<u>0</u>	<u>176,178</u>	<u>1,118,092</u>
Revenues over (under) expenditures	<u>11,628</u>	<u>78,074</u>	<u>(60,465)</u>	<u>1,500</u>	<u>254,285</u>	<u>285,022</u>	<u>165,331</u>
Other financing sources (uses):							
Transfers in	-	443,763	-	-	-	443,763	544,863
Transfers out	(87,000)	-	-	-	-	(87,000)	(87,000)
Bonds issued	-	-	-	-	-	-	159,077
Total other financing sources (uses)	<u>(87,000)</u>	<u>443,763</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356,763</u>	<u>616,940</u>
Net increase (decrease) in fund balance	(75,372)	521,837	(60,465)	1,500	254,285	641,785	782,271
Fund balance - January 1	380,396	-	393,522	22,793	66,304	863,015	2,447,564
Fund balance - December 31	<u>\$305,024</u>	<u>\$521,837</u>	<u>\$333,057</u>	<u>\$24,293</u>	<u>\$320,589</u>	<u>\$1,504,800</u>	<u>\$3,229,835</u>

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COMBINING FUND SCHEDULES - 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, 2014

	2006 G.O. Improvement Bonds <u>(323)</u>	2008 G.O. Improvement Bonds <u>(324)</u>
Assets		
Cash and investments	\$120,458	\$382,712
Accrued interest receivable	537	1,277
Due from County	1,252	651
Delinquent special assessments receivable	1,054	1,360
Deferred special assessments receivable	<u>22,792</u>	<u>72,267</u>
 Total assets	 <u><u>\$146,093</u></u>	 <u><u>\$458,267</u></u>
 Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Deferred inflows of resources:		
Unavailable revenue	<u>23,846</u>	<u>73,627</u>
Total deferred inflows of resources	<u>23,846</u>	<u>73,627</u>
 Fund balance:		
Restricted fund balance	<u>122,247</u>	<u>384,640</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$146,093</u></u>	 <u><u>\$458,267</u></u>

2009 G.O. Refunding Bonds (325)	2010 G.O. Improvement Bonds (328)	2012 G.O. Improvement Bonds (329)	2013 G.O. Improvement Bonds (330)	Total 2014
\$702,399	\$951,054	\$816,520	\$216,608	\$3,189,751
2,583	2,482	2,032	540	9,451
164	2,712	1,181	170	6,130
-	989	3,545	252	7,200
-	210,760	378,283	123,715	807,817
<u>\$705,146</u>	<u>\$1,167,997</u>	<u>\$1,201,561</u>	<u>\$341,285</u>	<u>\$4,020,349</u>
-	211,749	381,828	123,967	815,017
<u>0</u>	<u>211,749</u>	<u>381,828</u>	<u>123,967</u>	<u>815,017</u>
705,146	956,248	819,733	217,318	3,205,332
<u>\$705,146</u>	<u>\$1,167,997</u>	<u>\$1,201,561</u>	<u>\$341,285</u>	<u>\$4,020,349</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, 2014

	2002 G.O. Refunding Bonds (321)	2004 G.O. Improvement Bonds (322)	2006 G.O. Improvement Bonds (323)	2008 G.O. Improvement Bonds (324)
Revenue:				
General property taxes:				
Current	\$ -	\$ -	\$86,323	\$213,378
Special assessments:				
Current and delinquent	-	-	26,018	39,180
Prepayments	-	-	-	1,777
Investment income	-	-	6,188	12,105
Total revenue	<u>0</u>	<u>0</u>	<u>118,529</u>	<u>266,440</u>
Expenditures:				
Debt service:				
Principal	-	-	110,000	170,000
Interest and fiscal charges	-	-	58,920	70,635
Miscellaneous	-	-	914	815
Total expenditures	<u>0</u>	<u>0</u>	<u>169,834</u>	<u>241,450</u>
Revenue over (under) expenditures	<u>0</u>	<u>0</u>	<u>(51,305)</u>	<u>24,990</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	(10,563)	(340,960)	-	-
Total other financing sources (uses)	<u>(10,563)</u>	<u>(340,960)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(10,563)	(340,960)	(51,305)	24,990
Fund balance - January 1	<u>10,563</u>	<u>340,960</u>	<u>173,552</u>	<u>359,650</u>
Fund balance - December 31	<u>\$0</u>	<u>\$0</u>	<u>\$122,247</u>	<u>\$384,640</u>

2009 G.O. Refunding Bonds (325)	2010 G.O. Improvement Bonds (328)	2012 G.O. Improvement Bonds (329)	2013 G.O. Improvement Bonds (330)	Intra Activities Eliminations	Total 2014
\$256,043	\$364,206	\$393,184	\$112,700	\$ -	\$1,425,834
519	64,884	77,744	23,730	-	232,075
-	13,294	14,471	-	-	29,542
29,488	20,081	2,672	3,903	-	74,437
<u>286,050</u>	<u>462,465</u>	<u>488,071</u>	<u>140,333</u>	<u>0</u>	<u>1,761,888</u>
325,000	285,000	440,000	-		1,330,000
36,900	76,138	30,705	34,031		307,329
-	1,483	1,395	224		4,831
<u>361,900</u>	<u>362,621</u>	<u>472,100</u>	<u>34,255</u>	<u>0</u>	<u>1,642,160</u>
(75,850)	99,844	15,971	106,078	0	119,728
-	10,563	340,960	-	(351,523)	-
-	-	-	-	351,523	-
<u>0</u>	<u>10,563</u>	<u>340,960</u>	<u>0</u>	<u>0</u>	<u>0</u>
(75,850)	110,407	356,931	106,078	0	119,728
780,996	845,841	462,802	111,240	-	3,085,604
<u>\$705,146</u>	<u>\$956,248</u>	<u>\$819,733</u>	<u>\$217,318</u>	<u>\$0</u>	<u>\$3,205,332</u>

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COMBINING FUND SCHEDULES - 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, 2014

Statement 17

	TIF 1-1 (450)	TIF 1-2 (451)	TIF 1-3 (452)	TIF 1-4 (453)	Total 2014
Assets					
Cash and investments	\$1,451,399	\$225,620	\$4,736	\$95,109	\$1,776,864
Accrued interest receivable	3,856	467	60	201	4,584
Tax increment receivable	2,171	1,709	5,192	-	9,072
Total assets	\$1,457,426	\$227,796	\$9,988	\$95,310	\$1,790,520
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$152	\$ -	\$152
Deposits payable	-	-	4,219	-	4,219
Due to Other Governments	4,270	1,258	634	782	6,944
Interfund loan payable	-	-	1,308,113	-	1,308,113
Total liabilities	4,270	1,258	1,313,118	782	1,319,428
Deferred inflows of resources:					
Unavailable revenue	2,171	1,709	5,192	-	9,072
Total deferred inflows of resources	2,171	1,709	5,192	0	9,072
Fund balance:					
Restricted	1,450,985	224,829	-	94,528	1,770,342
Unassigned	-	-	(1,308,322)	-	(1,308,322)
Total fund balance	1,450,985	224,829	(1,308,322)	94,528	462,020
Total liabilities, deferred inflows of resources and fund balance	\$1,457,426	\$227,796	\$9,988	\$95,310	\$1,790,520

CITY OF WEST ST. PAUL, MINNESOTA
TIF DISTRICTS
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
For The Year Ended December 31, 2014

Statement 18

	<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</u> <u>2014</u>
Revenue:					
Property taxes:					
Tax increment collections	\$513,514	\$208,460	\$36,743	\$86,823	\$845,540
Investment income	31,463	5,604	(15)	1,786	38,838
Total revenue	<u>544,977</u>	<u>214,064</u>	<u>36,728</u>	<u>88,609</u>	<u>884,378</u>
Expenditures:					
General government	91,795	99,702	55,870	83,880	331,247
Total expenditures	<u>91,795</u>	<u>99,702</u>	<u>55,870</u>	<u>83,880</u>	<u>331,247</u>
Revenue over (under) expenditures	<u>453,182</u>	<u>114,362</u>	<u>(19,142)</u>	<u>4,729</u>	<u>553,131</u>
Other financing sources (uses):					
Sale of capital assets	1,350,398	-	-	-	1,350,398
Transfers out	-	(101,100)	-	-	(101,100)
Total other financing sources (uses)	<u>1,350,398</u>	<u>(101,100)</u>	<u>-</u>	<u>-</u>	<u>1,249,298</u>
Net change in fund balance	1,803,580	13,262	(19,142)	4,729	1,802,429
Fund balance (deficit) - January 1	<u>(352,595)</u>	<u>211,567</u>	<u>(1,289,180)</u>	<u>89,799</u>	<u>(1,340,409)</u>
Fund balance (deficit) - December 31	<u>\$1,450,985</u>	<u>\$224,829</u>	<u>(\$1,308,322)</u>	<u>\$94,528</u>	<u>\$462,020</u>

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COMBINING FUND SCHEDULES - 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 2014:

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, 2014

Statement 19

	Storm Sewer (600)	Sanitary Sewer (602)	Total 2014
Assets			
Current assets:			
Cash and investments	\$1,129,072	\$1,301,746	\$2,430,818
Due from other governments	-	6,600	6,600
Receivables:			
Accounts	94,306	-	94,306
User accounts - current and delinquent	-	571,230	571,230
Customer assessments	-	430,099	430,099
Interest receivable on investments	3,296	3,382	6,678
Total current assets	1,226,674	2,313,057	3,539,731
Capital assets:			
Land	-	10,945	10,945
Buildings and improvements	-	2,224,939	2,224,939
Vehicles, machinery, and equipment	-	457,836	457,836
Distribution and collection systems	8,275,861	5,833,301	14,109,162
Total capital assets	8,275,861	8,527,021	16,802,882
Less: accumulated depreciation	(4,345,342)	(4,435,790)	(8,781,132)
Net capital assets	3,930,519	4,091,231	8,021,750
Total assets	5,157,193	6,404,288	11,561,481
Liabilities			
Current liabilities:			
Payroll withholdings payable	-	7,462	7,462
Accounts payable	1,482	9,150	10,632
Due to other governments	-	43,791	43,791
Accrued bond interest payable	-	14,451	14,451
Accrued compensated absences	-	11,966	11,966
Bonds payable, current portion	-	262,958	262,958
Total current liabilities	1,482	349,778	351,260
Noncurrent liabilities:			
Accrued compensated absences	-	9,790	9,790
Other post employment benefits payable	-	29,548	29,548
Bonds payable, net of current portion	-	1,439,787	1,439,787
Total noncurrent liabilities	0	1,479,125	1,479,125
Total liabilities	1,482	1,828,903	1,830,385
Net position:			
Net investment in capital assets	3,930,519	2,388,486	6,319,005
Unrestricted	1,225,192	2,186,899	3,412,091
Total net position	\$5,155,711	\$4,575,385	\$9,731,096

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, 2014

Statement 20

	<u>Storm Sewer (600)</u>	<u>Sanitary Sewer (602)</u>	<u>Total 2014</u>
Operating revenue:			
User charges for services	\$411,025	\$2,919,503	\$3,330,528
Retained fees	-	1,314	1,314
Total operating revenue	<u>411,025</u>	<u>2,920,817</u>	<u>3,331,842</u>
Operating expenses:			
Personal services	2,131	280,683	282,814
Supplies	8,142	27,638	35,780
Contractual services	32,274	1,755,465	1,787,739
Miscellaneous other charges	9,379	40,299	49,678
Depreciation	159,860	167,904	327,764
Total operating expenses	<u>211,786</u>	<u>2,271,989</u>	<u>2,483,775</u>
Operating income	<u>199,239</u>	<u>648,828</u>	<u>848,067</u>
Nonoperating revenue (expense):			
Investment income	35,392	35,688	71,080
Interest on special assessments	-	14,849	14,849
Intergovernmental	-	8,425	8,425
Bond interest expense	-	(53,013)	(53,013)
Loss on disposal	-	(6,377)	(6,377)
Total nonoperating revenue (expense)	<u>35,392</u>	<u>(428)</u>	<u>34,964</u>
Income before capital contributions and transfers	<u>234,631</u>	<u>648,400</u>	<u>883,031</u>
Capital contributions and transfers:			
Capital contributions - capital assets	174,824	148,191	323,015
Capital contributions - intergovernmental	-	50,431	50,431
Transfers out	(195,000)	(360,000)	(555,000)
Total capital contributions and transfers	<u>(20,176)</u>	<u>(161,378)</u>	<u>(181,554)</u>
Change in net position	214,455	487,022	701,477
Net position - January 1	<u>4,941,256</u>	<u>4,088,363</u>	<u>9,029,619</u>
Net position - December 31	<u><u>\$5,155,711</u></u>	<u><u>\$4,575,385</u></u>	<u><u>\$9,731,096</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC UTILITIES FUND
COMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2014

Statement 21

	<u>Storm Sewer (600)</u>	<u>Sanitary Sewer (602)</u>	<u>Total 2014</u>
Cash flows from operating activities:			
Receipts from customers and users	\$404,015	\$2,926,709	\$3,330,724
Payment to suppliers	(67,660)	(1,804,971)	(1,872,631)
Payment to employees	(2,131)	(279,579)	(281,710)
Net cash flows from operating activities	<u>334,224</u>	<u>842,159</u>	<u>1,176,383</u>
Cash flows from noncapital financing activities:			
Intergovernmental	-	8,425	8,425
Customer assessments receivable	-	77,813	77,813
Transfers out	(195,000)	(360,000)	(555,000)
Net cash flows from noncapital financing activities	<u>(195,000)</u>	<u>(273,762)</u>	<u>(468,762)</u>
Cash flows from capital and related financing activities:			
Intergovernmental	-	50,431	50,431
Acquisition of capital assets	-	(99,449)	(99,449)
Principal paid on capital debt	-	(255,000)	(255,000)
Interest paid on capital debt	-	(57,624)	(57,624)
Interest received on special assessments	-	14,849	14,849
Net cash flows from capital and related financing activities	<u>0</u>	<u>(346,793)</u>	<u>(346,793)</u>
Cash flows from investing activities:			
Investment income	<u>34,844</u>	<u>35,331</u>	<u>70,175</u>
Net increase (decrease) in cash and cash equivalents	174,068	256,935	431,003
Cash and cash equivalents - January 1	<u>955,004</u>	<u>1,044,811</u>	<u>1,999,815</u>
Cash and cash equivalents - December 31	<u>\$1,129,072</u>	<u>\$1,301,746</u>	<u>\$2,430,818</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	<u>\$199,239</u>	<u>\$648,828</u>	<u>\$848,067</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	159,860	167,904	327,764
Changes in assets and liabilities:			
Decrease (increase) in receivables	(7,010)	5,892	(1,118)
Increase (decrease) in payables	(17,865)	18,431	566
Increase (decrease) in accrued compensated absences	-	1,104	1,104
Total adjustments	<u>134,985</u>	<u>193,331</u>	<u>328,316</u>
Net cash provided by operating activities	<u>\$334,224</u>	<u>\$842,159</u>	<u>\$1,176,383</u>
Noncash capital financing activities:			
Amortization of bond premium	\$ -	\$5,012	\$5,012
Amortization of bond discount	\$ -	(\$2,054)	(\$2,054)
Assets contributed from governmental activities	\$174,824	\$148,191	\$323,015

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF NET POSITION
December 31, 2014

Statement 22

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2014
Assets					
Current assets:					
Cash and investments	\$ -	\$52,424	\$ -	\$736,296	\$788,720
Receivables:					
User accounts - current and delinquent	-	117,351	-	8,007	125,358
Interest receivable on investments	54	194	-	2,110	2,358
Inventory	1,414	-	-	-	1,414
Total current assets	1,468	169,969	0	746,413	917,850
Capital assets:					
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	247,504	144,535	-	69,193	461,232
Construction in process	-	-	-	377,396	377,396
Total capital assets	1,594,781	2,261,129	1,750,574	7,274,042	12,880,526
Less: accumulated depreciation	(387,468)	(1,399,472)	(736,904)	(359,189)	(2,883,033)
Net capital assets	1,207,313	861,657	1,013,670	6,914,853	9,997,493
Total assets	1,208,781	1,031,626	1,013,670	7,661,266	10,915,343
Liabilities					
Current liabilities:					
Payroll withholdings payable	-	3,298	-	-	3,298
Accounts payable	2,382	7,769	1,865	34,639	46,655
Contracts payable	-	-	-	124,787	124,787
Due to other governmental units	1,735	437	-	2,771	4,943
Unearned revenue	-	-	-	28,134	28,134
Accrued bond interest payable	1,079	-	-	48,210	49,289
Accrued compensated absences, current portion	-	1,512	-	-	1,512
Bonds payable, current portion	40,000	-	-	201,403	241,403
Total current liabilities	45,196	13,016	1,865	439,944	500,021
Noncurrent liabilities:					
Accrued compensated absences	-	1,237	-	-	1,237
Other postemployment benefits payable	2,337	7,747	2,103	-	12,187
Bonds payable, net of current portion	335,000	-	-	4,895,439	5,230,439
Total noncurrent liabilities	337,337	8,984	2,103	4,895,439	5,243,863
Total liabilities	382,533	22,000	3,968	5,335,383	5,743,884
Net position:					
Net investment in capital assets	832,313	861,657	1,013,670	1,693,224	4,400,864
Unrestricted	(6,065)	147,969	(3,968)	632,659	770,595
Total net position	\$826,248	\$1,009,626	\$1,009,702	\$2,325,883	\$5,171,459

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
For The Year Ended December 31, 2014

Statement 23

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2014
Operating revenue:					
User charges for services	\$119,217	\$195,380	\$ -	\$701,209	\$1,015,806
Miscellaneous	13,559	2,125	-	11,000	26,684
Total operating revenue	<u>132,776</u>	<u>197,505</u>	<u>0</u>	<u>712,209</u>	<u>1,042,490</u>
Operating expenses:					
Personal services	40,347	104,688	-	-	145,035
Supplies	18,716	7,358	10,731	14,879	51,684
Contractual services	77,453	90,365	20,436	366,240	554,494
Miscellaneous other charges	6,462	40	1,984	4,777	13,263
Depreciation	19,866	51,226	48,970	236,285	356,347
Total operating expenses	<u>162,844</u>	<u>253,677</u>	<u>82,121</u>	<u>622,181</u>	<u>1,120,823</u>
Operating income (loss)	<u>(30,068)</u>	<u>(56,172)</u>	<u>(82,121)</u>	<u>90,028</u>	<u>(78,333)</u>
Nonoperating revenue (expense):					
Property taxes	54,500	-	-	332,554	387,054
Investment income	265	3,154	652	23,224	27,295
Bond interest expense	(14,410)	-	-	(115,315)	(129,725)
Total nonoperating revenue (expense)	<u>40,355</u>	<u>3,154</u>	<u>652</u>	<u>240,463</u>	<u>284,624</u>
Income (loss) before capital contributions and transfers	10,287	(53,018)	(81,469)	330,491	206,291
Transfers:					
Transfers in	<u>4,674</u>	<u>0</u>	<u>3,031</u>	<u>0</u>	<u>7,705</u>
Change in net position	14,961	(53,018)	(78,438)	330,491	213,996
Net position - January 1	<u>811,287</u>	<u>1,062,644</u>	<u>1,088,140</u>	<u>1,995,392</u>	<u>4,957,463</u>
Net position - December 31	<u><u>\$826,248</u></u>	<u><u>\$1,009,626</u></u>	<u><u>\$1,009,702</u></u>	<u><u>\$2,325,883</u></u>	<u><u>\$5,171,459</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2014

Statement 24

	Golf Course (613)	Civic Center Arena (615)	Swimming Pool (616)	Regional Athletic Center (617)	Total 2014
Cash flows from operating activities:					
Receipts from customers and users	\$119,257	\$166,262	\$ -	\$735,952	\$1,021,471
Payment to suppliers	(97,286)	(97,285)	(31,359)	(387,303)	(613,233)
Payment to employees	(40,399)	(105,808)	-	-	(146,207)
Miscellaneous revenue	13,559	2,125	-	11,000	26,684
Net cash flows from operating activities	<u>(4,869)</u>	<u>(34,706)</u>	<u>(31,359)</u>	<u>359,649</u>	<u>288,715</u>
Cash flows from noncapital financing activities:					
Property taxes	54,500	-	-	332,554	387,054
Transfers in	4,674	-	3,031	-	7,705
Net cash flows from noncapital financing activities	<u>59,174</u>	<u>0</u>	<u>3,031</u>	<u>332,554</u>	<u>394,759</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	(410,839)	(410,839)
Principal paid on capital debt	(40,000)	-	-	-	(40,000)
Interest paid on capital debt	(14,525)	-	-	(116,719)	(131,244)
Net cash flows from capital and related financing activities	<u>(54,525)</u>	<u>0</u>	<u>0</u>	<u>(527,558)</u>	<u>(582,083)</u>
Cash flows from investing activities:					
Investment income	211	3,241	693	22,312	26,457
Net increase (decrease) in cash and cash equivalents	(9)	(31,465)	(27,635)	186,957	127,848
Cash and cash equivalents - January 1	9	83,889	27,635	549,339	660,872
Cash and cash equivalents - December 31	<u>\$0</u>	<u>\$52,424</u>	<u>\$0</u>	<u>\$736,296</u>	<u>\$788,720</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	(\$30,068)	(\$56,172)	(\$82,121)	\$90,028	(\$78,333)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	19,866	51,226	48,970	236,285	356,347
Changes in assets and liabilities:					
Decrease (increase) in receivables	40	(29,118)	-	45,359	16,281
Decrease (increase) in other assets	1,608	-	-	-	1,608
Increase (decrease) in payables	3,737	478	1,792	(1,407)	4,600
Increase (decrease) in unearned revenue	-	-	-	(10,616)	(10,616)
Increase (decrease) in accrued compensated absences	(52)	(1,120)	-	-	(1,172)
Total adjustments	<u>25,199</u>	<u>21,466</u>	<u>50,762</u>	<u>269,621</u>	<u>367,048</u>
Net cash provided by operating activities	<u>(\$4,869)</u>	<u>(\$34,706)</u>	<u>(\$31,359)</u>	<u>\$359,649</u>	<u>\$288,715</u>
Noncash capital financing activities:					
Amortization of bond premium	\$ -	\$ -	\$ -	\$1,404	\$1,404

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FIDUCIARY FUNDS

CITY OF WEST ST. PAUL, MINNESOTA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended December 31, 2014

Statement 25

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<u>South Metro Fire Fund:</u>				
Assets:				
Cash and investments	\$ -	\$151,606	(\$151,606)	\$ -
Liabilities:				
Due to other governmental units	\$ -	\$151,606	(\$151,606)	\$ -

III. STATISTICAL SECTION (UNAUDITED)

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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			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$28,530,217	\$28,838,130	\$28,849,102	\$28,259,027
Restricted	7,304,612	7,105,350	7,041,256	7,390,280
Unrestricted	9,643,747	11,335,204	13,668,115	14,788,580
Total governmental activities net position	<u>\$45,478,576</u>	<u>\$47,278,684</u>	<u>\$49,558,473</u>	<u>\$50,437,887</u>
Business-type activities:				
Net investment in capital assets	\$5,919,902	\$5,857,428	\$5,736,609	\$5,744,038
Restricted	-	-	-	-
Unrestricted	2,460,843	2,340,294	2,283,949	2,291,545
Total business-type activities net position	<u>\$8,380,745</u>	<u>\$8,197,722</u>	<u>\$8,020,558</u>	<u>\$8,035,583</u>
Primary government:				
Net investment in capital assets	\$34,450,119	\$34,695,558	\$34,585,711	\$34,003,065
Restricted	7,304,612	7,105,350	7,041,256	7,390,280
Unrestricted	12,104,590	13,675,498	15,952,064	17,080,125
Total primary government net position	<u>\$53,859,321</u>	<u>\$55,476,406</u>	<u>\$57,579,031</u>	<u>\$58,473,470</u>

Table 1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$30,796,241	\$31,069,506	\$33,835,227	\$33,876,690	\$32,092,175	\$25,948,421
12,968,106	5,065,984	5,223,837	4,686,286	3,399,206	7,208,765
9,846,265	18,126,311	17,264,839	16,559,404	13,698,514	13,721,487
<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>	<u>\$46,878,673</u>
\$5,657,805	\$4,078,198	\$4,219,590	\$5,299,774	\$10,277,693	\$10,719,869
-	257,135	-	-	-	-
887,385	2,174,747	2,707,322	4,255,228	3,709,389	4,182,686
<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>	<u>\$14,902,555</u>
\$36,454,046	\$35,147,704	\$38,054,817	\$39,176,464	\$42,369,868	\$36,668,290
12,968,106	5,323,119	5,223,837	4,686,286	3,399,206	7,208,765
10,733,650	20,301,058	19,972,161	20,814,632	17,407,903	17,904,173
<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>	<u>\$61,781,228</u>

CITY OF WEST ST. PAUL, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$3,625,984	\$2,950,118	\$2,586,165	\$2,796,893
Public safety	4,883,434	5,248,453	6,072,424	5,927,420
Public works	2,817,726	2,907,025	3,165,152	3,867,676
Parks and recreation	678,888	665,065	808,763	912,410
Interest and fees on long-term debt	529,178	545,727	573,403	556,157
Total governmental activities expenses	<u>12,535,210</u>	<u>12,316,388</u>	<u>13,205,907</u>	<u>14,060,556</u>
Business-type activities:				
Public utilities	1,776,694	1,991,350	1,884,927	2,361,447
Recreation	668,694	685,347	692,598	686,534
Total business-type activities expenses	<u>2,445,388</u>	<u>2,676,697</u>	<u>2,577,525</u>	<u>3,047,981</u>
Total primary government expenses	<u><u>\$14,980,598</u></u>	<u><u>\$14,993,085</u></u>	<u><u>\$15,783,432</u></u>	<u><u>\$17,108,537</u></u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$940,156	\$816,436	\$699,460	\$515,872
Public safety	419,966	519,993	414,528	274,322
Public works	91,733	94,653	182,852	217,132
Parks and recreation	32,028	60,168	63,526	78,598
Operating grants and contributions	547,533	527,126	562,144	748,435
Capital grants and contributions	2,017,748	627,689	2,007,373	530,873
Total governmental activities program revenues	<u>4,049,164</u>	<u>2,646,065</u>	<u>3,929,883</u>	<u>2,365,232</u>
Business-type activities:				
Charges for services:				
Public utilities	2,007,210	2,377,834	2,492,158	2,787,280
Recreation	473,027	467,611	469,462	435,019
Operating grants and contributions	-	560	-	-
Capital grants and contributions	-	-	105	158,345
Total business-type activities program revenues	<u>2,480,237</u>	<u>2,846,005</u>	<u>2,961,725</u>	<u>3,380,644</u>
Total primary government program revenues	<u><u>\$6,529,401</u></u>	<u><u>\$5,492,070</u></u>	<u><u>\$6,891,608</u></u>	<u><u>\$5,745,876</u></u>
Net (expense) revenue:				
Governmental activities	(\$9,889,145)	(\$8,386,505)	(\$10,124,699)	(\$11,695,324)
Business-type activities	34,849	169,308	384,200	332,663
Total primary government net (expense) revenue	<u>(9,854,296)</u>	<u>(8,217,197)</u>	<u>(9,740,499)</u>	<u>(11,362,661)</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$3,360,035	\$3,302,702	\$3,437,501	\$3,642,850	\$3,389,974	\$4,161,997
5,890,526	6,049,004	6,167,218	6,285,568	6,303,232	6,638,595
3,435,137	3,213,509	3,143,689	4,053,264	6,306,335	7,591,595
838,059	860,994	849,591	755,629	789,544	862,074
397,208	824,286	795,508	746,047	945,296	816,561
<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>	<u>20,070,822</u>
3,824,046	2,139,272	2,146,608	2,341,621	2,462,051	2,543,165
655,524	584,478	516,700	809,898	1,118,008	1,250,548
<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>3,793,713</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>	<u>\$23,864,535</u>
\$617,830	\$747,044	\$868,587	\$721,933	\$712,530	\$813,207
297,953	393,749	354,840	362,190	392,902	435,572
297,969	219,053	223,280	248,158	120,755	5,188
64,684	67,479	63,568	69,121	73,920	64,131
1,401,375	808,067	582,445	843,318	568,633	918,514
581,053	797,237	880,307	576,047	733,961	1,091,846
<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>	<u>3,328,458</u>
2,965,137	2,772,372	3,111,202	3,361,552	3,420,865	3,346,691
444,752	373,644	332,450	503,440	1,110,429	1,040,691
-	-	-	-	7,902	10,224
-	-	117,060	58,017	5,999	50,431
<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>4,448,037</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>	<u>\$7,776,495</u>
(\$10,660,101)	(\$11,217,866)	(\$11,420,480)	(\$12,662,591)	(\$15,131,680)	(\$16,742,364)
<u>(1,069,681)</u>	<u>422,266</u>	<u>897,404</u>	<u>771,490</u>	<u>965,136</u>	<u>654,324</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>	<u>(16,088,040)</u>

CITY OF WEST ST. PAUL, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$6,447,982	\$7,148,433	\$7,588,912	\$8,114,780
Tax increment collections	139,217	312,082	736,055	885,302
Franchise and other taxes	632,746	728,551	775,255	784,951
Grants and contributions not				
restricted to specific programs	752,494	660,873	962,269	1,439,729
Unrestricted investment earnings	540,474	790,632	1,166,186	789,661
Gain on sale of capital assets	19,229	-	40,596	45,165
Miscellaneous revenues	124,798	54,165	48,531	-
Transfers	275,500	491,877	(321,950)	515,150
Total governmental activities	<u>8,932,440</u>	<u>10,186,613</u>	<u>10,995,854</u>	<u>12,574,738</u>
Business-type activities:				
Property taxes	27,937	28,351	90,211	100,036
Grants and contributions not				
restricted to specific programs	2,063	1,721	-	5,192
Unrestricted investment earnings	71,058	109,098	132,134	92,284
Gain on sale of capital assets	-	376	800	-
Miscellaneous revenues	-	-	435	-
Transfers	(275,500)	(491,877)	321,950	(515,150)
Total business-type activities	<u>(174,442)</u>	<u>(352,331)</u>	<u>545,530</u>	<u>(317,638)</u>
Total primary government	<u>\$8,757,998</u>	<u>\$9,834,282</u>	<u>\$11,541,384</u>	<u>\$12,257,100</u>
Change in net position:				
Governmental activities	(\$956,705)	\$1,800,108	\$871,155	\$879,414
Business-type activities	(139,593)	(183,023)	929,730	15,025
Total primary government	<u>(\$1,096,298)</u>	<u>\$1,617,085</u>	<u>\$1,800,885</u>	<u>\$894,439</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$9,230,584	\$8,593,238	\$9,304,895	\$10,112,316	\$10,525,106	\$10,571,093
1,001,532	1,017,676	898,424	886,540	870,109	853,759
778,465	727,378	854,084	829,627	915,396	930,176
1,780,315	899,359	917,984	788,847	788,259	1,168,041
493,389	259,595	710,644	396,479	(177,976)	574,401
5,774	6,523	8,418	11,908	-	-
-	84,894	125,488	155,250	130,619	109,389
542,768	736,390	662,645	(1,719,899)	224,106	224,280
<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>	<u>14,431,139</u>
100,112	264,946	45,403	54,118	102,797	387,054
5,245	3,866	658	-	-	-
16,699	14,432	45,269	82,583	(37,571)	98,375
-	-	-	-	-	-
-	-	-	-	-	-
(542,768)	(736,390)	(662,645)	1,719,899	(224,106)	(224,280)
<u>(420,712)</u>	<u>(453,146)</u>	<u>(571,315)</u>	<u>1,856,600</u>	<u>(158,880)</u>	<u>261,149</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>	<u>\$14,692,288</u>
\$3,172,726	\$1,107,187	\$2,062,102	(\$1,201,523)	(\$1,856,061)	(2,311,225)
(1,490,393)	(30,880)	326,089	2,628,090	806,256	915,473
<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>	<u>(\$1,395,752)</u>

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved				
Designated for subsequent years' budget	83,725	-	-	-
Designated for working capital	3,667,070	3,918,128	4,152,541	4,096,047
Designated for contingencies	770,846	495,324	980,223	980,223
Designated for police forfeitures	-	22,223	22,223	22,223
Undesignated	-	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$4,521,641</u>	<u>\$4,435,675</u>	<u>\$5,154,987</u>	<u>\$5,098,493</u>
All other governmental funds:				
Reserved	\$3,789,964	\$4,140,803	\$4,140,803	\$4,366,569
Unreserved, reported in:				
Special revenue funds	1,000,000	1,000,000	1,000,000	1,000,000
Capital projects funds	3,889,151	3,894,047	3,964,170	3,887,555
Undesignated	4,861,916	6,032,981	5,801,188	7,135,022
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$13,541,031</u>	<u>\$15,067,831</u>	<u>\$14,906,161</u>	<u>\$16,389,146</u>

⁽¹⁾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					
2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾
\$ -	\$278	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,274,336	5,374,535	-	-	-	-
468,023	527,811	-	-	-	-
5,304	8,929	-	-	-	-
-	-	-	-	-	-
-	-	-	560	110,133	330,465
-	-	782	809	809	4,231
-	-	29,004	-	648,763	-
-	-	7,114,327	7,411,647	7,847,235	8,679,813
<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>	<u>\$9,014,509</u>
\$10,016,943	\$5,327,248	\$ -	\$ -	\$ -	\$ -
1,737,298	3,074,627	-	-	-	-
7,253,715	9,291,114	-	-	-	-
2,086,109	574,511	-	-	-	-
-	-	2,003,349	1,588,890	-	-
-	-	5,917,882	5,519,879	4,108,357	8,126,495
-	-	2,454,012	2,853,349	4,058,819	3,533,479
-	-	7,363,458	6,789,739	3,806,759	5,028,547
-	-	(1,276,852)	(1,302,110)	(2,401,880)	(1,517,156)
<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>	<u>\$15,171,365</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
General property taxes	\$6,461,819	\$7,093,714	\$7,589,626	\$8,026,104
Tax increment collections	139,217	311,127	737,231	890,559
Franchise and other taxes	632,746	728,551	770,594	775,702
Licenses and permits	602,122	557,771	725,347	470,559
Intergovernmental	1,283,509	2,549,294	2,144,118	2,039,715
Special assessments	439,923	531,896	470,834	526,298
Charges for services	687,304	681,772	615,954	572,455
Fines and forfeits	91,986	98,384	117,986	119,783
Investment income	540,474	790,632	1,151,057	789,661
Contributions and donations	20,703	17,690	-	-
Miscellaneous	164,941	157,604	444,912	94,268
Insurance policy dividends	104,495	5,935	16,872	17,160
Total revenues	11,169,239	13,524,370	14,784,531	14,322,264
Expenditures:				
Current:				
General government	3,247,668	2,639,410	2,467,715	2,903,076
Public safety	4,661,066	4,982,224	5,908,111	5,738,646
Public works	1,421,692	1,543,044	1,711,250	1,645,992
Parks and recreation	641,397	635,065	725,223	800,658
Unallocated general expenditures	225,597	163,397	112,637	158,914
Capital outlay	1,720,909	3,280,104	1,887,240	2,614,096
Debt service:				
Principal	1,349,482	1,485,546	1,640,579	1,497,996
Interest	534,528	534,765	590,245	510,674
Bond issuance costs	23,669	30,055	-	64,703
Miscellaneous	-	-	1,130	904
Total expenditures	13,826,008	15,293,610	15,044,130	15,935,659
Revenues over (under) expenditures	<u>(2,656,769)</u>	<u>(1,769,240)</u>	<u>(259,599)</u>	<u>(1,613,395)</u>
Other financing sources (uses):				
Sale of capital assets	19,229	21,192	35,102	45,165
Refunding bonds issued	-	-	-	-
Issuance of debt	1,790,000	2,692,000	190,000	2,600,000
Bond discount	(25,561)	(18,008)	-	(28,440)
Bond premium	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	1,941,046	1,122,751	834,908	693,134
Transfers out	(1,665,546)	(607,861)	(334,758)	(177,984)
Total other financing sources (uses)	2,059,168	3,210,074	725,252	3,131,875
Net change in fund balance	<u>(\$597,601)</u>	<u>\$1,440,834</u>	<u>\$465,653</u>	<u>\$1,518,480</u>
Debt service as a percentage of noncapital expenditures	15.6%	16.8%	17.0%	15.1%

Table 4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$8,198,676	\$8,595,194	\$9,306,243	\$10,073,778	\$10,554,349	\$10,615,462
1,038,990	939,241	958,223	859,384	915,051	845,540
766,070	777,432	851,778	827,713	913,228	928,850
515,595	539,594	548,118	498,897	481,658	499,336
3,003,528	1,727,742	1,679,334	1,646,494	1,736,590	2,811,083
557,691	990,289	562,175	440,060	398,142	416,748
681,621	695,683	793,786	763,861	636,274	614,256
132,957	124,744	95,600	88,062	140,612	168,869
493,389	250,374	710,644	396,479	(177,976)	574,402
-	-	-	-	-	-
146,371	192,541	416,228	237,398	179,864	212,596
9,190	4,310	-	-	-	-
<u>15,544,078</u>	<u>14,837,144</u>	<u>15,922,129</u>	<u>15,832,126</u>	<u>15,777,792</u>	<u>17,687,142</u>
2,970,876	2,764,914	2,850,517	3,354,742	3,036,157	3,612,770
5,727,556	5,868,395	6,031,175	6,101,857	6,143,197	6,460,699
1,512,683	1,415,267	1,440,843	1,451,514	3,315,490	1,872,708
744,114	771,283	724,218	660,754	681,584	767,457
113,079	123,535	120,957	103,940	61,258	81,160
3,355,188	8,148,622	2,902,851	5,332,713	6,687,137	8,360,197
5,054,428	1,402,900	2,327,900	1,479,700	1,880,000	1,530,000
647,703	674,433	770,469	746,145	696,797	700,007
-	46,808	-	63,058	53,096	196,441
40,819	1,113	3,813	3,658	2,342	5,580
<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>23,587,019</u>
<u>(4,622,368)</u>	<u>(6,380,126)</u>	<u>(1,250,614)</u>	<u>(3,465,955)</u>	<u>(6,779,266)</u>	<u>(5,899,877)</u>
5,774	21,103	8,418	18,940	10,644	1,350,398
-	-	-	690,000	-	-
9,427,915	2,940,000	-	3,105,000	1,530,000	9,775,000
-	-	-	-	-	-
-	71,453	-	-	31,498	234,063
-	4,853	6,460	14,164	5,643	-
1,919,527	1,445,484	701,065	766,652	586,013	555,000
<u>(1,376,759)</u>	<u>(709,094)</u>	<u>(38,420)</u>	<u>(1,872,000)</u>	<u>(68,300)</u>	<u>(7,705)</u>
<u>9,976,457</u>	<u>3,773,799</u>	<u>677,523</u>	<u>2,722,756</u>	<u>2,095,498</u>	<u>11,906,756</u>
<u>\$5,354,089</u>	<u>(\$2,606,327)</u>	<u>(\$573,091)</u>	<u>(\$743,199)</u>	<u>(\$4,683,768)</u>	<u>\$6,006,879</u>
33.9%	15.9%	21.7%	15.9%	15.0%	11.6%

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
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%
2014	7,498,805	5,018,719	2,652,624	15,170,148	1,962,727	13,207,421	71.250	1,336,402,600	0.99%

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	
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 %
2014	15.50 %	55.75 %	71.250 %	23.863 %	6.242 %	31.827 %	133.182 %

Source: Dakota County website www.dakotacounty.us

Note: The City's basic property tax rate may be increased only by a majority vote of the City's Council members. 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, other District rates apply only to the approximately one-third of City property owners whose property is located within that District's geographic boundaries.

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

Table 7

Taxpayer	2014			2005		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Robert Street 2008 LLC	\$315,108	1	1.99%	na	na	na
Target Corp.	259,942	2	1.64%	\$170,748	5	1.20%
Menards Inc.	257,530	3	1.63%	na	na	na
Signal Hills Company LLC	244,346	4	1.54%	245,088	1	1.72%
Xcel Energy	229,936	5	1.45%	180,804	3	1.27%
Lowes Home Centers Inc.	198,060	6	1.25%	na	na	na
Wal-Mart	187,022	7	1.18%	na	na	na
Mailand Properties LP	173,340	8	1.10%	173,332	4	1.22%
Sascon Investments LLP	160,488	9	1.01%	na	na	na
Walker Senior Housing Corp.	158,971	10	1.00%	131,251	7	0.92%
Total	<u>\$2,184,743</u>		13.81%	<u>\$901,223</u>		6.33%
Total All Property	<u>\$15,818,656</u>			<u>\$14,251,563</u>		

Source: 2014 information from Ehlers Annual Disclosure.
 2005 from City's 2005 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
2005	\$6,941,900	\$6,854,442	98.74%	\$86,326	\$6,940,768	99.98%
2006	7,607,225	7,482,046	98.35%	123,964	7,606,010	99.98%
2007	8,094,100	7,969,034	98.45%	123,936	8,092,970	99.99%
2008	8,522,075	8,409,350	98.68%	113,013	8,522,363	100.00%
2009	8,745,974	8,629,734	98.67%	112,499	8,742,233	99.96%
2010*	9,265,888	8,844,367	95.45%	94,509	8,938,876	96.47%
2011*	9,760,512	9,212,265	94.38%	94,445	9,306,710	95.35%
2012	9,954,113	9,814,866	98.60%	112,703	9,927,569	99.73%
2013	10,339,245	10,105,751	97.74%	88,586	10,194,337	98.60%
2014	10,696,145	10,193,096	95.30%	n/a	10,193,096	95.30%

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		
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%
2014	15,916,872	11,075,466	1,365,457	-	28,357,795	186.93%

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

^(a)See Table 14 for personal income and population data.

Table 9

Business-Type Activities						
<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^(a)</u>	<u>Per Capita^(a)</u>
\$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
1,702,746	5,096,843	375,000	7,174,589	35,532,384	N/A	1,808

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 ^(a)	Per Capita ^(b)
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%	292.43
2014	15,916,872	750,054	15,166,818	1.13%	771.93

(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, 2014

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Dakota County	\$33,575,000	3.45%	\$1,156,761
School Districts:			
ISD No. 197	49,465,000	24.93%	12,331,710
Metropolitan Council	155,020,000	0.46%	706,832
Subtotal - overlapping debt			14,195,303
City direct debt			28,357,795
Total direct and overlapping debt			\$42,553,098

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 2014

Market value	<u>\$1,336,402,600</u>
Debt limit (3% of market value) (a)	<u>40,092,078</u>
Debt applicable to limit:	
General obligation bonds	15,916,872
Less: Amount set aside for repayment of general obligation debt	<u>750,054</u>
Total net debt applicable to limit	<u>15,166,818</u>
Legal debt margin	<u><u>\$24,925,260</u></u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$27,652,984	\$30,600,460	\$33,741,006	\$52,038,639
Total net debt applicable to limit	<u>621,066</u>	<u>645,757</u>	<u>645,757</u>	<u>593,637</u>
Legal debt margin	<u><u>\$27,031,918</u></u>	<u><u>\$29,954,703</u></u>	<u><u>\$33,095,249</u></u>	<u><u>\$51,445,002</u></u>
Total net debt applicable to the limit as a percentage of debt limit	2.56%	2.11%	1.91%	1.14%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$51,227,391	\$47,821,506	\$44,557,350	\$40,092,078	\$40,276,353	\$40,092,078
<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>15,166,818</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>	<u><u>\$24,925,260</u></u>
0.90%	14.00%	14.15%	14.65%	14.27%	37.83%

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	
2005	\$1,999,199	\$1,550,140	\$449,059	\$65,000	\$77,395	315%
2006	2,364,928	1,776,688	588,240	70,000	74,470	407%
2007	2,445,899	1,956,727	489,172	75,000	71,320	334%
2008	2,747,281	2,121,595	625,686	80,000	67,945	423%
2009	2,940,335	3,636,003	(695,668)	95,000	45,616	-495%
2010	2,757,291	1,895,475	861,816	135,012	47,227	473%
2011	2,704,849	1,890,974	813,875	230,000	73,413	268%
2012	2,950,106	2,088,407	861,699	240,000	67,094	281%
2013	2,998,953	2,170,321	828,632	255,000	57,626	265%
2014	2,920,817	2,271,989	648,828	260,000	50,538	209%

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

Special Assessment Collections	Improvement Bonds			Tax Increment Collections	Tax Increment Bonds		
	Debt Service		Coverage		Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$161,694	\$905,000	\$401,431	12%	N/A	N/A	N/A	N/A
135,485	1,030,000	364,239	10%	\$51,769	\$ -	\$51,769	100%
109,947	1,175,000	411,260	7%	69,025	-	69,025	100%
77,718	1,000,000	373,735	6%	93,556	25,000	68,556	100%
102,651	1,090,000	424,397	7%	92,619	25,000	67,619	100%
233,585	1,190,000	340,929	15%	96,587	30,000	66,587	100%
254,479	2,000,000	331,910	11%	95,463	30,000	65,463	100%
188,232	1,055,000	294,513	14%	99,200	35,000	64,200	100%
225,526	1,330,000	307,328	14%	101,100	40,000	61,100	100%
226,234	1,440,000	273,585	13%	104,400	45,000	59,400	100%

<u>Fiscal Year</u>	<u>Population *</u>	<u>County-Wide Personal Income **</u>	<u>Per Capita Personal Income **</u>	<u>Unemployment Rate ***</u>
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%
2014	19,648	20,706,256,000	50,687	3.90%

* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census. Updated data is not available for 2014.

** Source of data: Bureau of Economic Analysis. Updated data is not available for 2014.

*** 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	2014		Employer	2005	
	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	651	N/A
Dakota County	600	7.90%	Dakota County	577	N/A
Southview Acres Health Center	383	5.04%	Super Target	400	N/A
Super Target	310	4.08%	Southview Acres Health Center	375	N/A
Wal-Mart Superstore	285	3.75%	TapeMark Company	250	N/A
TapeMark Company	230	3.03%	Darts Senior Transportation	179	N/A
YMCA	160	2.11%	YMCA	145	N/A
Darts	150	1.97%	Cub Foods	143	N/A
Menards	138	1.82%	City of West St Paul	141	N/A
Lowe's Home Improvement	115	1.51%	Rainbow Foods	124	N/A
Total	<u>3,155</u>		Total	<u>2,985</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,		
	2005	2006	2007
General government:			
Administration	4.0	5.0	5.0
Finance	5.0	4.0	5.0
Community Development	5.0	5.0	5.0
Building inspections	1.0	1.0	1.5
MIS	-	1.0	1.0
Police:			
Officers	26.0	28.0	30.0
Civilians	4.0	5.5	6.0
Dispatch	7.0	-	-
Fire:			
Firefighters and officers	19.0	19.0	20.0
Civilians	0.5	0.5	0.5
Public works:			
Engineering	1.0	2.0	2.0
Streets	11.0	10.0	11.0
Sewer	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0
Parks and recreation	7.0	6.0	7.0
Golf course manager	1.0	1.0	1.0
Ice arena / pool manager	1.0	1.0	1.0
Total	97.5	94.0	101.0

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,						
2008	2009	2010	2011	2012	2013	2014
5.0	4.0	4.0	4.0	4.0	5.5	6.0
5.0	5.0	5.0	5.0	4.0	3.0	3.0
5.0	4.0	3.8	3.8	2.8	3.6	3.6
1.5	1.5	1.5	1.0	2.0	3.0	3.0
1.0	1.0	1.0	2.0	2.0	2.0	2.0
30.0	30.0	30.0	29.0	29.0	30.0	30.0
6.0	5.8	5.6	5.6	5.6	3.0	4.5
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2.0	2.0	2.0	2.0	2.0	2.5	3.0
11.0	11.0	11.0	11.0	12.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
2.0	2.0	2.0	1.0	1.0	1.0	1.0
7.0	7.0	7.0	7.0	7.0	6.0	7.0
1.0	1.0	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.5	1.0
<u>80.5</u>	<u>78.3</u>	<u>76.9</u>	<u>75.4</u>	<u>75.4</u>	<u>75.1</u>	<u>78.1</u>

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

Function/Program	Fiscal Year		
	2005	2006	2007
Police:			
Part 1 Crimes reports	1,323	1,177	1,080
Part 2 Crimes reports	1,220	1,184	1,182
Total arrests	978	1,099	1,153
Part 1 arrests	331	392	451
Cases investigated	442	387	535
Building inspection:			
Permits issued:			
Residential	627	451	1,023
Commercial/Other	101	83	156
Public works:			
Streets/Alleys patched (person hrs)	2,310	3,380	2,195
Parks and recreation:			
Recreation programs offered	N/A	150	160
Ice Arena annual admissions	N/A	65,000	65,425
Golf course:			
Rounds played	14,472	13,330	12,487
Golf cars rented	N/A	N/A	566
Sports Dome:			
Field hours rented			
Wastewater:			
Average sewer lines cleaned (miles)	41	30	38

Sources: Various City departments.

*Updated data for crime reports is not available for 2014.

Table 17

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
1,047	1,265	1,007	713	997	1,049	*
989	1,045	1,042	720	742	716	*
827	1,117	801	395	677	870	*
341	525	334	185	345	445	*
608	628	643	417	390	310	*
623	790	744	689	874	349	1,260
83	55	886	967	768	117	323
3,035	3,409	2,900	2,889	3,082	3,667	4,023
167	170	60	59	61	65	62
65,700	65,750	65,750	65,750	65,800	65,800	65,500
12,348	14,713	14,837	10,263	12,539	10,542	9,689
608	1,086	1,176	1,110	1,387	1,460	1,556
					7,513	6,075
31	43	30	31	33	33	31

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

Function/Program	Fiscal Year		
	2005	2006	2007
Police:			
Stations	1	1	1
Police Vehicles:			
Marked	10	10	10
Unmarked	8	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	71.16
Alley (miles)	5	5	5
Streetlights	240	240	240
Parks and recreation:			
Acreage	136.5	136.5	152.0
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	12
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			
2008	2009	2010	2011	2012	2013	2014				
1	1	1	1	1	1	1	1	1		
11	11	11	11	11	11	11	11	11		
8	8	8	9	9	9	8	8	8		
1	1	1	1	1	1	1	1	1		
3	3	3	3	3	3	3	3	3		
1	1	1	1	1	1	1	1	1		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
71.16	71.20	71.20	71.20	71.20	71.20	71.20	71.20	71.20		
5	5	5	5	5	5	5	5	5		
240	243	253	256	256	256	256	256	256		
152.0	155.0	155.0	155.0	155.0	155.0	155.0	155.0	155.0		
17	17	17	17	17	17	17.0	17.0	17.0		
9	9	9	9	9	9	9.0	9.0	9.0		
3	3	3	3	3	3	3	3	3		
1	1	1	1	1	1	1	1	1		
12	12	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		
1	1	1	1	1	1	1	1	1		
63	63	63	63	63	63	63	63	63		
35	35	35	35	35	35	35	35	35		

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