

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WEST ST. PAUL, MINNESOTA
YEAR ENDED DECEMBER 31, 2009**

PREPARED BY: FINANCE DEPARTMENT

**SANDY CHRISTENSEN
DIRECTOR OF FINANCE**

**CITY OF WEST ST. PAUL, MINNESOTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2009**

I. INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
CERTIFICATE OF ACHIEVEMENT	9
PRINCIPAL CITY OFFICIALS	10
ORGANIZATIONAL CHART	11

II. FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	12
MANAGEMENT'S DISCUSSION AND ANALYSIS	14
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS	26
STATEMENT OF ACTIVITIES	27
BALANCE SHEET – GOVERNMENTAL FUNDS	29
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS – GOVERNMENTAL FUNDS	31
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	32
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS	34
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS	35
STATEMENT OF REVENUES, EXPENSES, AND NET ASSETS – PROPRIETARY FUNDS	36
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	37
BALANCE SHEET – FIDUCIARY FUNDS – METRO GANG STRIKE FORCE FUND	38
NOTES TO BASIC FINANCIAL STATEMENTS	39
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	70
BUDGETARY COMPARISON SCHEDULE – ECONOMIC DEVELOPMENT AUTHORITY	76
SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS	77
NOTE TO RSI	78

**CITY OF WEST ST. PAUL, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	80
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS	83
BALANCE SHEET – GENERAL FUND	87
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND	88
BALANCE SHEET – COMMUNITY DEVELOPMENT BLOCK GRANT FUND	95
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET TO ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT FUND	96
BALANCE SHEET – LANDFILL ABATEMENT PROGRAM FUND	97
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – LANDFILL ABATEMENT PROGRAM FUND	98
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – 911 COMMUNICATIONS FUND	99
BALANCE SHEET – ECONOMIC DEVELOPMENT AUTHORITY FUND	100
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – ECONOMIC DEVELOPMENT AUTHORITY FUND	101
BALANCE SHEET – PERA POLICE FUND	102
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – PERA POLICE FUND	103
BALANCE SHEET – PERA FIRE FUND	104
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – PERA FIRE FUND	105
BALANCE SHEET – GRANTS MANAGEMENT FUND	106
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GRANTS MANAGEMENT FUND	107
BALANCE SHEET – INSURANCE FUND	108
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – INSURANCE FUND	109
COMBINING BALANCE SHEET – GENERAL OBLIGATION DEBT SERVICE FUND	111
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GENERAL OBLIGATION DEBT SERVICE FUND	112

**CITY OF WEST ST. PAUL, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – TIF BONDS FUND	113
COMBINING BALANCE SHEET – CAPITAL NOTE DEBT SERVICE FUND	114
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – CAPITAL NOTE DEBT SERVICE FUND	115
COMBINING BALANCE SHEET – SPECIAL ASSESSMENT DEBT SERVICE FUND	116
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – SPECIAL ASSESSMENT DEBT SERVICE FUND	118
BALANCE SHEET – PUBLIC WORKS RESERVE FUND	121
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – PUBLIC WORKS RESERVE FUND	122
BALANCE SHEET – MINNESOTA STATE – AID STREETS FUND	123
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – MINNESOTA STATE – AID STREETS FUND	124
BALANCE SHEET – EQUIPMENT ACQUISITION REVOLVING FUND	125
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – EQUIPMENT ACQUISITION REVOLVING FUND	126
BALANCE SHEET – TECHNOLOGY REPLACEMENT FUND	127
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – TECHNOLOGY REPLACEMENT FUND	128
BALANCE SHEET – EQUIPMENT REPLACEMENT FUND	129
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – EQUIPMENT REPLACEMENT FUND	130
BALANCE SHEET – PARKS IMPROVEMENT FUND	131
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – PARKS IMPROVEMENT FUND	132
BALANCE SHEET – PUBLIC WORKS FACILITY FUND	133
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – PUBLIC WORKS FACILITY FUND	134
BALANCE SHEET – PERMANENT IMPROVEMENT REVOLVING FUND	135
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – PERMANENT IMPROVEMENT REVOLVING FUND	136

**CITY OF WEST ST. PAUL, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

COMBINING BALANCE SHEET – TIF DISTRICTS FUND	137
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – TIF DISTRICTS FUND	138
COMBINING STATEMENT OF NET ASSETS – PUBLIC UTILITIES FUND	140
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS – PUBLIC UTILITIES FUND	141
COMBINING STATEMENT OF CASH FLOWS – PUBLIC UTILITIES FUND	142
COMBINING STATEMENT OF NET ASSETS – RECREATION FUND	143
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS – RECREATION FUND	144
COMBINING STATEMENT OF CASH FLOWS – RECREATION FUND	145
BALANCE SHEET – GANG STRIKE FORCE FUND	147

III. STATISTICAL SECTION (UNAUDITED)

NET ASSETS BY COMPONENT	149
CHANGES IN NET ASSETS	150
FUND BALANCES, GOVERNMENTAL FUNDS	152
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY	154
DIRECT AND OVERLAPPING PROPERTY TAX RATES	155
PRINCIPAL PROPERTY TAX PAYORS	156
PROPERTY TAX LEVIES AND COLLECTIONS	157
RATIOS OF OUTSTANDING DEBT BY TYPE	158
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	160
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	161
LEGAL DEBT MARGIN INFORMATION	162
PLEGGED REVENUE COVERAGE	164
DEMOGRAPHIC AND ECONOMIC STATISTICS	166
PRINCIPAL EMPLOYERS	167
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM	168
OPERATING INDICATORS BY FUNCTION/PROGRAM	170
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	172

I. INTRODUCTORY SECTION

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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 for the year ended December 31, 2009, is submitted.

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 of West St Paul 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 of West St Paul'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 LarsonAllen, LLP. 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 of West St Paul for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unqualified opinion that the City of West St Paul's financial statements for the fiscal year ended December 31, 2009 are fairly presented in conformity with GAAP.

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 compliment the MD&A and should be read in conjunction with it. The City of West St Paul's MD&A can be found immediately following the report of the independent auditors.

Honorable Mayor, City Council, City Manager and
Citizens of West St. Paul

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 approximately 19,000, 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 Robert Street that bisects the City. Nearly the entire length of this street is devoted to retail stores, shopping centers and restaurants.

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

The City of West St. Paul 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, as joint venture with the City of South St. Paul.

The annual budget serves as the foundation for the City of West St Paul's financial planning and control. All departments of the City of West St Paul are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the Proposed Budget during July of each year. The City Manager then presents this Proposed Budget to the City Council in August. The City Council reviews the Proposed Budget, holds public hearings to receive public input and then adopts a final budget in December. The Adopted Budget document is prepared by fund and function. The City Manager may transfer appropriations within any given function, but any transfers between functions must be presented to and approved by the City Council. This CAFR provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund in statements 11 and 12. Other funds for which budgets have been adopted can be found in the statements 19 and 32.

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 totaled over \$125 million in new market value in the last five years, despite a decline in the economy during 2008 and 2009. Some of these projects include:

The Dakota – This 85,600 square foot mixed use re-development project includes 59 senior citizen rental units (already rented, with a waiting list) and 6,600 square feet of retail space. It was built after removal of blighted buildings and has greatly enhanced the area of town in which it is located.

New Restaurants – In the last five years Applebee's, Starbucks Coffee, Caribou Coffee, Chipotle, Culvers, Noodles & Co. and Buffalo Wild Wings have all opened in either new or renovated facilities. Construction of a Sonic restaurant commenced in 2008 with completion in March of 2009.

Menards – This major home improvement retailer recently opened a new 210,000 square foot store and now employs nearly 200 employees.

Wal-Mart – The world's largest retailer demolished a vacant, former K-Mart building and completed construction of a new 143,000 square foot building. They employ nearly 300 employees.

Wentworth Place – This redevelopment project plan includes 35-unit townhomes and a 13,000 square foot retail strip mall. This project is located on the northeast corner of Robert Street and Wentworth Avenue. Noodles & Co. restaurant occupies the Southwestern corner along Robert Street and is the first tenant to occupy the retail space. Tax Increment Financing (Pay-As-You-Go) was provided to assist with demolition site improvements.

Homes on Emerson Hill – This 39 unit condominium project is experiencing slower-than-anticipated progress because of the declining housing market. The developer is now proposing to construct retail instead of the eleven townhomes originally proposed. This project is located on the west side of Robert Street, between Haskell Street and Bernard Street. Construction began in October 2005. Tax Increment Financing was provided for demolition and site improvements.

Super Target – After the demolition of their former store, a new 172,000 square foot super store was built in the fall of 2005. Tax Increment Financing (Pay-As-You-Go) was provided for partial funding for demolition and site improvements.

Rainbow Foods – Rainbow foods recently invested over \$5,000,000 to renovate the interior and exterior of their building.

Lowe's Home Improvement Store – This FORTUNE magazine's 2004 Most Admired Specialty Retailer, has come to West St. Paul. The new 150,000 square foot facility on the northwest corner of Robert Street and Marie Avenue opened in 2007.

CVS Pharmacy – A new CVS Pharmacy was completed in 2008. The site includes a new 13,000 square foot building with a drive-thru.

Petco & Outlot Building – Petco recently opened for business in an 18,000 square foot building on the south side of West St. Paul along Robert Street. A 6,000 square foot outlot retail building was also part of the project of which 3,000 square feet was leased to AT&T the other half to Pearl Vision.

Honorable Mayor, City Council, City Manager and
Citizens of West St. Paul

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Caribou Coffee/Any-Time Flowers – Caribou Coffee and Any-Time Flowers relocated to the former Fazolies building in Signal Hills Mall. Both businesses have expanded their space and now have a drive-thru.

PACE/CASE – The Cities puts an emphasis on the maintenance of residential and commercial properties through the Pro-Active Code Enforcement (PACE) and Complaint-Activated Spot Enforcement (CASE) programs. Last year 812 residential properties were inspected through the PACE program and 847 residential and commercial properties were inspected through the CASE program.

MAJOR INITIATIVES

During 2009, 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:

Quality Housing - The City of West St Paul's Quality Housing Program is entering its seventh year. It is a collection of initiatives aimed at maintaining and improving the housing stock in the City. It includes the Outstanding Property Awards Program, the ProActive Code Enforcement Program (PACE), Complaint Activated Spot Enforcement (CASE), the Housing Replacement Program, the Low Interest Home Improvement Loan Programs and the Housing Improvements Mini-Grant Program. A Rental Licensing Program was created to protect the public health, safety and welfare of citizens of the City who occupy rental units. A new Vacant Property program was created made available May 4, 2009. During 2009, the City purchased eight blighted residential properties for demolition and resale.

Proposed Redevelopment Areas – The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff is in the process of identifying proposed projects for these areas, the costs associated with the projects and establishing time lines for the redevelopment. While 2009 was a relatively slow year for commercial development, indicators for 2010 are very promising.

Police Department Strategic Plan – Police Chief Manila (Bud) Shaver continues to work with the Public Safety Committee in an ongoing assessment of crime trends and community needs. Chief Shaver's original three-year strategic plan (2005) that was developed in conjunction with the Public Safety Committee is addressing several areas of needed improvement and community concern to include the department's organizational structure, staffing levels, partnerships, and a response to growing traffic and gang concerns. As a result of this strategic plan, three additional officers have been added to the police department since 2005 to include a traffic officer, a gang investigator, and a 'quality of life crimes' officer.

K-9 Officer – Through public donation and City Council support, the police department revitalized the department's K-9 program. The previous service dog that the police department utilized was in the late 1960's. The police department's newest K-9 member, "Mike", is an asset in searching buildings and large outdoor areas for suspects, lost persons and evidence, controlling large groups, improving officer safety, and building community and departmental relations

MAJOR INITIATIVES (CONTINUED)

Financial Fraud Investigator – In 2007, after reviewing the City’s escalating financial crimes statistics, the Council directed the creation of an additional investigator position to concentrate efforts on financial crimes. The officer in this position became the police department’s first dedicated financial crimes investigator. Having a dedicated position for financial crimes allows for this investigator to gain a greater level of expertise and departmental efficiency in solving financially-related crimes. In 2009, this position was able to solve a significant number of financial-related crimes.

Emergency Preparedness – The creation of the South Metro Fire Department has not lessened the collaborative effort between the police and fire departments in preparing for both natural disasters and terrorist activities. Recent efforts have resulted in 1) creating a County Special Operations Response Team to deal with terrorist events and resulting issues, 2) working with the Public Health Department on environmental and biological concerns, 3) forming a joint SWAT team with other agencies, 4) participating in Safety Fairs and other public awareness campaigns, 5) implementing a county-wide incident management team, and 6) providing joint training opportunities.

Fire Department Consolidation – In 2008, the planned merger of the fire departments from the cities of South St. Paul and West St Paul was completed. Cost-savings and increased efficiencies were the drivers of this consolidation. The first full year of operation was successful, with continued improvement in efficiency expected to meet the goal of cost savings.

Future Park – In March 2009, the City completed its purchase of three acres of land that formerly housed a garden/nursery operation. While the City presently has no immediate plans to develop the property, its acquisition was a priority for the City Council. As virtually the last piece of sizable “green-space” in the City, its purchase represents an attempt on the part of the City Council to provide park-planning flexibility for the future.

Street Reconstruction Program – Continuing a program begun in 1986, the City improved 1.7 miles of local streets & alleys in various locations throughout the City in 2009. Plans call for the reconstruction of another 0.6 miles of streets in 2010. Assessments cover approximately 25% of the total construction costs.

Sidewalk Replacement Program – The City continued a program begun in 2002, with the replacement of over 14,000 square feet of hazardous public sidewalk in 2009. It is anticipated that the program (which assesses only ½ the actual cost to the abutting landowners) will come to an end in 2010 as the entire town has now had all hazardous sidewalk replaced.

MAJOR INITIATIVES (CONTINUED)

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. The Joint Powers Agreement was renewed in 2001, which also saw the approval by all member cities of the "Second Generation" Watershed Management Plan. In response to this, the City completed an update of its current Storm Water Management Plan (SWMP) in 2006 which will be in effect for 10 years through 2016. 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.

CASH MANAGEMENT

Cash during the year was invested in certificates of deposit, obligations of the U.S. Treasury, agencies of the U.S. federal government, and two liquid asset accounts: 1) an investment pool administered by the League of Minnesota Cities known as the 4-M Fund, and 2) a wealth management money market account with UBS Financial Services. All allowable investment instruments are outlined in state law. The maturities of the investments ranged from 1 day to eleven years. The average yield on the City's \$27.7 million portfolio at December 31, 2009 was 2.3%. This is a slight decline from the yield at the end of 2008, but a significant decline from previous years, due mainly to challenging market conditions in the past 18 months. This CAFR reports investment interest earnings at their fair market value at the end of the fiscal year. These presented changes in value, however, do not necessarily represent a financial impact to the City. Since the City has a long-standing policy to hold all investments until they mature, any loss or gain in market value is of little consequence because the investment will not be sold, and therefore will mature, not at market value, but at the price originally paid for it. Additional information on the City's approach to cash management can be found in Note 1 (F) and Note 2.

LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City is, for the most part, fully developed, consideration is given to redevelopment. As with other aging suburbs, the City of West St. Paul is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2009, the City adopted its first formal Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least five years in advance. The 2010-2014 CIP includes planned projects for streets, parks, sewer system and City facilities.

LONG TERM FINANCIAL PLANNING AND POLICIES (CONTINUED)

West St. Paul does not fund depreciation on an annual basis; therefore, the ability to look ahead for large future costs assists the City's Management in determining how today's action will impact future opportunities. The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. During 2009, the City was able to refinance four existing bond issues and, by using accumulated funds in the debt funds, reduce overall interest for the life of the bonds by approximately \$700,000. With the re-finance, the City was further able to issue additional bonds to begin construction of a new public works facility, without increasing the City's debt levy. 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 retirement planned through the year 2020.

One of the tools utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall include a designation of funds equal to 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. This rather conservative approach is carried through in the City's response the volatile funding from the State of Minnesota. During 2009, the State of Minnesota experienced significant budgetary deficits, which were passed along to local governments as cuts to promised aid payments. City officials identified the potential for the loss in funding at the end of 2008 and implemented wage and spending freezes and limitations. By not moving forward with discretionary spending and delaying other costs, the City was able to increase the General Fund balance by \$649,000. These funds will be set-aside in anticipation of further aid cuts in 2010

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, 2008. This was the twenty-second 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 2008 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 November of 2009, 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 is a step higher in creditworthiness than previous issues. 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.

Honorable Mayor, City Council, City Manager and
Citizens of West St. Paul

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, particularly the City's Assistant Finance Director, Jaclyn Senko. Special thanks also go to the staff of LarsonAllen, LLP for their advice and counsel in the preparation of this CAFR.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sandy Christensen".

Sandy Christensen
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West St. Paul
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

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**CITY OF WEST ST. PAUL, MINNESOTA
PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2009**

LEGISLATIVE

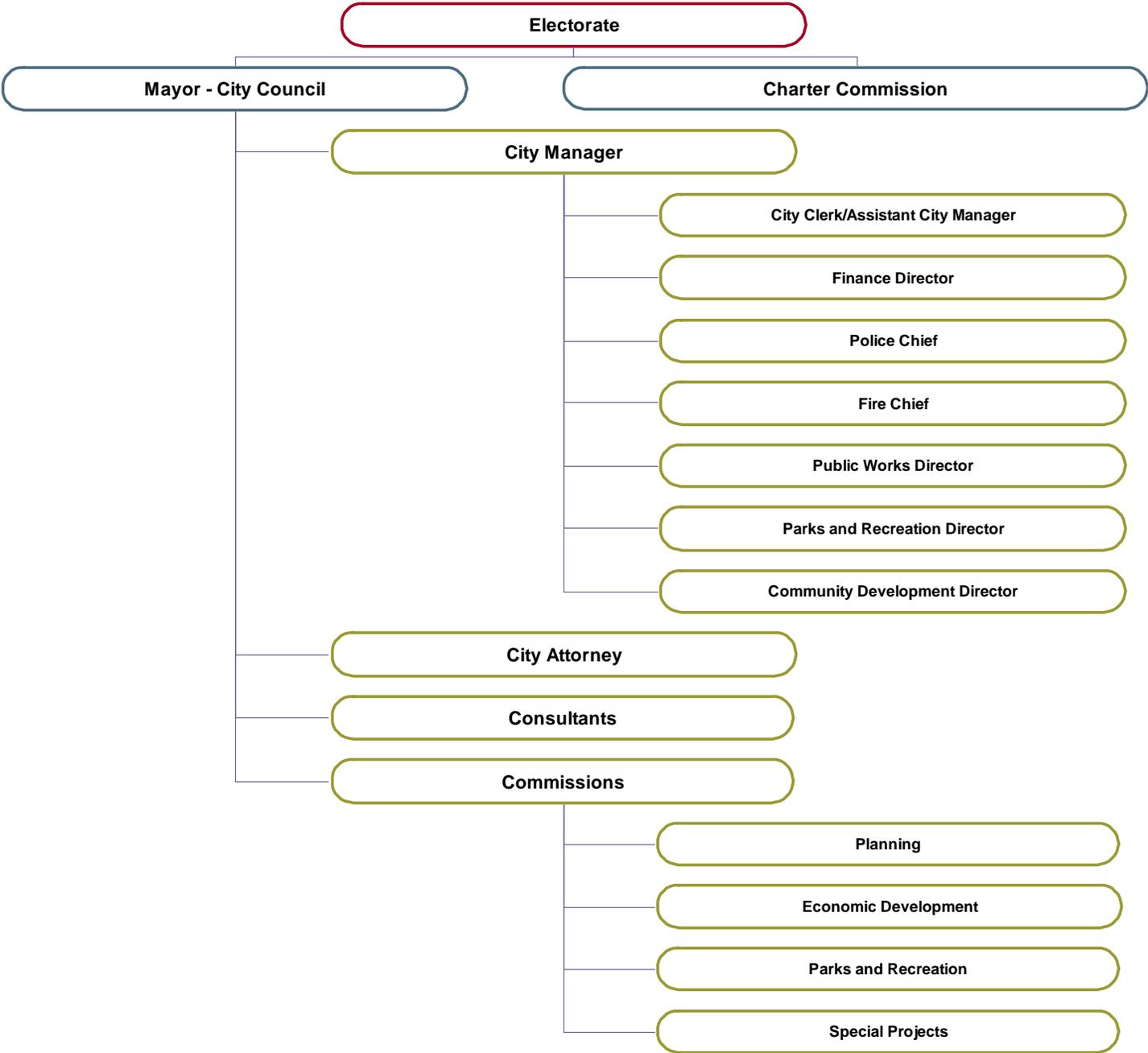
Elected:	<u>Term Expires</u>
Major: John Zanmiller	December 31, 2010
Council Members:	
Aaron Van Moorlehem - Councilperson (Ward 1)	December 31, 2010
James Englin - Councilperson (Ward 1)	December 31, 2012
Edward H. Iago - Councilperson (Ward 2)	December 31, 2010
Tony Vitelli - Councilperson (Ward 2)	December 31, 2012
David K. Wright - Councilperson (Ward 3)	December 31, 2010
Darlene Lewis - Councilperson (Ward 3)	December 31, 2012

ADMINISTRATIVE

	<u>Date of Hire</u>
City Manager: John W. Remkus	July 26, 1981
Assistant City Manager/Human Resources: Sherrie Le	September 21, 2009
Director of Finance/City Treasurer: Sandra K. Christensen	July 7, 2008
Police Chief: Manila G. Shaver	September 26, 1988
Director of Parks and Recreations & Public Works: Matthew S. Saam	May 16, 2005
Director of Community Development: James D. Hartshorn	March 5, 2003

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CITY OF WEST ST. PAUL, MINNESOTA
ORGANIZATIONAL CHART
DECEMBER 31, 2009



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II. FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West St. Paul, Minnesota as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2008 financial statements and, in our report dated June 24, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2009, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010 on our consideration of the City of West St. Paul, Minnesota's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and schedule of funding progress for other post employment benefits as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West St. Paul's basic financial statements. The introductory section, combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year summarized comparative information has been derived from the City's 2008 combining and individual fund financial statements and schedules, and in our report dated June 24, 2009, we reported this information was fairly stated in all material respects in relation to the basic statements taken as a whole. The introductory section and statistical section have not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

LarsonAllen LLP

Minneapolis, Minnesota
June 23, 2010

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

The management of the City of West St. Paul, Minnesota, offers readers of City of West St. Paul, Minnesota's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in the Letter of Transmittal, which can be found on pages 1 through 8 of this report.

Financial Highlights

The assets of the City of West St. Paul, Minnesota exceeded its liabilities at the close of the most recent fiscal year by \$60,155,802 (net assets). Of this amount, \$10,733,650 (unrestricted net assets) 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 assets increased by \$1,682,333. This nominal increase in net assets of roughly 2.9% resulted from a combination of a number of factors. The net assets of the business-type funds decreased by \$1,490,393 due to larger-than-expected costs associated with Sanitary Sewer repairs.

As of the close of the current fiscal year, the City of West St. Paul's governmental funds reported combined ending fund balances of \$26,841,728. Of this total amount, \$24,755,619, or 92% is designated or reserved through legal restrictions and City Council authorization.

At the end of the current fiscal year the general fund balance of \$5,747,663 consisted of \$5,274,336 designated pursuant to the City's policy adopted in 1989, with \$468,023 designated for contingencies and the remaining \$5,304 designated for police forfeitures. The City's policy states that "at the time of budget preparation any portion of the preceding December 31 undesignated fund balance that exceeds 52.5% of the next year's budget, may be earmarked in said budget as a revenue source, except that in no case shall this revenue source exceed 103% of the amount used as a revenue source in the current year's budget." For the 2010 budget, no use of these unreserved-undesignated was appropriated.

The City's total bonded debt increased by \$5,694,500 during the current fiscal year - from \$16,246,000 to \$21,940,500. This increase was the result of several bond issues. In March of 2009, the City re-financed four prior issues and was able to save approximately \$700,000 in interest for the life of the bonds. In Fall of 2009, the City issued Sanitary Sewer Revenue Bonds to assist the cash flow of the depleted business-type fund. Finally, the construction of the City's new public works facility was financed through the issuance of \$6.1 million in CIP bonds, utilizing the Federal Build America Bond program.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of West St. Paul, Minnesota'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 basic financial statements. This report also contains other supplementary information to assist the user in gaining a broader picture of the financial status of the City of West St. Paul.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

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 assets presents information regarding all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the City's financial position. The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 (Sanitary and Storm Sewer utilities) and recreational activities (Civic Arena, Swimming Pool and Golf Course).

The government-wide financial statements can be found on pages 26 through 28 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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. Governmental fund statements present 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 flexibility.

The focus of governmental funds is narrower than that of the government-wide financial statements. Therefore, 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.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Governmental Funds (Continued)

The City of West St. Paul 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 these funds. Major governmental funds presented are: General Fund, one special revenue fund (Economic Development Authority), one debt service fund (Special Assessment Bonds) and five capital projects funds (Public Works Reserve, Minnesota State Aid Streets, Public Works Facility, Permanent Improvement Revolving, and TIF District Funds).

Data from the other governmental funds are combined into a single, aggregated presentation of non-major funds. 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 annually appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29 through 34 of this report.

Proprietary Funds. The City maintains five enterprise funds as its one and only type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its public utilities, golf course, civic center arena and swimming pool.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, except in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds: the public utilities, golf course, civic center arena and swimming pool operations.

The basic proprietary fund financial statements can be found on pages 35 through 37 of this report.

Fiduciary Funds. The City maintains one fiduciary fund to account for funds held on behalf of the Metro Gang Strike Force.

Notes to 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 financial statements can be found on pages 39 through 69 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 80 through 161 of this report.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Government-Wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. In the case of the City, assets exceeded liabilities by \$60,155,802 at the close of the most recent fiscal year.

The largest portion of the City's net assets (\$36,454,046 or 61%) 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 Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 30,403,526	\$ 23,634,108	\$ 2,699,515	\$ 2,580,781	\$ 33,103,041	\$ 26,214,889
Capital Assets	43,775,899	42,565,688	7,471,377	7,639,038	51,247,276	50,204,726
Total Assets	74,179,425	66,199,796	10,170,892	10,219,819	84,350,317	76,419,615
Noncurrent Liabilities Outstanding	18,070,614	13,274,344	3,289,177	1,815,020	21,359,791	15,089,364
Other Liabilities	2,498,199	2,487,565	336,525	369,216	2,834,724	2,856,781
Total Liabilities	20,568,813	15,761,909	3,625,702	2,184,236	24,194,515	17,946,145
Net Assets						
Invested in Capital Assets, Net						
of Related Debt	30,796,241	28,259,027	5,657,805	5,744,038	36,454,046	34,003,065
Restricted	12,968,106	7,392,354	-	-	12,968,106	7,392,354
Unrestricted	9,846,265	14,786,506	887,385	2,291,545	10,733,650	17,078,051
Total Net Assets	\$ 53,610,612	\$ 50,437,887	\$ 6,545,190	\$ 8,035,583	\$ 60,155,802	\$ 58,473,470

A portion of the of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net assets balance of \$10,733,650 may be used to meet the City's ongoing obligations to citizens and creditors.

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

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Governmental Activities

Governmental activities increased the City's net assets by \$3,172,726 during 2009. The various components of the increase are shown below:

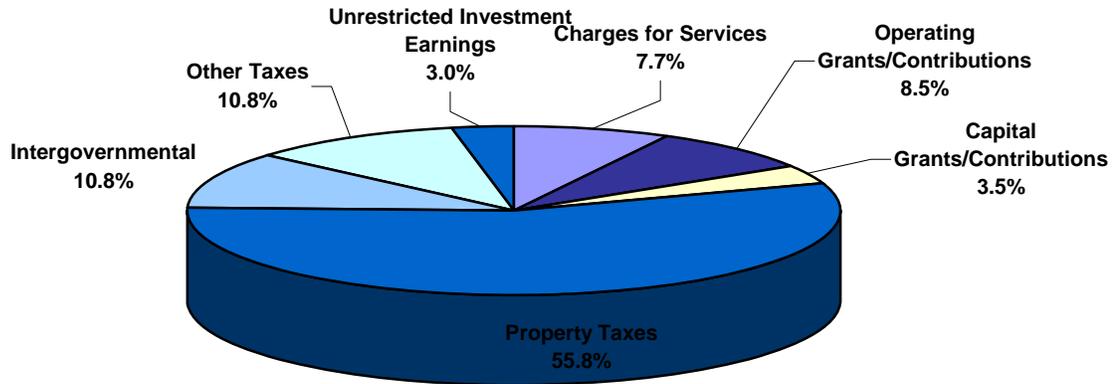
City of West St. Paul, Minnesota's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,278,436	\$ 1,085,924	\$ 3,409,889	\$ 3,222,299	\$ 4,688,325	\$ 4,308,223
Operating Grants and Contributions	1,401,375	748,435	-	-	1,401,375	748,435
Capital Grants and Contributions	581,053	530,873	-	158,345	581,053	689,218
General Revenues:						
Property Taxes	9,230,584	8,114,780	100,112	100,036	9,330,696	8,214,816
Intergovernmental	1,786,089	1,439,729	5,245	5,192	1,791,334	1,444,921
Other Taxes	1,779,997	1,670,253	-	-	1,779,997	1,670,253
Contributions Not Restricted to Specific Programs	-	-	-	-	-	-
Unrestricted Investment Earnings	493,389	789,661	16,699	92,284	510,088	881,945
Other	-	45,165	-	-	-	45,165
Total Revenues	<u>16,550,923</u>	<u>14,424,820</u>	<u>3,531,945</u>	<u>3,578,156</u>	<u>20,082,868</u>	<u>18,002,976</u>
EXPENSES						
General Government	3,239,750	2,796,893	-	-	3,239,750	2,796,893
Public Safety	5,890,526	5,927,420	-	-	5,890,526	5,927,420
Public Works	3,435,137	3,867,676	-	-	3,435,137	3,867,676
Parks, Recreation and Forestry	838,059	912,410	-	-	838,059	912,410
Interest on Long-Term Debt	397,208	556,157	-	-	397,208	556,157
Economic Development	120,285	-	-	-	120,285	-
Public Utilities	-	-	3,824,046	2,361,447	3,824,046	2,361,447
Recreation	-	-	655,524	686,534	655,524	686,534
Total Expenses	<u>13,920,965</u>	<u>14,060,556</u>	<u>4,479,570</u>	<u>3,047,981</u>	<u>18,400,535</u>	<u>17,108,537</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS						
	2,629,958	364,264	(947,625)	530,175	1,682,333	894,439
Transfers	542,768	515,150	(542,768)	(515,150)	-	-
CHANGE IN NET ASSETS	<u>3,172,726</u>	<u>879,414</u>	<u>(1,490,393)</u>	<u>15,025</u>	<u>1,682,333</u>	<u>894,439</u>
Net Assets - Beginning of Year	50,437,886	49,558,473	8,035,583	8,020,558	58,473,469	57,579,031
NET ASSETS - END OF YEAR	<u>\$ 53,610,612</u>	<u>\$ 50,437,887</u>	<u>\$ 6,545,190</u>	<u>\$ 8,035,583</u>	<u>\$ 60,155,802</u>	<u>\$ 58,473,470</u>

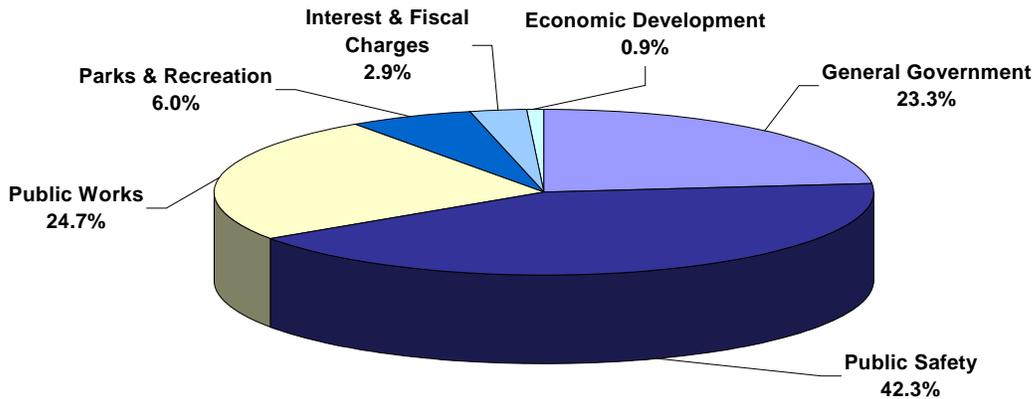
**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

The charts below represent the sources of funding and expenditures by function for the governmental funds:

Governmental Activities - Revenues \$16,550,923



Governmental Activities - Expenditures \$13,920,965

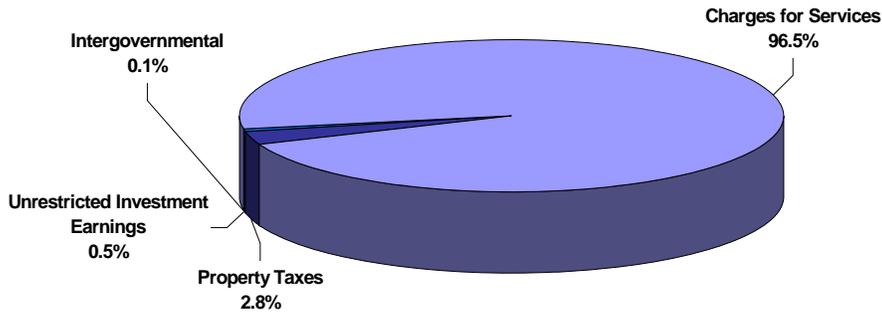


**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

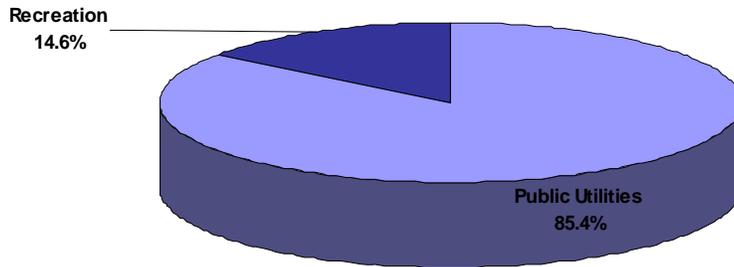
Business-Type Activities

Business-type activities decreased net assets by \$1,490,393 during 2009. This decrease in net assets resulting from the business-type activities brings the change in total net assets for the organization to an overall increase of \$1,682,333. The charts below show the business-type activities revenue and expense comparisons:

Business-Type Activities - Revenues \$3,531,945



Business-Type Activities -Expenditures \$4,479,570



**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Financial Analysis of the Government's Funds

Governmental Funds

At the end of 2009, the City's governmental funds reported combined ending fund balances of \$26,841,728 – this compares to the 2008 year-ending balance of \$21,487,639. Approximately 63% of this total amount, or \$16,824,785 constitutes unreserved fund balance. The remaining fund balance of \$10,016,943 is reserved to pay for construction of a new facility (\$6,199,524), outstanding debt service (\$1,950,974), interfund loans receivable (\$1,315,951) and land held for resale (\$550,494).

The **General Fund** balance increased by \$649,170 in 2009. The increase is primarily due to an expectation of funding reductions that did not come to pass. Early in 2009, the City anticipated the loss of funding from the State of Minnesota in the amount of up to \$1.2 million. Consequently, the City reduced general operating expenditures, delayed capital purchases and identified a number of cost-saving measures. However, the cuts in funding were not as severe as predicted, resulting in an increase in fund balance for the year.

The **EDA Fund** balance decreased by \$17,380 in 2009. This was primarily due to planned use of fund balance to purchase blighted properties for redevelopment. Increases in fund balance in prior years were planned for this purpose.

The **Special Assessment Bonds Fund** balance decreased by \$638,308 in 2009. The Special Assessments fund balance decrease was due primarily to refinancing of prior issues, including reduction in the overall debt of approximately \$1.0 million by utilizing accumulated cash in the debt service funds.

The **Public Works Reserve Fund** balance increased by \$410,845 in 2009. The Public Works Reserve Fund balance increased due primarily to the delay of capital purchases resulting from the uncertainty of funding from the State of Minnesota. Some of the planned purchases were moved to other sources of funding, others eliminated.

The **Minnesota State Aid Streets Fund** balance increased by \$36,215 in 2009. The Minnesota Street Aid Streets Fund balance increased due to timing of payments received for projects completed. In some cases, a project timeline exceeds one year which depletes the fund balance in that year. The following year in which the payment is received will show a positive change in the fund balance.

The **Public Works Facility Fund** balance increase by \$5,669,302 in 2009. This was the result of the issuance of \$6.1 million in Build American Bonds in November of 2009 to construct a new public works facility. The construction of the new public works facility is anticipated to be complete in September 2010. The funds are planned to be fully utilized by the end of 2010.

The **Permanent Improvement Revolving Fund** balance decreased by \$1,193,147 in 2009. This was a planned decrease, because this fund serves as a funding source for the City's Street Reconstruction Program. This fund accumulates two years of construction costs and then bonds are issued to recover those costs. Bonds were issued near the end of 2008 resulting in an increase; the fund then decreased in 2009 and will continue to decrease through 2010 until bonds are issued, resulting in planned increase in fund balance for 2010.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Financial Analysis of the Government's Funds (Continued)

Governmental Funds (Continued)

The **TIF District Fund** balance increased by \$568,908 during 2009. The 2009 increase in fund balance is due to planned Tax Increment Financing payments received through tax collections. The balance is planned to increase annually as the interfund loan payable is paid off.

The **Non-Major Special Revenue Funds** decreased by \$77,511 for 2009. The non-major special revenue funds decreased mainly due to the impact of higher-than-expected insurance claims accounted for in the City's Insurance Fund. Other funds included in this group had little change.

The **Non-Major Debt Service Funds** decreased by \$132,064 for 2009. The non-major debt service funds decreased because existing funds in the 1997 General Obligation Arena Revenue Funds were used to buy down the amount of debt re-financed during the year.

The **Non-Major Capital Projects Funds** increased by \$78,059 for 2009. As with the major capital fund, Public Works Reserve, planned capital purchases were delayed or eliminated in anticipation of funding reductions. These funds may be available for future appropriation.

Proprietary Funds

Proprietary Funds are considered business-type activities. As such, year-to-year comparisons are viewed in terms of the changes in net assets, rather than fund balance as in the case of governmental funds. Overall, the net assets for proprietary funds decreased by \$1,490,393 from 2008 to 2009.

The **Public Utilities Fund** is made up of the following funds:

The **Storm Sewer Fund** total net assets at the end of 2009 were \$408,911. This represents an increase of \$28,746 over the 2008 balance. This increase is part of an overall plan to gradually increase the fund's balance for future capital and infrastructure projects.

The **Sanitary Sewer Fund** net assets decreased by \$1,434,682 during 2009, totaling \$2,833,165 at the end of the fiscal year. The decrease is the result of the implementation of the City's Inflow and Infiltration mitigation project. The project, intended to reduce the amount of fresh water entering the sanitary sewer system was enthusiastically embraced by the public due to a 50% match program offered by the City. However, the extremely large volume of participants and the associated grants resulted in a significant decline in the resources of this fund. The program has been scaled back until further notice.

The **Recreation Fund** is made up of the following funds:

The **Golf Course Fund** net assets increased by \$21,814 as a result of the transfer from the Sanitary Sewer Fund to provide a year-end positive cash balance. This fund is further supported by approximately \$60,000 in property tax revenue. Operations in this fund typically do not generate a profit.

The **Civic Arena Fund** net assets decreased by \$55,384 from 2008 to the current balance of \$1,306,982. The decrease is due to depreciation expense attributable to this operation of \$58,488.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Proprietary Funds (Continued)

The *Swimming Pool Fund* net assets decreased by \$50,887 as a result of depreciation expense attributable to this operation as well a colder-than-usual summer – causing a significantly lower number of operating days.

Budgetary Highlights

General Fund

Overall the General Fund revenues ended 2009 \$119,939 under the budgeted amount of \$9,624,184. The 2009 budget anticipated the General Fund to break even and have no change to fund balance. The financial statements reflect an actual increase in fund balance of \$649,170 resulting from expenditures under budget by \$765,636 and operating transfers from the proprietary funds.

Capital Asset and Debt Administration

Capital Assets. The City's gross investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounted to \$51,247,276 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment. Changes in capital assets between 2008 and 2009 occurred mainly as infrastructure in the form of new and renewed street construction. Net of depreciation, infrastructure contributes \$33,810,934 to the total net capital assets. In addition to the increase in infrastructure, significant changes in construction in progress also occurred during 2009. Although it is not evident in the table below, the construction in progress evolved from solely street and infrastructure projects, to the construction of a new building – the Public Works Facility. At the end of 2010, the value of buildings as a component of net capital assets will be increased by several million dollars due to completion of the project.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 3,407,762	\$ 3,407,762	\$ 1,144,168	\$ 1,144,168	\$ 4,551,930	\$ 4,551,930
Construction in Progress	2,424,247	2,244,546	67,246	-	2,491,493	2,244,546
Buildings	4,154,546	4,154,546	6,311,003	6,311,003	10,465,549	10,465,549
Improvements Other than Buildings	1,142,987	1,144,512	-	-	1,142,987	1,144,512
Vehicles, Machinery and Equipment	3,527,147	3,472,823	635,633	594,362	4,162,780	4,067,185
Infrastructure	58,672,782	56,039,634	4,897,414	4,897,414	63,570,196	60,937,048
Accumulated Depreciation	(29,553,572)	(27,898,135)	(5,584,087)	(5,307,909)	(35,137,659)	(33,206,044)
Capital Assets, Net	<u>\$ 43,775,899</u>	<u>\$ 42,565,688</u>	<u>\$ 7,471,377</u>	<u>\$ 7,639,038</u>	<u>\$ 51,247,276</u>	<u>\$ 50,204,726</u>

Additional information on the City of West St. Paul, Minnesota's capital assets can be found in Note 4.

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Capital Asset and Debt Administration (Continued)

Long-Term Debt. At the end of the current fiscal year, the City of West St. Paul had total long-term debt outstanding of \$23,052,630 an increase of \$6,104,103 from 2008. \$9,910,000 is for general obligation improvement debt, which is supported in part by special assessments. \$6,550,000 is general obligation bonded debt that is financed solely by annual property tax levies. \$1,555,000 of general obligation tax increment bonds are outstanding, which will be financed with tax increment collections. Additionally, there are outstanding certificates of indebtedness (Capital Notes) of \$610,500, which financed capital equipment acquisitions. Finally, there is \$3,315,000 in revenue bonds issued to finance improvements to the sanitary sewer system and construction of the City's golf course.

During 2009, the City of West St. Paul refinanced four outstanding bond issues. As part of the re-finance, the city utilized approximately \$1.0 million accumulated cash in the debt service funds to buy down the total amount. In doing so, along with receiving a significantly lower interest rate, the City is able to save about \$700,000 in interest costs. In addition to refinancing existing debt, the City also issued two additional bonds in 2009. In November 2009, the City issued \$6.5 million in taxable Build America Bonds to finance construction of the new public works facility noted above. The second bond, a revenue bond, is used to fund operating costs in the Sanitary Sewer due to a significant amount of expenses associated with the City's I&I Program (fresh water Inflow and Infiltration Program).

Additional long-term debt consists of \$725,534 for compensated absences and \$336,190 for other postemployment benefits payable.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
G.O. Bonds	\$ 6,550,000	\$ 1,140,000	\$ -	\$ -	\$ 6,550,000	\$ 1,140,000
G.O. Special Assessment Bonds	9,910,000	10,985,000	-	-	9,910,000	10,985,000
Capital Notes	610,500	646,000	-	-	610,500	646,000
TIF Bonds	1,555,000	1,580,000	-	-	1,555,000	1,580,000
Revenue Bonds	-	-	3,315,000	1,895,000	3,315,000	1,895,000
Unamortized Bond Discount	(70,955)	(83,789)	-	-	(70,955)	(83,789)
Unamortized Bond Premium	73,415	-	47,946	-	121,361	-
Capital Lease	-	39,450	-	-	-	39,450
Compensated Absences	676,058	497,813	49,476	58,333	725,534	556,146
Other Postemployment Benefits Payable	317,034	179,033	19,156	11,687	336,190	190,720
Total Outstanding Debt	<u>\$ 19,621,052</u>	<u>\$ 14,983,507</u>	<u>\$ 3,431,578</u>	<u>\$ 1,965,020</u>	<u>\$ 23,052,630</u>	<u>\$ 16,948,527</u>

The City maintains an Aa2 rating from Moody's Investors Service and a rating of AA from Standard and Poor's which was affirmed when bonds were issued in November of 2009.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 2% of total Estimated Market Value. The current debt limitation for the City of West St. Paul is \$34,151,594. Of the City's total debt shown above, only \$7,160,500 is counted within the statutory limitation.

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

**CITY OF WEST ST. PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2009**

Economic Factors and Next Year's Budgets and Rates

Economic redevelopment continues in West St. Paul despite the nation-wide economic slow down. Total property value in the City has declined to some extent, with a decline in residential value mitigated by stable rates in Commercial and Industrial market values. The City has implemented a number of initiatives to address foreclosed properties and re-vitalize both neighborhoods and businesses, including vacant property purchase incentives, expanded code enforcement to maintain the values of the existing housing stock and demolition of blighted property.

Looking forward, the City faces challenges resulting from decreasing revenues, be that in the form of building permits, expenditures of discretionary income by residents on programs and the likely loss of local government aid from the state. The City finds itself in the uncomfortable position of relying upon a revenue source that, while promised, can be withheld. Given the disparity of the City budget year of January to December versus the fiscal year of the State of Minnesota of July to June, there is the possibility and high likelihood that anticipated revenue being used to fund operations for six months may not come to fruition. In the coming years, the City will strive to reduce and ultimately end reliance upon this unstable revenue source.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City. 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. Additional information about the City is available on the City's website.

www.ci.west-saint-paul.mn.us

BASIC FINANCIAL STATEMENTS

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CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET ASSETS
STATEMENT 1
DECEMBER 31, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 25,671,444	\$ 1,291,365	\$ 26,962,809
Accounts Receivable, Net	431,092	1,376,420	1,807,512
Property Taxes Receivable	200,931	3,650	204,581
Special Assessments Receivable	2,078,164	-	2,078,164
Accrued Interest Receivable	88,679	6,610	95,289
Due from Other Governments	1,007,225	-	1,007,225
Inventories	-	2,226	2,226
Prepaid Items	-	500	500
Deferred Charges	-	18,744	18,744
Deferred Bond Issue Costs	270,979	-	270,979
Notes Receivable	104,518	-	104,518
Land Held for Resale	550,494	-	550,494
Capital Assets:			
Non-Depreciable:			
Land	3,407,762	1,144,168	4,551,930
Construction in Progress	2,424,247	67,246	2,491,493
Depreciable:			
Infrastructure	58,672,782	4,897,414	63,570,196
Buildings	4,154,546	6,311,003	10,465,549
Land Improvements	1,142,987	-	1,142,987
Machinery and Equipment	3,527,147	635,633	4,162,780
Total Capital Assets	<u>73,329,471</u>	<u>13,055,464</u>	<u>86,384,935</u>
Less: Accumulated Depreciation	<u>(29,553,572)</u>	<u>(5,584,087)</u>	<u>(35,137,659)</u>
Total Capital Assets, Net	<u>43,775,899</u>	<u>7,471,377</u>	<u>51,247,276</u>
Total Assets	<u>74,179,425</u>	<u>10,170,892</u>	<u>84,350,317</u>
LIABILITIES			
Accounts Payable	428,039	157,627	585,666
Contracts Payable	119,409	-	119,409
Accrued Salaries and Fringes	199,304	30,563	229,867
Accrued Interest Payable	68,997	4,437	73,434
Other Accrued Liabilities	45,148	-	45,148
Unearned Revenue	23,518	-	23,518
Due to Other Governmental Units	63,346	1,497	64,843
Long-Term Liabilities:			
Due Within One Year	1,550,438	142,401	1,692,839
Due in More Than One Year	18,070,614	3,289,177	21,359,791
Total Liabilities	<u>20,568,813</u>	<u>3,625,702</u>	<u>24,194,515</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	30,796,241	5,657,805	36,454,046
Restricted for:			
Debt Service	2,361,539	-	2,361,539
Capital Improvements	9,918,832	-	9,918,832
Specific Programs	687,735	-	687,735
Unrestricted	9,846,265	887,385	10,733,650
Total Net Assets	<u>\$ 53,610,612</u>	<u>\$ 6,545,190</u>	<u>\$ 60,155,802</u>

The accompanying Notes are an Integral Part of these Financial Statements.

**CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF ACTIVITIES
STATEMENT 2
YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 3,239,750	\$ 617,830	\$ 112,672	\$ -
Public Safety	5,890,526	297,953	393,719	-
Public Works	3,435,137	297,969	894,984	581,053
Parks and Recreation	838,059	64,684	-	-
Economic Development	120,285	-	-	-
Interest and Fiscal Charges	397,208	-	-	-
Total Governmental Activities	<u>13,920,965</u>	<u>1,278,436</u>	<u>1,401,375</u>	<u>581,053</u>
Business-Type Activities:				
Public Utilities	3,824,046	2,965,137	-	-
Recreation	655,524	444,752	-	-
Total Business-Type Activities	<u>4,479,570</u>	<u>3,409,889</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 18,400,535</u>	<u>\$ 4,688,325</u>	<u>\$ 1,401,375</u>	<u>\$ 581,053</u>

General Revenues:
Property Taxes, Levied for General Purposes
Tax Increment Taxes
Franchise and Other Taxes
Intergovernmental Revenues Not Restricted for Specific Purposes
Unrestricted Investment Earnings
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

The accompanying Notes are an Integral Part of these Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,509,248)	\$ -	\$ (2,509,248)
(5,198,854)	-	(5,198,854)
(1,661,131)	-	(1,661,131)
(773,375)	-	(773,375)
(120,285)	-	(120,285)
(397,208)	-	(397,208)
<u>(10,660,101)</u>	<u>-</u>	<u>(10,660,101)</u>
-	(858,909)	(858,909)
-	(210,772)	(210,772)
-	(1,069,681)	(1,069,681)
<u>(10,660,101)</u>	<u>(1,069,681)</u>	<u>(11,729,782)</u>
9,230,584	100,112	9,330,696
1,001,532	-	1,001,532
778,465	-	778,465
1,786,089	5,245	1,791,334
493,389	16,699	510,088
542,768	(542,768)	-
<u>13,832,827</u>	<u>(420,712)</u>	<u>13,412,115</u>
3,172,726	(1,490,393)	1,682,333
50,437,886	8,035,583	58,473,469
<u>\$ 53,610,612</u>	<u>\$ 6,545,190</u>	<u>\$ 60,155,802</u>

**CITY OF WEST ST. PAUL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
STATEMENT 3
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	General	Economic Development Authority	Special Assessment Bonds	Public Works Reserve
Assets:				
Cash and Investments	\$ 5,080,698	\$ 1,736,776	\$ 1,620,589	\$ 3,094,292
Accrued Interest Receivable	14,716	7,821	7,487	13,066
Due from Other Governmental Units	685,099	28,604	123,107	39,047
Accounts Receivable	460,592	1,000	-	-
Allowance for Uncollectible Receivables	(54,545)	-	-	-
Delinquent Taxes Receivable	120,877	9,828	38,481	13,992
Special Assessments Receivable:				
Delinquent	-	-	4,812	-
Deferred	33,943	-	257,375	2,143
Loan Receivable	-	104,518	-	-
Interfund Loan Receivable	-	1,315,951	-	-
Land Held for Resale	-	550,494	-	-
Total Assets	\$ 6,341,380	\$ 3,754,992	\$ 2,051,851	\$ 3,162,540
Liabilities and Fund Balances:				
Liabilities:				
Accrued Salaries and Withholdings Payable	\$ 183,623	\$ 11,396	\$ -	\$ -
Accounts Payable	155,204	5,084	-	683
Due to Other Governmental Units	50,342	598	-	-
Contracts Payable	-	-	-	-
Deposits Payable	45,148	-	-	-
Deferred Revenue	159,400	149,623	300,668	16,135
Interfund Loan Payable	-	-	-	-
Total Liabilities	593,717	166,701	300,668	16,818
Fund Balances:				
Reserved for Interfund Loan Receivable	-	1,315,951	-	-
Reserved for Debt Service	-	-	1,751,183	-
Reserved for Land Held for Resale	-	550,494	-	-
Reserved for Capital Projects	-	-	-	-
Unreserved-Designated Reported in:				
General Fund	5,747,663	-	-	-
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	3,145,722
Unreserved-Undesignated Reported in:				
General Fund	-	-	-	-
Special Revenue Funds	-	1,721,846	-	-
Capital Project Funds	-	-	-	-
Total Fund Balances	5,747,663	3,588,291	1,751,183	3,145,722
Total Liabilities and Fund Balances	\$ 6,341,380	\$ 3,754,992	\$ 2,051,851	\$ 3,162,540

The accompanying Notes are an Integral Part of these Financial Statements.

Minnesota State Aid Streets	Public Works Facility	Permanent Improvement Revolving	Tax Increment Financing Districts	Other Governmental Funds	Total Governmental Funds	
					2009	2008
\$ 594,812	\$ 5,925,654	\$ 936,466	\$ 1,628,750	\$ 5,053,407	\$ 25,671,444	\$ 20,861,122
2,435	4,653	8,837	6,821	22,843	88,679	116,347
-	-	41,186	42,656	47,526	1,007,225	718,967
-	-	-	24,045	-	485,637	566,224
-	-	-	-	-	(54,545)	(74,851)
-	-	-	-	17,753	200,931	207,574
-	-	4,578	-	-	9,390	16,875
-	-	1,775,313	-	-	2,068,774	986,586
-	-	-	-	-	104,518	122,277
-	-	-	-	-	1,315,951	1,621,840
-	-	-	-	-	550,494	23,383
<u>\$ 597,247</u>	<u>\$ 5,930,307</u>	<u>\$ 2,766,380</u>	<u>\$ 1,702,272</u>	<u>\$ 5,141,529</u>	<u>\$ 31,448,498</u>	<u>\$ 25,166,344</u>
\$ -	\$ -	\$ 4,285	\$ -	\$ -	\$ 199,304	257,309
-	234,743	3,336	2,835	26,154	428,039	192,940
277	5,009	-	7,120	-	63,346	37,287
66,748	21,253	31,408	-	-	119,409	57,124
-	-	-	-	-	45,148	71,718
-	-	1,779,891	12,103	17,753	2,435,573	1,440,487
-	-	-	1,315,951	-	1,315,951	1,621,840
<u>67,025</u>	<u>261,005</u>	<u>1,818,920</u>	<u>1,338,009</u>	<u>43,907</u>	<u>4,606,770</u>	<u>3,678,705</u>
-	-	-	-	-	1,315,951	1,621,840
-	-	-	-	199,791	1,950,974	2,721,346
-	-	-	-	-	550,494	23,383
530,222	5,669,302	-	-	-	6,199,524	-
-	-	-	-	-	5,747,663	5,098,493
-	-	-	-	1,737,298	1,737,298	1,000,000
-	-	947,460	-	3,160,533	7,253,715	3,887,555
-	-	-	-	-	-	-
-	-	-	-	-	1,721,846	2,775,257
-	-	-	364,263	-	364,263	4,359,765
<u>530,222</u>	<u>5,669,302</u>	<u>947,460</u>	<u>364,263</u>	<u>5,097,622</u>	<u>26,841,728</u>	<u>21,487,639</u>
<u>\$ 597,247</u>	<u>\$ 5,930,307</u>	<u>\$ 2,766,380</u>	<u>\$ 1,702,272</u>	<u>\$ 5,141,529</u>	<u>\$ 31,448,498</u>	<u>\$ 25,166,344</u>

**CITY OF WEST ST. PAUL, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
STATEMENT 4
DECEMBER 31, 2009**

Total Fund Balances for Governmental Funds \$ 26,841,728

Total net assets reported for governmental activities in the statement of net assets 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	\$ 3,407,762	
Construction in Progress	2,424,247	
Infrastructure	58,672,782	
Land Improvements	1,142,987	
Buildings	4,154,546	
Machinery and Equipment	3,527,147	
Total Capital Assets	73,329,471	
Less: Accumulated Depreciation	(29,553,572)	43,775,899

Some of the City's property taxes and special assessments 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 deferred revenue in the governmental funds. 2,412,055

Bond issuance costs are reported as expenditures in the governmental funds. A total of \$297,705 costs have been incurred and are shown net of \$26,726 accumulated amortization on the statement of net assets as prepaid items. 270,979

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. (68,997)

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	(18,625,500)	
Unamortized premiums	(73,415)	
Unamortized Discounts	70,955	
OPEB Payable	(317,034)	
Compensated Absence Payable	(676,058)	(19,621,052)
Total Net Assets of Governmental Activities	\$ 53,610,612	

The accompanying Notes are an Integral Part of these Financial Statements.

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
STATEMENT 5
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	General	Economic Development Authority	Special Assessment Bonds	Public Works Reserve	Minnesota State Aid Streets	Public Works Facility
REVENUES						
General Property Taxes	\$ 5,278,411	\$ 351,604	\$ 1,346,978	\$ 480,522	\$ -	\$ -
Tax Increment Collections	-	-	-	-	-	-
Franchise and Other Taxes	715,954	-	-	50,116	-	-
Licenses and Permits	515,595	-	-	-	-	-
Intergovernmental	2,030,701	40,764	70,985	25,339	774,982	-
Special Assessments	23,528	-	102,651	-	-	-
Charges for Services	651,606	30,015	-	-	-	-
Fines and Forfeits	132,957	-	-	-	-	-
Investment Income	101,249	129,611	24,401	53,894	10,099	22,280
Miscellaneous	54,244	6,302	5,599	-	-	-
Insurance Recoveries	-	-	-	-	-	-
Total Revenues	<u>9,504,245</u>	<u>558,296</u>	<u>1,550,614</u>	<u>609,871</u>	<u>785,081</u>	<u>22,280</u>
EXPENDITURES						
Current:						
General Government	2,007,705	527,191	-	6,711	-	-
Public Safety	5,563,327	-	-	-	-	-
Public Works	1,249,966	-	-	96,550	672	-
Parks and Recreation	625,890	-	-	-	-	-
Unallocated General Expenditures	6,814	-	-	-	-	-
Capital Outlay	-	-	-	95,765	953,682	755,867
Debt Service:						
Principal	-	-	959,428	-	-	-
Interest	-	-	416,317	-	-	95,831
Bond Issuance Costs	-	-	-	-	-	-
Miscellaneous	-	-	39,539	-	-	1,280
Total Expenditures	<u>9,453,702</u>	<u>527,191</u>	<u>1,415,284</u>	<u>199,026</u>	<u>954,354</u>	<u>852,978</u>
Revenues Over (Under) Expenditures	50,543	31,105	135,330	410,845	(169,273)	(830,698)
Other Financing Sources (Uses):						
Sale of Capital Assets	5,774	-	-	-	-	-
Issuance of Debt	-	-	1,858,416	-	-	6,500,000
Payment to Escrow Agent	-	-	(2,775,000)	-	-	-
Bond Discount	-	-	-	-	-	-
Transfers in	592,853	-	631,875	-	205,488	-
Transfers out	-	(48,485)	(488,929)	-	-	-
Total Other Financing Sources (Uses)	<u>598,627</u>	<u>(48,485)</u>	<u>(773,638)</u>	<u>-</u>	<u>205,488</u>	<u>6,500,000</u>
Net Change in Fund Balances	649,170	(17,380)	(638,308)	410,845	36,215	5,669,302
Fund Balance - January 1	<u>5,098,493</u>	<u>3,605,671</u>	<u>2,389,491</u>	<u>2,734,877</u>	<u>494,007</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 5,747,663</u>	<u>\$ 3,588,291</u>	<u>\$ 1,751,183</u>	<u>\$ 3,145,722</u>	<u>\$ 530,222</u>	<u>\$ 5,669,302</u>

The accompanying Notes are an Integral Part of these Financial Statements.

Permanent Improvement Revolving	Tax Increment Financing Districts	Other Governmental Funds	Total Governmental Funds	
			2009	2008
\$ -	\$ -	\$ 741,161	\$ 8,198,676	\$ 8,026,104
-	1,038,990	-	1,038,990	890,559
-	-	-	766,070	775,702
-	-	-	515,595	470,559
21,660	-	39,097	3,003,528	2,039,715
431,512	-	-	557,691	526,298
-	-	-	681,621	572,455
-	-	-	132,957	119,783
33,677	28,061	90,117	493,389	789,661
-	-	80,226	146,371	94,268
-	-	9,190	9,190	17,160
<u>486,849</u>	<u>1,067,051</u>	<u>959,791</u>	<u>15,544,078</u>	<u>14,322,264</u>
-	405,524	23,745	2,970,876	2,903,076
-	-	164,229	5,727,556	5,738,646
113,978	-	51,517	1,512,683	1,645,992
-	-	118,224	744,114	800,658
-	-	106,265	113,079	158,914
1,360,530	-	189,344	3,355,188	2,614,096
-	-	355,000	1,314,428	1,497,996
-	-	135,555	647,703	510,674
-	-	-	-	64,703
-	-	-	40,819	904
<u>1,474,508</u>	<u>405,524</u>	<u>1,143,879</u>	<u>16,426,446</u>	<u>15,935,659</u>
(987,659)	661,527	(184,088)	(882,368)	(1,613,395)
-	-	-	5,774	45,165
-	-	1,069,499	9,427,915	2,600,000
-	-	(965,000)	(3,740,000)	-
-	-	-	-	(28,440)
-	386,834	102,477	1,919,527	693,134
(205,488)	(479,453)	(154,404)	(1,376,759)	(177,984)
<u>(205,488)</u>	<u>(92,619)</u>	<u>52,572</u>	<u>6,236,457</u>	<u>3,131,875</u>
(1,193,147)	568,908	(131,516)	5,354,089	1,518,480
<u>2,140,607</u>	<u>(204,645)</u>	<u>5,229,138</u>	<u>21,487,639</u>	<u>19,969,159</u>
<u>\$ 947,460</u>	<u>\$ 364,263</u>	<u>\$ 5,097,622</u>	<u>\$ 26,841,728</u>	<u>\$ 21,487,639</u>

**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
STATEMENT 6
YEAR ENDED DECEMBER 31, 2009**

Net Change in Fund Balances-Total Governmental Funds \$ 5,354,089

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

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 Outlays	\$ 2,981,780	
Proceeds from Sale of Capital Assets	(5,774)	
Loss on Sale of Capital Assets	(12,181)	
Depreciation Expense	<u>(1,753,614)</u>	1,210,211

In the statement of activities, other post employment 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 year 2009, other postemployment benefits payable changed.

Other Post Employment Benefits - December 31, 2008	(179,033)	
Other Post Employment Benefits - December 31, 2009	<u>(317,034)</u>	(138,001)

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 governmental 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 and Bond Premium	(9,427,915)	
Repayment of Debt Principal	5,119,450	
Interest Expense	44,916	
Deferred Charges	<u>181,376</u>	(4,082,173)

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 deferred in the governmental funds.

Deferred Revenue - December 31, 2008	1,405,210	
Deferred Revenue - December 31, 2009	<u>2,412,055</u>	1,006,845

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 fiscal year 2009, compensated absence payable changed.

(178,245)

Change in Net Assets of Governmental Activities \$ 3,172,726

The accompanying Notes are an Integral Part of these Financial Statements.

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
STATEMENT 7
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)

	Business-Type Activities - Enterprise Funds			
	Public	Recreation	Totals	
	Utilities	Fund	2009	2008
Assets:				
Current Assets:				
Cash and Investments	\$ 1,103,936	\$ 187,429	\$ 1,291,365	\$ 2,048,804
Receivables:				
User Accounts - Current and Delinquent	624,478	47,339	671,817	512,726
Delinquent Taxes Receivable	-	3,650	3,650	2,936
Customer Assessments	704,603	-	704,603	-
Interest Receivable on Investments	5,635	975	6,610	14,676
Inventory	-	2,226	2,226	1,141
Deferred Charges	18,744	-	18,744	-
Prepaid Expenses	-	500	500	500
Total Current Assets	2,457,396	242,119	2,699,515	2,580,783
Capital Assets:				
Land	10,945	1,133,223	1,144,168	1,144,168
Buildings and Improvements	2,229,781	4,081,222	6,311,003	6,311,003
Vehicles, Machinery, and Equipment	317,942	317,691	635,633	594,362
Distribution and Collection Systems	4,897,414	-	4,897,414	4,897,414
Construction in Progress	67,246	-	67,246	-
Total Capital Assets	7,523,328	5,532,136	13,055,464	12,946,947
Less: Accumulated Depreciation	(3,741,393)	(1,842,694)	(5,584,087)	(5,307,909)
Net Capital Assets	3,781,935	3,689,442	7,471,377	7,639,038
Total Assets	6,239,331	3,931,561	10,170,892	10,219,821
Liabilities:				
Current Liabilities:				
Payroll Withholdings Payable	12,798	17,765	30,563	24,340
Accounts Payable	145,560	12,067	157,627	177,364
Contract Payable	-	-	-	9,054
Due to Other Governmental Units	757	740	1,497	1,344
Accrued Bond Interest Payable	2,826	1,611	4,437	7,116
Accrued Compensated Absences, Current Portion	4,805	3,222	8,027	35,000
Deferred Premium, Current Portion	4,374	-	4,374	-
Bonds Payable, Current Portion	95,000	35,000	130,000	115,000
Total Current Liabilities	266,120	70,405	336,525	369,218
Noncurrent Liabilities:				
Accrued Compensated Absences	14,950	26,499	41,449	23,333
Other Post Employment Benefits Payable	12,613	6,543	19,156	11,687
Bonds Payable, Net of Current Portion	2,703,572	525,000	3,228,572	1,780,000
Total Noncurrent Liabilities	2,731,135	558,042	3,289,177	1,815,020
Total Liabilities	2,997,255	628,447	3,625,702	2,184,238
Net Assets:				
Invested in Capital Assets, Net of Related Debt	2,528,363	3,129,442	5,657,805	5,744,038
Unrestricted	713,713	173,672	887,385	2,291,545
Total Net Assets	\$ 3,242,076	\$ 3,303,114	\$ 6,545,190	\$ 8,035,583

The accompanying Notes are an Integral Part of these Financial Statements.

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND NET ASSETS
PROPRIETARY FUNDS
STATEMENT 8
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	Business-Type Activities - Enterprise Funds			
	Public	Recreation	Totals	
	Utilities	Fund	2009	2008
Operating Revenue:				
User Charges for Services	\$ 2,940,335	\$ 420,397	\$ 3,360,732	\$ 3,160,109
Retained Fees	4,420	-	4,420	40,000
Special Assessments	19,982	-	19,982	-
Miscellaneous	400	24,355	24,755	22,190
Total Operating Revenue	<u>2,965,137</u>	<u>444,752</u>	<u>3,409,889</u>	<u>3,222,299</u>
Operating Expenses:				
Personal Services	257,268	325,590	582,858	571,977
Supplies	17,371	46,950	64,321	78,817
Contractual Services	1,612,456	119,830	1,732,286	1,562,019
Miscellaneous Other Charges	1,748,908	8,704	1,757,612	441,235
Depreciation	142,427	133,749	276,176	279,555
Total Operating Expenses	<u>3,778,430</u>	<u>634,823</u>	<u>4,413,253</u>	<u>2,933,603</u>
Operating Income (Loss)	(813,293)	(190,071)	(1,003,364)	288,696
Nonoperating Revenue (Expense):				
Taxes	-	100,112	100,112	100,036
Intergovernmental	-	5,245	5,245	5,192
Investment Income	12,311	4,388	16,699	92,284
Gain (Loss) on Disposal of Capital Assets	-	-	-	(24,767)
Bond Interest Expense	(45,616)	(20,701)	(66,317)	(89,611)
Total Nonoperating Revenue (Expense)	<u>(33,305)</u>	<u>89,044</u>	<u>55,739</u>	<u>83,134</u>
Income (Loss) before Transfers and Capital Contributions	(846,598)	(101,027)	(947,625)	371,830
Transfers and Capital Contributions:				
Transfers in	-	16,570	16,570	54,628
Transfers Out	(559,338)	-	(559,338)	(569,778)
Capital Contributions	-	-	-	158,345
Total Transfers and Capital Contributions	<u>(559,338)</u>	<u>16,570</u>	<u>(542,768)</u>	<u>(356,805)</u>
Change in Net Assets	(1,405,936)	(84,457)	(1,490,393)	15,025
Net Assets - Beginning of Year	<u>4,648,012</u>	<u>3,387,571</u>	<u>8,035,583</u>	<u>8,020,558</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,242,076</u></u>	<u><u>\$ 3,303,114</u></u>	<u><u>\$ 6,545,190</u></u>	<u><u>\$ 8,035,583</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
STATEMENT 9
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	Business-Type Activities - Enterprise Funds			
	Public	Recreation	Totals	
	Utilities	Fund	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 2,799,220	\$ 427,438	\$ 3,226,658	\$ 3,080,618
Payment to Suppliers	(3,424,806)	(171,984)	(3,596,790)	(2,000,158)
Payment to Employees	(248,885)	(336,047)	(584,932)	(549,425)
Miscellaneous Revenue	400	23,889	24,289	-
Net Cash Provided (Used) by Operating Activities	<u>(874,071)</u>	<u>(56,704)</u>	<u>(930,775)</u>	<u>531,035</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property Taxes	-	100,112	100,112	98,436
Increase in Customer Assessments Receivable	(704,604)	-	(704,604)	-
Intergovernmental	(457)	5,855	5,398	5,192
Transfer from Enterprise Fund	-	16,570	16,570	54,628
Transfer to General Fund	(542,768)	-	(542,768)	(515,150)
Transfer to Enterprise Funds	(16,570)	-	(16,570)	(54,628)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,264,399)</u>	<u>122,537</u>	<u>(1,141,862)</u>	<u>(411,522)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(108,517)	-	(108,517)	(46,405)
Proceeds from Debt Issuance	2,907,946	-	2,907,946	19,595
Principal Paid on Capital Debt	(1,405,000)	(35,000)	(1,440,000)	(110,000)
Interest Paid on Capital Debt	(48,171)	(20,825)	(68,996)	(89,995)
Net Cash Used by Capital and Related Financing Activities	<u>1,346,258</u>	<u>(55,825)</u>	<u>1,290,433</u>	<u>(226,805)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	<u>20,458</u>	<u>4,307</u>	<u>24,765</u>	<u>92,284</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(771,754)	14,315	(757,439)	(15,008)
Cash and Cash Equivalents - January 1	<u>1,875,690</u>	<u>173,114</u>	<u>2,048,804</u>	<u>2,063,812</u>
Cash and Cash Equivalents - December 31	<u>\$ 1,103,936</u>	<u>\$ 187,429</u>	<u>\$ 1,291,365</u>	<u>\$ 2,048,804</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (813,293)	\$ (190,071)	\$ (1,003,364)	\$ 272,100
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation	142,428	133,750	276,178	279,555
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(165,517)	5,713	(159,804)	(133,339)
(Increase) Decrease in Other Assets	(18,744)	(1,085)	(19,829)	-
Increase (Decrease) in Payables	(27,328)	5,446	(21,882)	97,238
Increase (Decrease) in Accrued Compensated Absences	8,383	(10,457)	(2,074)	15,481
Total Adjustments	<u>(60,778)</u>	<u>133,367</u>	<u>72,589</u>	<u>258,935</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (874,071)</u>	<u>\$ (56,704)</u>	<u>\$ (930,775)</u>	<u>\$ 531,035</u>

Noncash Investing, Capital and Financing Activities:

The accompanying Notes are an Integral Part of these Financial Statements.

CITY OF WEST ST. PAUL, MINNESOTA
BALANCE SHEET
FIDUCIARY FUNDS – METRO GANG STRIKE FORCE FUND
STATEMENT 10
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)

	2009	2008
Assets:		
Cash and Investments	\$ 766,615	\$ -
Liabilities:		
Accounts Payable	\$ 502,010	\$ -
Due to Other Governments	264,605	-
Total Liabilities	\$ 766,615	\$ -

The accompanying Notes are an Integral Part of these Financial Statements.

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**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of West St. Paul 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 of West St. Paul (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 of West St. Paul. The EDA funds include a special revenue fund and tax increment capital project funds. 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 assets and the statement of changes in net assets) 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*.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Separate financial statements are provided for governmental funds and proprietary funds. 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.

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 government.

The government reports the following major governmental funds:

The **General Fund** is the government'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.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

The **Public Works 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 **Minnesota State-Aid Streets Fund** is 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 **Public Works Facility Fund** is 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.

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

The **Tax Increment Financing Districts Fund** accounts for the activities within the City's tax increment financing district numbers 1-1 through 1-4.

The government reports the following major proprietary funds:

The **Public Utilities Fund** accounts for the provision of sanitary and sewer service to properties within the City. This fund is maintained pursuant to City Code, Section 705.01. Sanitary 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 and swimming pool.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The government reports the following fiduciary fund:

The ***Gang Strike Force Fund*** accounts for funds obtained by the Metro Gang Strike Force. The Force, which disbanded in late 2009, was unable to acquire a fiscal agent. As a member of the Force, the City of West St. Paul offered to hold the funds during the dissolution of the Force. The Funds were subsequently forwarded to a third-party paying agent.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are 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 non-operating revenues and expenses.

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

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 all active Special Revenue Funds. Budgeted expenditure appropriations lapse at year-end.

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

E. LEGAL COMPLIANCE – BUDGETS

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

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

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Nonmajor special revenue funds which had expenditures exceeding the final budgets by \$5,000 or more at the departmental level are as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Insurance Fund:			
Public Safety	\$ 102,374	\$ 156,725	\$ 54,351
Parks and Recreation	14,101	88,454	74,353

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund:			
Mayor/Council:	\$ 119,177	\$ 127,496	\$ 8,319
Building Inspection:	239,710	253,129	13,419
Contracted Dispatch	469,534	499,213	29,679

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. 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 available financial resources.

Property taxes, special assessments, and ambulance receivables have been reported net of estimated uncollectible accounts (see Note 1 H, I and L). 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. PROPERTY TAX REVENUE RECOGNITION (CONTINUED)

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 revenue 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 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 revenues.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. INVENTORIES

In governmental funds, the original cost of materials and supplies has been recorded as expenditures at the time of purchase. The City had no significant inventories at year-end.

In proprietary funds, inventory is recorded as the lower of cost (first-in, first-out) or market. 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.

L. AMBULANCE BILLINGS

The City directly bills individuals for ambulance services. The City reserves an amount as uncollectible based on historical collection rates. The amounts of the estimated uncollectible ambulance billings to individuals as of December 31, 2009 were \$44,247.

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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, 2009, no interest was capitalized in connection with construction in progress

**CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. CAPITAL ASSETS (CONTINUED)

Capital assets not being depreciated include land and construction in progress. Capital assets such as 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:

<u>Assets</u>	
Buildings and Improvements	20 - 50 Years
Machinery and Equipment	5 - 20 Years
Motor Vehicles	5 - 20 Years
Trails, Sidewalks and Street Lights	30 Years
Storm Sewers	50 Years
Streets	40 Years
Distribution and Collection Systems	75 Years

N. 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 accumulating 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

P. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Q. 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.

R. LAND HELD FOR RESALE

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

S. 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.

T. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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.

At December 31, 2009 the carrying amount of the City's deposits with financial institutions was \$633,929. All of these deposits were insured or collateralized.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

As of December 31, 2009, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Federal Home Loan Bank Notes	AAA/AAAe	\$ 8,854,230	\$ 1,015,160	\$ 7,839,070	\$ -	-
Federal Farm Credit Banks	AAA/AAAe	999,690	503,750	495,940	-	-
Federal Home Loan Mortgage Corp. Notes	AAA/AAAe	3,007,397	-	2,990,880	16,517	-
Federal National Mortgage Assn. Notes	AAA	1,993,125	-	1,494,530	498,595	-
Federal Home Loan Bank Financing Corp. Notes	AAAe	392,740	-	392,740	-	-
Municipal Bond	(1)	560,000	-	-	-	560,000
Taxable Bond	AAA	993,830	105,133	706,445	-	182,252
External Investment Pool - 4M Fund	(2)	3,905,944	3,905,944	-	-	-
Negotiable Certificates of Deposit	(2)	3,450,341	2,032,426	1,417,916	-	-
Money Market	(2)	2,936,598	2,936,598	-	-	-
Total		\$ 27,093,895	\$ 10,499,011	\$ 15,337,521	\$ 515,112	\$ 742,252
Total Investments		\$ 27,093,895				
Deposits		633,929				
Petty Cash		1,600				
Total Cash and Investments		\$ 27,729,424				

(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:

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. The table above shows the distribution of the City's investments by maturity.

Credit risk – 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 table above summarizes year-end ratings for the City's investments as rated by Moody's Investors Service.

**CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. INVESTMENT RISKS (CONTINUED)

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 20% 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	33%
Federal Home Loan Mortgage Corp. Notes	11%
Federal National Mortgage Assn. Notes	7%
External Investment Pool - 4M Fund	14%

NOTE 3 DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Delinquent Property Taxes Receivable	\$ 200,931	\$ -	\$ 200,931
Special Assessments Delinquent or Not Yet Due	2,078,165	-	2,078,165
Loans Receivable	81,000	23,518	104,518
Unavailable Receivables	51,959	-	51,959
Total Deferred/Unearned Revenue for Governmental Funds	\$ 2,412,055	\$ 23,518	\$ 2,435,573

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 is as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,407,762	\$ -	\$ -	\$ 3,407,762
Construction in Progress	2,244,546	2,963,609	2,783,908	2,424,247
Total Capital Assets Not Being Depreciated	<u>5,652,308</u>	<u>2,963,609</u>	<u>2,783,908</u>	<u>5,832,009</u>
Capital Assets, Being Depreciated:				
Buildings	4,154,546	-	-	4,154,546
Improvements Other than Buildings	1,144,512	43,605	45,130	1,142,987
Vehicles, Machinery and Equipment	3,472,823	125,326	71,002	3,527,147
Infrastructure	56,039,634	2,633,148	-	58,672,782
Total Capital Assets, Being Depreciated	<u>64,811,515</u>	<u>2,802,079</u>	<u>116,132</u>	<u>67,497,462</u>
Less Accumulated Depreciation for:				
Buildings	1,600,570	103,441	-	1,704,011
Improvements Other than Buildings	829,474	35,868	45,130	820,212
Vehicles, Machinery and Equipment	2,022,852	228,696	53,047	2,198,501
Infrastructure	23,445,239	1,385,609	-	24,830,848
Total Accumulated Depreciation	<u>27,898,135</u>	<u>1,753,614</u>	<u>98,177</u>	<u>29,553,572</u>
Total Capital Assets Being Depreciated - Net	<u>36,913,380</u>	<u>1,048,465</u>	<u>17,955</u>	<u>37,943,890</u>
Governmental Activities Capital Assets - Net	<u>\$ 42,565,688</u>	<u>\$ 4,012,074</u>	<u>\$ 2,801,863</u>	<u>\$ 43,775,899</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,144,168	\$ -	\$ -	\$ 1,144,168
Construction in Progress	-	67,246	-	67,246
Total Capital Assets Not Being Depreciated	<u>1,144,168</u>	<u>67,246</u>	<u>-</u>	<u>1,211,414</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	6,311,003	-	-	6,311,003
Vehicles, Machinery and Equipment	594,362	41,271	-	635,633
Distribution and Collection Systems	4,897,414	-	-	4,897,414
Total Capital Assets, Being Depreciated	<u>11,802,779</u>	<u>41,271</u>	<u>-</u>	<u>11,844,050</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	2,072,660	176,813	-	2,249,473
Vehicles, Machinery and Equipment	340,720	35,627	-	376,347
Distribution and Collection Systems	2,894,529	63,738	-	2,958,267
Total Accumulated Depreciation	<u>5,307,909</u>	<u>276,178</u>	<u>-</u>	<u>5,584,087</u>
Total Capital Assets Being Depreciated - Net	<u>6,494,870</u>	<u>(234,907)</u>	<u>-</u>	<u>6,259,963</u>
Business-Type Activities Capital Assets - Net	<u>\$ 7,639,038</u>	<u>\$ (167,661)</u>	<u>\$ -</u>	<u>\$ 7,471,377</u>

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 64,506
Public Safety	97,933
Public Works, including Deprecation of General Infrastructure Assets	1,509,841
Parks and Recreation	<u>81,334</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,753,614</u></u>
Business-Type Activities:	
Public Utilities	\$ 144,925
Recreation	<u>131,253</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 276,178</u></u>

CONSTRUCTION COMMITMENTS

At December 31, 2009, the City had construction project contracts in progress. The commitments related to the remaining contract balances at December 31, 2009 totaled \$275,960.

NOTE 5 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 LONG-TERM DEBT (CONTINUED)

REVENUE BONDS (CONTINUED)

In 2009, the City issued \$1,545,000 General Obligation Sewer Revenue Bonds for the Sewer 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 the principal and interest as they become due.

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.

CAPITAL LEASE PAYABLE

During 2004, the City entered into an agreement to purchase three parcels of property for future park development. The City is buying the properties on contract for deed and the previous owners have leased the properties back from the City and retained possession until 2009.

The City began making principal and interest payments on all three leases in June 2004 and made the final quarterly payment in March 2009. The annual interest rate was 5.0% for all leases.

The related asset has been capitalized as land and recorded on the statement of net assets in the amount of \$881,815.

On March 18, 2009 the City issued \$4,000,000 General Obligation Refunding Bonds, Series 2009. The proceeds of this issue were used on March 18, 2009, to refund, in advance of their state maturities, the remaining fiscal 2010 through 2020 maturities of the City's 1997 G.O. Arena Revenue Bonds, 1998A G.O. Improvement Bonds, 2000A G.O.

Sewer Revenue Bonds and the 2000B G.O. Improvement Bonds, totaling \$5,040,000. After the refunding, the City assumes full debt service of the principal and interest payments on the 2009A issue. This refunding reduced the City's total future debt service payments by \$715,619 and resulted in a present value savings of \$522,301.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Long-term debt at December 31, 2009 consisted of the following:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>
Governmental-Type Activities:					
G.O. Special Assessments Bonds:					
Improvement Refunding Bonds of 1998B	3.60-4.00%	11/18/1998	2/1/2010	\$ 2,130,000	\$ 300,000
Improvement Bonds of 2002A	3.00-4.30%	12/1/2002	2/1/2015	1,335,000	1,085,000
Refunding Improvement Bonds of 2002B	2.50-4.00%	12/18/2002	8/1/2012	1,680,000	495,000
Improvement Bonds of 2004A	2.25-4.00%	12/1/2004	12/1/2018	1,360,000	1,020,000
Improvements Bonds of 2006A	3.50-3.90%	12/7/2006	12/1/2021	2,450,000	2,170,000
Improvement Bonds of 2008A	2.50-4.60%	12/23/2008	12/2/2023	2,370,000	2,370,000
Refunding Improvement Bonds of 2009A	2.00-3.50%	3/18/2009	2/1/2021	2,685,000	2,470,000
Total special assessment bonds				<u>11,325,000</u>	<u>9,910,000</u>
G.O. Bonds:					
W.M.O. Bonds of 1994	4.00-6.00%	5/1/1994	2/1/2010	545,000	50,000
G.O. TIF Bonds of 2005A	3.75-4.50%	11/1/2005	2/1/2031	1,605,000	1,555,000
G.O. Capital Improvement Bonds 2009B	1.50-6.00%	11/18/2009	2/1/2035	6,500,000	6,500,000
Total General Obligation Bonds				<u>8,650,000</u>	<u>8,105,000</u>
G.O. Capital Notes:					
Capital Note of 2005	4.00%	10/1/2005	10/1/2010	185,000	39,000
Capital Note of 2006	4.75%	10/1/2006	10/1/2011	242,000	99,000
Capital Note of 2007	4.75%	10/1/2007	10/1/2012	190,000	117,000
Capital Note of 2008	4.95%	10/1/2008	10/1/2013	230,000	186,000
Capital Note of 2009	1.75-3.00%	10/1/2009	10/1/2014	169,500	169,500
Total Capital Notes				<u>1,016,500</u>	<u>610,500</u>
Unamortized Bond Discount				N/A	(70,955)
Unamortized Bond Premium				N/A	73,415
Compensated Absences	5.00%	5/1/2009	3/31/2009	N/A	676,058
Other Post Employment Benefits Payable				N/A	317,034
Total Governmental-Type Activities				<u>\$ 20,991,500</u>	<u>\$ 19,621,052</u>
Business-Type Activities:					
Revenue Bonds:					
Golf Course Bonds of 1995	6.50%	7/1/1995	12/1/2016	\$ 970,000	\$ 560,000
Refunding Improvement Bonds of 2009A	2.00-3.50%	3/18/2009	2/1/2018	1,315,000	1,210,000
G.O. Sewer Revenue Bonds 2009C	2.00-3.50%	11/18/2009	2/1/2020	1,545,000	1,545,000
Total Revenue Bonds				<u>3,830,000</u>	<u>3,315,000</u>
Unamortized Bond Premium				N/A	47,946
Compensated Absences				N/A	49,476
Other Post Employment Benefits Payable				N/A	19,156
Total Business-Type Activities				<u>\$ 3,830,000</u>	<u>\$ 3,431,578</u>

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 LONG-TERM DEBT (CONTINUED)

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 Assessments Bonds		Tax Increment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 50,000	\$ 243,250	\$ 1,120,000	\$ 339,000	\$ 30,000	\$ 66,588
2011	130,000	343,018	1,160,000	308,245	30,000	65,463
2012	150,000	340,261	1,015,000	272,040	35,000	64,200
2013	155,000	336,349	1,050,000	238,428	40,000	62,700
2014	160,000	331,578	950,000	203,231	40,000	61,100
2015	160,000	326,138	930,000	170,015	45,000	59,400
2016	165,000	319,935	775,000	141,795	50,000	57,438
2017	170,000	312,813	810,000	114,900	50,000	55,312
2018	175,000	305,156	500,000	86,213	55,000	53,081
2019	180,000	296,944	385,000	66,498	60,000	50,637
2020	185,000	288,043	410,000	51,248	65,000	47,981
2021	195,000	278,544	425,000	34,720	70,000	45,113
2022	205,000	268,543	185,000	17,295	70,000	42,138
2023	220,000	257,781	195,000	8,970	75,000	39,056
2024	245,000	245,559	-	-	85,000	35,603
2025	265,000	231,687	-	-	90,000	31,775
2026	285,000	215,850	-	-	95,000	27,727
2027	310,000	198,000	-	-	100,000	23,400
2028	325,000	178,950	-	-	105,000	18,788
2029	345,000	158,850	-	-	115,000	13,838
2030	370,000	137,400	-	-	120,000	8,550
2031	390,000	114,600	-	-	130,000	2,925
2032	405,000	90,750	-	-	-	-
2033	420,000	66,000	-	-	-	-
2034	435,000	40,350	-	-	-	-
2035	455,000	13,650	-	-	-	-
Totals	\$ 6,550,000	\$ 5,939,999	\$ 9,910,000	\$ 2,052,598	\$ 1,555,000	\$ 932,813

Due in Year	Governmental Activities				Business-Type Activities	
	G.O. Capital Notes		Capital Lease Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 202,900	\$ 23,584	\$ -	\$ -	\$ 130,000	\$ 83,632
2011	167,900	15,583	-	-	265,000	91,788
2012	120,900	8,975	-	-	275,000	85,812
2013	82,900	4,287	-	-	290,000	79,313
2014	35,900	1,077	-	-	295,000	72,150
2015	-	-	-	-	300,000	63,663
2016	-	-	-	-	315,000	54,388
2017	-	-	-	-	320,000	44,637
2018	-	-	-	-	330,000	34,737
2019	-	-	-	-	340,000	24,326
2020	-	-	-	-	350,000	12,862
2021	-	-	-	-	50,000	3,675
2022	-	-	-	-	55,000	1,925
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
Totals	\$ 610,500	\$ 53,506	\$ -	\$ -	\$ 3,315,000	\$ 652,908

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 LONG-TERM DEBT (CONTINUED)

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
G.O. Bonds	\$ 1,140,000	\$ 6,500,000	\$ 1,090,000	\$ 6,550,000	\$ 50,000
G.O. Improvement Bonds	10,985,000	2,685,000	3,760,000	9,910,000	1,120,000
G.O. Capital Notes	646,000	169,500	205,000	610,500	202,900
G.O. TIF Bonds	1,580,000	-	25,000	1,555,000	30,000
Unamortized Bond Discount	(83,789)	-	(12,834)	(70,955)	5,287
Unamortized Bond Premium	-	73,415	-	73,415	2,703
Compensated Absences	497,813	540,281	362,036	676,058	139,548
Capital Lease Payable	39,450	-	39,450	-	-
Other Postemployment Benefits Payable	179,033	138,001	-	317,034	-
Total Government Activity Long-Term Liabilities	<u>\$ 14,983,507</u>	<u>\$ 10,106,197</u>	<u>\$ 5,468,652</u>	<u>\$ 19,621,052</u>	<u>\$ 1,550,438</u>
Business-Type Activities:					
Revenue Bonds	\$ 1,895,000	\$ 2,860,000	\$ 1,440,000	\$ 3,315,000	\$ 130,000
Unamortized Bond Premium	-	47,946	-	47,946	4,374
Compensated Absences	58,333	15,085	23,942	49,476	8,027
Other Postemployment Benefits Payable	11,687	7,469	-	19,156	-
Total Business-Type Activity Long-Term Liabilities	<u>\$ 1,965,020</u>	<u>\$ 2,930,500</u>	<u>\$ 1,463,942</u>	<u>\$ 3,431,578</u>	<u>\$ 142,401</u>

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

NOTE 6 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

All full-time and certain part-time employees of the City of West St. Paul are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) 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.

PERF 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 6 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF 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. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.00%, respectively, of their annual covered salary. PEPFF members were required to contribute 9.4% of their annual covered salary in 2009. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 6.75% for Coordinated Plan PERF members, and 14.1% for PEPFF members. Employer contribution rates for the Coordinated Plan will increase to 7.0%, effective January 1, 2010. The City's contributions to the Public Employees Retirement Fund for the years ended December 31, 2009, 2008 and 2007 were \$177,597, \$168,090 and \$152,053, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ended December 31, 2009, 2008 and 2007 were \$302,252, \$272,710 and \$372,413, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT PLAN

At December 31, 2008, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension. The City engaged an actuary to utilize the alternative method to determine the City's liability for postemployment healthcare benefits other than pensions as of January 1, 2008.

A. Plan Description

The City provides benefits for retirees as required by *Minnesota Statute* §471.61 subdivision 2b. Active employees, who retire from the City when over age 50 and with 20 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program until age 65. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost. As of December 31, 2009 there were approximately 72 active participants and 14 retired participants receiving benefits from the City's health plans

B. Funding Policy

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2009, the City contributed \$135,284 to the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 283,891
Interest on Net OPEB Obligation	7,629
Adjustment to Annual Required Contribution	<u>(10,766)</u>
Annual OPEB Cost (Expense)	280,754
Contributions Made	<u>(135,284)</u>
Increase in Net OPEB Obligation	145,470
Net OPEB Obligation- Beginning of Year	<u>190,720</u>
Net OPEB Obligation- End of Year	<u><u>\$ 336,190</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 283,891	48.2%	336,190
12/31/2008	\$ 283,891	32.8%	190,720

D. Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$2,294,555 and plan assets were \$-0-. The annual payroll for active employees covered by the plan in the actuarial valuation was \$4,918,450 for a ratio of UAAL to covered payroll of 46.7%.

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 healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

a. Actuarial Methods and Assumptions

Because the City employs fewer than 100 employees and provides only the implicit rate subsidy to its retirees, certain assumptions were used to calculate the ARC. 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. It is assumed that 50% of active participants will continue coverage and that 100% of retirees will elect coverage until age 65. The study assumes no premium is paid by the City. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Life expectancies are based upon mortality tables at the National Center for Health Statistics websites, using the 2000 United States Life Tables for both Males and Females.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

a. Actuarial Methods and Assumptions (Continued)

In the January 1, 2008 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), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 10%, reduced by decrements to an ultimate rate of 5% after nine years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2009 was 28 years.

NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

Interfund loans receivable and payable are not expected to be collected within one year. These loans were provided to fund tax increment projects and will be repaid with future tax increment collections. A summary at December 31, 2009 is as follows:

Fund	Interfund Loans	
	Receivable	Payable
EDA	\$ 1,315,951	\$ -
TIF Districts	-	1,315,951
Total	\$ 1,315,951	\$ 1,315,951

Interfund transfers:

	Transfers In	Transfers Out
Governmental Activity:		
General Fund	\$ 592,853	\$ -
EDA	-	(48,485)
Special Assessments Bonds	631,875	(488,929)
Minnesota State Aid Streets	205,488	-
Permanent Improvement Revolving	-	(205,488)
TIF Districts	386,834	(479,453)
Nonmajor Funds:		
Special Revenue Funds:		
Grants Management	-	(1,600)
Debt Service Funds:		
TIF Bonds	92,619	-
Arena Revenue Bonds	9,858	(152,804)
Total Governmental Activity	1,919,527	(1,376,759)
Business-Type Activity:		
Public Utilities	-	(559,338)
Recreation	16,570	-
	\$ 1,936,097	\$ (1,936,097)

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS (CONTINUED)

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by other funds or to establish or close-out funds. All of the City's interfund transfers fall under these categories. All of the 2009 transfers are considered routine and consistent with previous practices.

NOTE 9 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 10 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.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 10 CONTINGENCIES (CONTINUED)

B. LITIGATION

The City attorney has indicated that 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 attorney, 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, 2009.

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 11 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 right to use this property in exchange for limited exclusive right 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 12 RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

Fund balance reservations and designations at December 31, 2009 are as follows:

	Reserved	Designation
General Fund:		
Designated for Working Capital	\$ -	\$ 5,274,336
Designated for Contingencies	-	468,023
Designated for Police Forfeitures	-	5,304
EDA:		
Reserved for Interfund Loan Receivable	1,315,951	-
Reserved for Land Held for Resale	550,494	-
Special Assessments Bond:		
Reserved for Debt Service	1,751,183	-
Public Works Reserve:		
Designated for Capital Projects	-	3,145,722
Minnesota State Aid Streets:		
Designated for Capital Projects	530,222	-
Public Works Facility Fund		
Reserved for Capital Projects	5,669,302	
Permanent Improvement Revolving:		
Designated for Capital Projects	-	947,460
Other Nonmajor Governmental Funds:		
Reserved for Debt Service	199,791	-
Designated per City Resolutions	-	4,897,831
Total	\$ 10,016,943	\$ 14,738,676

NOTE 13 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, 2009, there were four series of Industrial Revenue Bonds outstanding, with an aggregate scheduled principal amount payable of \$4,323,030.

**CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2009**

NOTE 14 JOINT VENTURES

A. DCC-JOINT POWERS DEBT COMMITMENT

On August 25, 2005, the City of West Saint Paul entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, 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 countywide 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, (members). Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

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

Payments from the City of West Saint Paul are provided from General Fund appropriations. The City's future member payments to DCC as of December 31, 2009 are as follows:

2010	\$	71,950
2011		73,950
2012		71,350
2013		78,750
	\$	<u>296,000</u>

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

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 14 JOINT VENTURES (CONTINUED)

B. SOUTH METRO FIRE DEPARTMENT

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

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

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

As required by the agreement, the City transferred fire department property and equipment to the SMFD on January 1, 2008, retaining its rights to these assets in the event of SMFD's dissolution. The property and equipment has an estimated original value of \$1,446,249 as of December 31, 2009.

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 2009 with additional service agreements in future years.

NOTE 15 SUBSEQUENT EVENTS

On April 27, 2010, the South St. Paul Housing and Redevelopment Authority (HRA) issued \$1,255,000 Capital Equipment Lease Revenue Bonds to provide financing for the South Metro Fire Department's acquisition of two new fire trucks. The Bonds are special, limited obligations of the Authority payable from and secured by a pledge of lease payments required to be made to the South St. Paul HRA by the Cities of South St. Paul and West St. Paul pursuant to the Lease-Purchase Agreement. Lease payments under the Lease will be an unlimited tax obligation for the Cities and will be paid from direct general ad valorem taxes beginning February 1, 2011 until February 1, 2020. The Bond payments will range from \$125,000 to \$155,000 with each of the City's portion being shared equally.

**CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 16 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. The provisions of this Statement are effective for financial statement periods beginning after June 15, 2009.

Statement No. 54 *Fund Balance Reporting and Government Fund Type Definitions*. The requirements of this Statement are effective for financial statement periods beginning after June 15, 2010. Governments that wish to implement earlier than that date are encouraged to do so.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
STATEMENT 11**

YEAR ENDED DECEMBER 31, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	2009					2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget		
	Original	Final				
Revenues:						
Taxes:						
Current	\$ 5,562,360	\$ 5,562,360	\$ 5,211,018	\$ (351,342)		\$ 5,055,007
Delinquent	75,000	75,000	67,393	(7,607)		89,844
Franchise Tax - Xcel Energy						
5% Gross Earnings	703,500	703,500	695,454	(8,046)		707,491
Off-Sale Liquor Tax	4,200	4,200	-	(4,200)		600
Water Surcharge	15,000	15,000	20,500	5,500		18,158
Gravel Tax	3,250	3,250	-	(3,250)		2,982
Total Taxes	<u>6,363,310</u>	<u>6,363,310</u>	<u>5,994,365</u>	<u>(368,945)</u>		<u>5,874,082</u>
Licenses and Permits:						
Licenses:						
Liquor, Beer and Wine	118,731	118,731	94,759	(23,972)		93,430
General Business	92,375	98,375	121,002	22,627		86,718
Miscellaneous	3,000	3,000	4,306	1,306		3,937
Permits:						
Building	276,000	276,000	151,966	(124,034)		192,856
Electrical	31,250	31,250	21,367	(9,883)		24,823
Mechanical	85,625	85,625	122,195	36,570		68,793
Total Licenses and Permits	<u>606,981</u>	<u>612,981</u>	<u>515,595</u>	<u>(97,386)</u>		<u>470,557</u>
Intergovernmental:						
Local Government Aid	1,523,142	1,523,142	1,182,950	(340,192)		877,324
Market Value Homestead Credit	-	-	277,668	277,668		267,057
Police Services	196,550	196,550	208,133	11,583		210,700
Highway Maintenance	111,562	111,562	120,000	8,438		111,562
Miscellaneous	41,500	41,500	241,950	200,450		147,007
Total Intergovernmental	<u>1,872,754</u>	<u>1,872,754</u>	<u>2,030,701</u>	<u>157,947</u>		<u>1,613,650</u>
Charges for Services:						
Surcharges	550	550	295	(255)		642
Public Safety Services	107,848	107,848	129,735	21,887		120,176
Recreation Programs and Leagues	60,000	60,000	48,913	(11,087)		44,894
General Government Services	186,700	191,700	247,310	55,610		189,642
Administrative - Construction	122,000	122,000	225,353	103,353		204,208
Total Charges for Services	<u>477,098</u>	<u>482,098</u>	<u>651,606</u>	<u>169,508</u>		<u>559,562</u>
Court Fines and Fees	130,000	130,000	132,957	2,957		119,783
Investment Income	131,500	131,500	101,249	(30,251)		140,294

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
STATEMENT 11
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009					2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget		
	Original	Final				
Revenues (Continued):						
Special Assessments:						
Special Assessments	9,000	9,000	23,528	14,528		19,963
Miscellaneous:						
Contributions and Donations	5,000	5,000	17,059	12,059		9,775
Penalties and Interest on Taxes and Assessments	4,666	4,666	13,250	8,584		19,202
Insurance Policy Dividends	9,000	9,000	-	(9,000)		1,197
Miscellaneous	3,875	3,875	23,935	20,060		15,789
Total Miscellaneous	<u>31,541</u>	<u>31,541</u>	<u>77,772</u>	<u>46,231</u>		<u>65,926</u>
 Total Revenues	 9,613,184	 9,624,184	 9,504,245	 (119,939)		 8,843,854
Expenditures:						
General Government:						
Mayor/Council:						
Personal Services	52,127	52,127	51,728	(399)		51,728
Supplies	300	300	342	42		134
Contractual Services	44,250	44,250	54,530	10,280		46,421
Other Charges	22,500	22,500	20,896	(1,604)		21,074
Total Mayor/Council	<u>119,177</u>	<u>119,177</u>	<u>127,496</u>	<u>8,319</u>		<u>119,357</u>
Manager and Administration:						
Personal Services	415,793	415,793	395,485	(20,308)		490,455
Supplies	19,000	19,000	12,526	(6,474)		17,446
Contractual Services	17,575	17,575	8,173	(9,402)		8,464
Other Charges	14,150	14,150	14,210	60		8,749
Total Manager and Administration	<u>466,518</u>	<u>466,518</u>	<u>430,394</u>	<u>(36,124)</u>		<u>525,114</u>
Finance:						
Personal Services	383,072	383,072	352,074	(30,998)		364,645
Supplies	4,100	4,100	5,594	1,494		5,783
Contractual Services	39,200	39,200	13,235	(25,965)		13,241
Other Charges	9,600	9,600	10,174	574		11,925
Total Finance	<u>435,972</u>	<u>435,972</u>	<u>381,077</u>	<u>(54,895)</u>		<u>395,594</u>
Human Relations:						
Personal Services	251,103	251,103	82,506	(168,597)		58,366
Supplies	-	-	86	86		419
Contractual Services	50,964	50,964	26,365	(24,599)		7,823
Other Charges	2,000	2,000	1,305	(695)		1,388
Total Human Relations	<u>304,067</u>	<u>304,067</u>	<u>110,262</u>	<u>(193,805)</u>		<u>67,996</u>

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
STATEMENT 11
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009				2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Expenditures (Continued):					
General Government:					
Elections:					
Personal Services	17,250	17,250	64	(17,186)	30,015
Supplies	4,700	4,700	739	(3,961)	1,869
Contractual Services	3,400	3,400	399	(3,001)	926
Other Charges	3,800	3,800	2,825	(975)	3,792
Total Elections	<u>29,150</u>	<u>29,150</u>	<u>4,027</u>	<u>(25,123)</u>	<u>36,602</u>
City Attorney:					
Contractual Services	289,000	289,000	260,651	(28,349)	309,574
Charter Commission:					
Contractual Services	1,700	1,700	4,366	2,666	3,825
General Government Buildings:					
Personal Services	83,029	83,029	66,276	(16,753)	59,674
Supplies	15,450	15,450	14,464	(986)	9,304
Contractual Services	101,631	101,631	93,789	(7,842)	122,466
Other Charges	15,300	15,300	10,399	(4,901)	60,539
Total General Government Buildings	<u>215,410</u>	<u>215,410</u>	<u>184,928</u>	<u>(30,482)</u>	<u>251,983</u>
Planning and Zoning:					
Personal Services	84,812	84,812	79,181	(5,631)	74,530
Supplies	200	200	79	(121)	151
Contractual Services	8,700	8,700	5,447	(3,253)	7,650
Other Charges	300	300	1,838	1,538	265
Total Planning and Zoning	<u>94,012</u>	<u>94,012</u>	<u>86,545</u>	<u>(7,467)</u>	<u>82,596</u>
Building Inspection:					
Personal Services	160,610	160,610	158,745	(1,865)	150,751
Supplies	1,900	1,900	4,795	2,895	2,395
Contractual Services	75,850	75,850	89,210	13,360	57,127
Other Charges	1,350	1,350	379	(971)	897
Total Building Inspection	<u>239,710</u>	<u>239,710</u>	<u>253,129</u>	<u>13,419</u>	<u>211,170</u>

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
STATEMENT 11
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009					2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget		
	Original	Final				
Expenditures (Continued):						
General Government (Continued):						
Management Information Systems:						
Personal Services	154,754	154,754	29,353	(125,401)		71,052
Supplies	800	800	2,202	1,402		202
Contractual Services	75,636	75,636	127,094	51,458		52,118
Other Charges	500	500	58	(442)		1,786
Total Management Information Systems	<u>231,690</u>	<u>231,690</u>	<u>158,707</u>	<u>(72,983)</u>		<u>125,158</u>
Administrative Citations:						
Contractual Services	-	-	6,123	6,123		-
Total General Government	<u>2,426,406</u>	<u>2,426,406</u>	<u>2,007,705</u>	<u>(418,701)</u>		<u>2,128,969</u>
Public Safety:						
Dispatching:						
Supplies	-	-	193	193		-
Contractual Services	469,534	469,534	497,962	28,428		302,725
Other Charges	-	-	1,058	1,058		554
Total Dispatching	<u>469,534</u>	<u>469,534</u>	<u>499,213</u>	<u>29,679</u>		<u>303,279</u>
Police Protection:						
Personal Services	2,999,111	2,999,111	3,031,316	32,205		2,901,485
Supplies	180,550	180,550	109,350	(71,200)		137,835
Contractual Services	125,000	125,000	122,993	(2,007)		127,717
Other Charges	44,950	44,950	36,274	(8,676)		68,015
Capital Outlay	-	-	40	40		7,690
Total Police Protection	<u>3,349,611</u>	<u>3,349,611</u>	<u>3,299,973</u>	<u>(49,638)</u>		<u>3,242,742</u>
Fire Protection:						
Supplies	-	-	-	-		363
Contractual Services	1,970,788	1,970,788	1,749,670	(221,118)		1,804,784
Other Charges	-	-	-	-		183,571
Total Fire Protection	<u>1,970,788</u>	<u>1,970,788</u>	<u>1,749,670</u>	<u>(221,118)</u>		<u>1,988,718</u>
Civil Defense:						
Supplies	2,000	2,000	2,082	82		129
Contractual Services	350	350	311	(39)		309
Other Charges	4,775	4,775	4,650	(125)		5,287
Total Civil Defense	<u>7,125</u>	<u>7,125</u>	<u>7,043</u>	<u>(82)</u>		<u>5,725</u>

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
STATEMENT 11
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009				2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Expenditures (Continued):					
Public Safety (Continued):					
Animal Control:					
Contractual Services	5,500	5,500	7,428	1,928	3,261
Total Public Safety	5,802,708	5,802,708	5,563,327	(239,381)	5,543,725
Public Works:					
Engineering:					
Personal Services	115,871	115,871	117,948	2,077	110,331
Supplies	3,600	3,600	1,634	(1,966)	2,526
Contractual Services	11,750	11,750	8,892	(2,858)	6,125
Other Charges	8,825	8,825	6,413	(2,412)	780
Total Engineering	140,046	140,046	134,887	(5,159)	119,762
Street Department:					
Personal Services	744,180	744,180	764,767	20,587	712,035
Supplies	159,700	165,950	138,436	(27,514)	169,435
Contractual Services	49,175	66,800	64,040	(2,760)	16,362
Other Charges	13,925	14,025	8,041	(5,984)	5,079
Total Street Department	966,980	990,955	975,284	(15,671)	902,911
Traffic Signs:					
Supplies	4,500	4,500	6,617	2,117	4,098
Contractual Services	15,650	15,650	10,551	(5,099)	11,233
Other Charges	500	500	390	(110)	390
Total Traffic Signs	20,650	20,650	17,558	(3,092)	15,721
Street Lighting:					
Supplies	375	375	85	(290)	291
Contractual Services	124,000	124,000	122,152	(1,848)	127,042
Total Street Lighting	124,375	124,375	122,237	(2,138)	127,333
Total Public Works	1,252,051	1,276,026	1,249,966	(26,060)	1,165,727

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
STATEMENT 11
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009					2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget		
	Original	Final				
Expenditures (Continued):						
Parks and Recreation:						
Parks:						
Personal Services	\$ 536,198	\$ 536,198	\$ 473,367	\$ (62,831)	\$ 478,094	
Supplies	46,300	48,025	40,828	(7,197)	39,884	
Contractual Services	65,400	65,400	66,001	601	65,071	
Other Charges	54,275	52,550	45,694	(6,856)	40,790	
Total Parks and Recreation	<u>702,173</u>	<u>702,173</u>	<u>625,890</u>	<u>(76,283)</u>	<u>623,839</u>	
Unallocated General Expenditures:						
Supplies	3,025	3,025	137	(2,888)	81	
Contractual Services	7,500	7,500	2,088	(5,412)	18,760	
Other Charges	1,500	1,500	4,589	3,089	33,566	
Total Unallocated General Expenditures	<u>12,025</u>	<u>12,025</u>	<u>6,814</u>	<u>(5,211)</u>	<u>52,407</u>	
Total Expenditures	<u>10,195,363</u>	<u>10,219,338</u>	<u>9,453,702</u>	<u>(765,636)</u>	<u>9,514,667</u>	
Revenues Over (Under) Expenditures	(582,179)	(595,154)	50,543	645,697	(670,813)	
Other Financing Sources (Uses):						
Sale of Capital Assets	16,500	16,500	5,774	(10,726)	45,165	
Transfer from Special Revenue Fund	61,485	50,485	50,085	(400)	54,000	
Transfer from Enterprise Fund	542,768	542,768	542,768	-	515,150	
Total Other Financing Sources (Uses)	<u>620,753</u>	<u>609,753</u>	<u>598,627</u>	<u>(11,126)</u>	<u>614,315</u>	
Net Change in Fund Balances	<u>\$ 38,574</u>	<u>\$ 14,599</u>	649,170	<u>\$ 634,571</u>	(56,498)	
Fund Balance - January 1			5,098,493		5,154,987	
Fund Balance - December 31			<u>\$ 5,747,663</u>		<u>\$ 5,098,493</u>	

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT 12
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009					2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget		
	Original	Final				
Revenues:						
Taxes:						
Current	\$ 371,616	\$ 371,616	\$ 347,635	\$ (23,981)		\$ 310,457
Delinquent	3,000	3,000	3,969	969		5,362
Intergovernmental:						
Market Value Homestead Credit	-	-	18,564	18,564		16,422
Revenue From the County	21,900	21,900	22,200	300		-
Investment Income	110,350	110,350	129,611	19,261		130,531
Charges for Services	12,000	11,000	30,015	19,015		12,892
Miscellaneous:						
Other Income	6,100	6,100	6,302	202		6,000
Total Revenue	<u>524,966</u>	<u>523,966</u>	<u>558,296</u>	<u>34,330</u>		<u>481,664</u>
Expenditures:						
General Government:						
Personal Services	292,942	292,942	263,671	(29,271)		203,098
Supplies	1,000	1,000	2,340	1,340		2,558
Contractual Services	92,350	92,350	188,108	95,758		53,557
Other Charges	35,250	35,250	73,072	37,822		25,901
Street Construction	-	-	-	-		-
Total Expenditures	<u>421,542</u>	<u>421,542</u>	<u>527,191</u>	<u>105,649</u>		<u>285,114</u>
Revenue Over (Under) Expenditures	103,424	102,424	31,105	(71,319)		196,550
Other Financing Sources (Uses):						
Transfer to General Fund	<u>(61,485)</u>	<u>(50,485)</u>	<u>(48,485)</u>	<u>2,000</u>		<u>(39,675)</u>
Net Change in Fund Balances	<u>\$ 41,939</u>	<u>\$ 51,939</u>	<u>(17,380)</u>	<u>\$ (69,319)</u>		<u>156,875</u>
Fund Balance - January 1			<u>3,605,491</u>			<u>3,448,616</u>
Fund Balance - December 31			<u>\$ 3,588,111</u>			<u>\$ 3,605,491</u>

**CITY OF WEST ST. PAUL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS
 STATEMENT 13
 FOR THE YEAR ENDED DECEMBER 31, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (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	-	\$ 4,918,450	46.7%

**CITY OF WEST ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
DECEMBER 31, 2009**

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 departmental level for the major funds. There were several departments where the expenditures exceeded the final budget at December 31, 2009. A detailed listing of these overages can be found at Note 1.E to the basic financial statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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

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.

CAPITAL PROJECTS 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).

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**CITY OF WEST ST. PAUL, MINNESOTA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT 14
 DECEMBER 31, 2009
 (WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	Special Revenue Funds			
	Community Development Block Grant	Landfill Abatement Program	911 Communications	PERA Police
Assets:				
Cash and Investments	\$ 21,498	\$ 18,123	\$ -	\$ 51,388
Accrued Interest Receivable	107	82	-	235
Due from Other Governmental Units	-	-	-	-
Accounts Receivable	-	-	-	-
Delinquent Taxes Receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 21,605	\$ 18,205	\$ -	\$ 51,623
Liabilities and Fund Balance:				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance (Deficit):				
Reserved for Debt Service	-	-	-	-
Designated for Equipment Purchased	-	-	-	-
Designated for Targeted Minimum Balance	21,605	18,205	-	51,623
Designated for Contingencies	-	-	-	-
Unreserved	-	-	-	-
Total Fund Balance (Deficit)	21,605	18,205	-	51,623
Total Liabilities and Fund Balance	\$ 21,605	\$ 18,205	\$ -	\$ 51,623

**CITY OF WEST ST. PAUL, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND (CONTINUED)
STATEMENT 14
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	Special Revenue Funds			Totals Nonmajor Special Revenue Funds	Debt Service Funds			Totals Nonmajor Debt Service Funds
	PERA Fire	Grants Management	Insurance Fund		General Obligation Bonds	TIF Bonds	Capital Note Funds	
Assets:								
Cash and Investments	\$ 585,596	\$ 7,972	\$ 1,038,872	\$ 1,723,449	\$ 65,798	\$ -	\$ 109,588	\$ 175,386
Accrued Interest Receivable	2,677	57	4,582	7,740	481	-	358	839
Due from Other Governmental Units	-	-	21,268	21,268	4,175	-	19,391	23,566
Accounts Receivable	-	-	-	-	-	-	-	-
Delinquent Taxes Receivable	-	-	7,412	7,412	1,723	-	7,310	9,033
Total Assets	\$ 588,273	\$ 8,029	\$ 1,072,134	\$ 1,759,869	\$ 72,177	\$ -	\$ 136,647	\$ 208,824
Liabilities and Fund Balance:								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 15,159	\$ 15,159	\$ -	\$ -	\$ -	\$ -
Due to Other Governmental Units	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	7,412	7,412	1,723	-	7,310	9,033
Total Liabilities	-	-	22,571	22,571	1,723	-	7,310	9,033
Fund Balance (Deficit):								
Reserved for Debt Service	-	-	-	-	70,454	-	129,337	199,791
Designated for Equipment Purchases	588,273	-	-	588,273	-	-	-	-
Designated for Targeted Minimum Balance	-	8,029	1,000,000	1,099,462	-	-	-	-
Designated for Contingencies	-	-	49,563	49,563	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	588,273	8,029	1,049,563	1,737,298	70,454	-	129,337	199,791
Total Liabilities and Fund Balance	\$ 588,273	\$ 8,029	\$ 1,072,134	\$ 1,759,869	\$ 72,177	\$ -	\$ 136,647	\$ 208,824

**CITY OF WEST ST. PAUL, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND (CONTINUED)
STATEMENT 14
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	Capital Project Funds				Totals Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds 2009	Total Nonmajor Governmental Funds 2008
	Equipment Acquisition	Technology Replacement	Equipment Replacement	Parks Improvement			
	Revolving	Replacement	Replacement	Improvement			
Assets:							
Cash and Investments	\$ 332,498	\$ 886,844	\$ 1,000,296	\$ 934,934	\$ 3,154,572	\$ 5,053,407	\$ 5,196,668
Accrued Interest Receivable	1,272	4,075	4,592	4,325	14,264	22,843	29,689
Due from Other Governmental Units	-	-	-	2,692	2,692	47,526	52,597
Accounts Receivable	-	-	-	-	-	-	8,099
Delinquent Taxes Receivable	-	-	-	1,308	1,308	17,753	17,213
Total Assets	\$ 333,770	\$ 890,919	\$ 1,004,888	\$ 943,259	\$ 3,172,836	\$ 5,141,529	\$ 5,304,266
Liabilities and Fund Balance:							
Liabilities:							
Accounts Payable	\$ 7,849	\$ -	\$ -	\$ 3,146	\$ 10,995	\$ 26,154	\$ 55,220
Due to Other Governmental Units	-	-	-	-	-	-	2,696
Deferred Revenue	-	-	-	1,308	1,308	17,753	17,214
Total Liabilities	7,849	-	-	4,454	12,303	43,907	75,130
Fund Balance (Deficit):							
Reserved for Debt Service	-	-	-	-	-	199,791	331,853
Designated for Equipment Purchases	325,921	-	1,004,888	-	1,330,809	1,919,082	-
Designated for Targeted Minimum Balance	-	890,919	-	938,805	1,829,724	2,929,186	3,537,555
Designated for Contingencies	-	-	-	-	-	49,563	-
Unreserved	-	-	-	-	-	-	1,359,728
Total Fund Balance (Deficit)	325,921	890,919	1,004,888	938,805	3,160,533	5,097,622	5,229,136
Total Liabilities and Fund Balance	\$ 333,770	\$ 890,919	\$ 1,004,888	\$ 943,259	\$ 3,172,836	\$ 5,141,529	\$ 5,304,266

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**CITY OF WEST ST. PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT 15
 YEAR ENDED DECEMBER 31, 2009
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	Special Revenue Funds			
	Community Development Block Grant	Landfill Abatement Program	911 Communications	PERA Police
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment Income	432	230	-	951
Insurance Dividends	-	-	-	-
Miscellaneous Revenue:				
Insurance Recoveries	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>432</u>	<u>230</u>	<u>-</u>	<u>951</u>
Expenditures:				
Current:				
General Government	1,994	-	-	-
Public Safety	-	-	-	64
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Unallocated General Expenditures	-	643	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,994</u>	<u>643</u>	<u>-</u>	<u>64</u>
Revenues Over (Under) Expenditures	(1,562)	(413)	-	887
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,562)	(413)	-	887
Fund Balance - January 1	<u>23,167</u>	<u>18,618</u>	<u>-</u>	<u>50,736</u>
Fund Balance - December 31	<u>\$ 21,605</u>	<u>\$ 18,205</u>	<u>\$ -</u>	<u>\$ 51,623</u>

CITY OF WEST ST. PAUL, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
STATEMENT 15
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)

	Special Revenue Funds				Debt Service Funds			Totals Nonmajor Debt Service Funds
	PERA Fire	Grants Management	Insurance Fund	Total Nonmajor Special Revenue Funds	General Obligation Bonds	TIF Bonds	Capital Note Funds	
Revenues:								
General Property Taxes	\$ -	\$ -	\$ 261,814	\$ 261,814	\$ 182,075	\$ -	\$ 264,099	\$ 446,174
Intergovernmental	-	-	13,820	13,820	9,592	-	13,937	23,529
Investment Income	10,850	115	17,345	29,923	905	-	1,728	2,633
Insurance Dividends	-	-	31,101	31,101	-	-	-	-
Miscellaneous Revenue:								
Insurance Recoveries	-	-	9,190	9,190	-	-	-	-
Other	-	-	1,085	1,085	-	-	-	-
Total Revenues	10,850	115	334,355	346,933	192,572	-	279,764	472,336
Expenditures:								
Current:								
General Government	-	-	20,832	22,826	-	-	-	-
Public Safety	734	5,002	156,725	162,525	-	-	-	-
Public Works	-	-	47,338	47,338	-	-	-	-
Parks and Recreation	-	-	88,454	88,454	-	-	-	-
Unallocated General Expenditures	-	-	101,058	101,701	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	125,000	25,000	205,000	355,000
Interest	-	-	-	-	38,711	67,619	29,225	135,555
Total Expenditures	734	5,002	414,407	422,844	163,711	92,619	234,225	490,555
Revenues Over (Under) Expenditures	10,116	(4,887)	(80,052)	(75,911)	28,861	(92,619)	45,539	(18,219)
Other Financing Sources (Uses):								
Issuance of Debt	-	-	-	-	900,000	-	1,482	901,482
Payment to Escrow Agent	-	-	-	-	(965,000)	-	-	(965,000)
Transfers in	-	-	-	-	9,858	92,619	-	102,477
Transfers out	-	(1,600)	-	(1,600)	(152,804)	-	-	(152,804)
Total Other Financing Sources (Uses)	-	(1,600)	-	(1,600)	(207,946)	92,619	1,482	(113,845)
Net Change in Fund Balances	10,116	(6,487)	(80,052)	(77,511)	(179,085)	-	47,021	(132,064)
Fund Balance - January 1	578,157	14,516	1,129,615	1,814,809	249,539	-	82,316	331,855
Fund Balance - December 31	<u>\$ 588,273</u>	<u>\$ 8,029</u>	<u>\$ 1,049,563</u>	<u>\$ 1,737,298</u>	<u>\$ 70,454</u>	<u>\$ -</u>	<u>\$ 129,337</u>	<u>\$ 199,791</u>

CITY OF WEST ST. PAUL, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
STATEMENT 15
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)

	Capital Project Funds				Totals Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds 2009	Total Nonmajor Governmental Funds 2008
	Equipment Acquisition Revolving	Technology Replacement	Equipment Replacement	Parks Improvement			
	Revenues:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 33,173	\$ 33,173	\$ 741,161	\$ 704,435
Intergovernmental	-	-	-	1,748	1,748	39,097	154,195
Investment Income	5,073	16,274	18,545	17,669	57,561	90,117	187,672
Insurance Dividends	-	-	-	-	-	31,101	14,458
Miscellaneous Revenue:							
Insurance Recoveries	-	-	-	-	-	9,190	17,160
Other	-	-	-	48,040	48,040	49,125	27,846
Total Revenues	5,073	16,274	18,545	100,630	140,522	959,791	1,105,766
Expenditures:							
Current:							
General Government	-	919	-	-	919	23,745	207,809
Public Safety	-	1,704	-	-	1,704	164,229	194,921
Public Works	-	-	4,179	-	4,179	51,517	69,447
Parks and Recreation	-	-	5,791	23,979	29,770	118,224	38,612
Unallocated General Expenditures	1,268	1,118	2,178	-	4,564	106,265	106,507
Capital Outlay	114,415	10,678	-	64,251	189,344	189,344	269,248
Debt Service:							
Principal	-	-	-	-	-	355,000	345,000
Interest	-	-	-	-	-	135,555	155,807
Total Expenditures	115,683	14,419	12,148	88,230	230,480	1,143,879	1,387,351
Revenues Over (Under) Expenditures	(110,610)	1,855	6,397	12,400	(89,958)	(184,088)	(281,585)
Other Financing Sources (Uses):							
Issuance of Debt	168,017	-	-	-	168,017	1,069,499	230,000
Payment to Escrow Agent	-	-	-	-	-	(965,000)	-
Transfers in	-	-	-	-	-	102,477	93,638
Transfers out	-	-	-	-	-	(154,404)	(14,407)
Total Other Financing Sources (Uses)	168,017	-	-	-	168,017	52,572	309,231
Net Change in Fund Balances	57,407	1,855	6,397	12,400	78,059	(131,516)	27,646
Fund Balance - January 1	268,514	889,064	998,491	926,405	3,082,474	5,229,138	5,201,490
Fund Balance - December 31	\$ 325,921	\$ 890,919	\$ 1,004,888	\$ 938,805	\$ 3,160,533	\$ 5,097,622	\$ 5,229,136

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GENERAL FUND

The General fund accounts for all financial resources except for those required to be accounted for in another fund.

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
BALANCE SHEET
STATEMENT 16
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and Investments	\$ 5,080,698	\$ 4,674,303
Accrued Interest Receivable	14,716	22,438
Due from State	125,742	180
Due from County	436,974	391,813
Due from Other Governmental Units	122,383	80,466
Accounts Receivable	460,592	500,129
Less: Allowance for Uncollectible Receivables	(54,545)	(74,851)
Delinquent Taxes Receivable	120,877	102,320
Delinquent and Deferred Special Assessment Receivable	<u>33,943</u>	<u>41,402</u>
 Total Assets	 <u>\$ 6,341,380</u>	 <u>\$ 5,738,200</u>
 Liabilities and Fund Balance:		
Liabilities:		
Accrued Salaries and Withholdings Payable	\$ 183,623	\$ 243,203
Accounts Payable	155,204	129,884
Due to Other Governmental Units	50,342	27,639
Deposits Payable	45,148	71,718
Deferred Revenue	<u>159,400</u>	<u>167,263</u>
Total Liabilities	593,717	639,707
 Fund Balance:		
Unreserved:		
Designated for Working Capital	5,274,336	4,096,047
Designated for Contingencies	468,023	980,223
Designated for Police Forfeitures	<u>5,304</u>	<u>22,223</u>
Total Fund Balance	<u>5,747,663</u>	<u>5,098,493</u>
 Total Liabilities and Fund Balance	 <u>\$ 6,341,380</u>	 <u>\$ 5,738,200</u>

**CITY OF WEST ST. PAUL,
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenues:		
Taxes:		
Current	\$ 5,211,018	\$ 5,055,007
Delinquent	67,393	89,844
Franchise Tax - Xcel Energy 5% Gross Earnings	695,454	707,491
Off-Sale Liquor Tax	-	600
Water Surcharge	20,500	18,158
Gravel Tax	-	2,982
Total Taxes	<u>5,994,365</u>	<u>5,874,082</u>
Licenses and Permits:		
Licenses:		
Liquor, Beer and Wine	94,759	93,430
General Business	121,002	86,718
Miscellaneous	4,306	3,937
Permits:		
Building	151,966	192,856
Electrical	21,367	24,823
Mechanical	122,195	68,793
Total Licenses and Permits	<u>515,595</u>	<u>470,557</u>
Intergovernmental:		
State:		
Local Government Aid	1,182,950	877,324
Market Value Homestead Credit	277,668	267,057
Police Services	208,133	210,700
Highway Maintenance	120,000	111,562
Miscellaneous	241,950	147,007
Total Intergovernmental	<u>2,030,701</u>	<u>1,613,650</u>
Charges for Services:		
Surcharges	295	642
Public Safety Services	129,735	120,176
Recreation Programs and Leagues	48,913	44,894
General Government Services	247,310	189,642
Administrative - Construction	225,353	204,208
Total Charges for Services	<u>651,606</u>	<u>559,562</u>
Court Fines and Fees	132,957	119,783
Investment Income	101,249	140,294

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Revenues (Continued):		
Miscellaneous:		
Penalties and Interest on Taxes and Assessments	13,250	19,202
Special Assessments	23,528	19,963
Contributions	17,059	9,775
Insurance Policy Dividends	-	1,197
Miscellaneous	23,935	15,789
Total Miscellaneous	77,772	65,926
Total Revenues	9,504,245	8,843,854
Expenditures:		
General Government:		
Mayor/Council:		
Personal Services	51,728	51,728
Supplies	342	134
Contractual Services	54,530	46,421
Other Charges	20,896	21,074
Total Mayor/Council	127,496	119,357
Manager and Administration:		
Personal Services	395,485	490,455
Supplies	12,526	17,446
Contractual Services	8,173	8,464
Other Charges	14,210	8,749
Total Manager and Administration	430,394	525,114
Finance:		
Personal Services	352,074	364,645
Supplies	5,594	5,783
Contractual Services	13,235	13,241
Other Charges	10,174	11,925
Total Finance	381,077	395,594
Human Relations:		
Personal Services	82,506	58,366
Supplies	86	419
Contractual Services	26,365	7,823
Other Charges	1,305	1,388
Total Human Relations	110,262	67,996

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Expenditures (Continued):		
General Government (Continued):		
Elections:		
Personal Services	64	30,015
Supplies	739	1,869
Contractual Services	399	926
Other Charges	2,825	3,792
Total Elections	4,027	36,602
City Attorney:		
Contractual Services	260,651	309,574
Charter Commission:		
Contractual Services	4,366	3,825
General Government Buildings:		
Personal Services	66,276	59,674
Supplies	14,464	9,304
Contractual Services	93,789	122,466
Other Charges	10,399	60,539
Total General Government Buildings	184,928	251,983
Planning and Zoning:		
Personal Services	79,181.00	74,530
Supplies	79	151
Contractual Services	5,447	7,650
Other Charges	1,838	265
Total Planning and Zoning	86,545	82,596
Building Inspection:		
Personal Services	158,745	150,751
Supplies	4,795	2,395
Contractual Services	89,210	57,127
Other Charges	379	897
Total Building Inspection	253,129	211,170

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Expenditures (Continued):		
General Government (Continued):		
Management Information Systems:		
Personal Services	29,353	71,052
Supplies	2,202	202
Contractual Services	127,094	52,118
Other Charges	58	1,786
Total Management Information Systems	158,707	125,158
Administrative Citations		
Contractual Services	6,123	-
Total General Government	2,007,705	2,128,969
Public Safety:		
Dispatching:		
Supplies	193	-
Contractual Services	497,962	302,725.00
Other Charges	1,058	554.00
Total Dispatching	499,213	303,279
Police Protection:		
Personal Services	3,031,316	2,901,485
Supplies	109,350	137,835
Contractual Services	122,993	127,717
Other Charges	36,274	68,015
Capital Outlay	40	7,690
Total Police Protection	3,299,973	3,242,742
Fire Protection:		
Supplies	-	363
Contractual Services	1,749,670	1,804,784
Other Charges	-	183,571
Total Fire Protection	1,749,670	1,988,718
Civil Defense:		
Supplies	2,082	129
Contractual Services	311	309
Other Charges	4,650	5,287
Total Civil Defense	7,043	5,725

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Expenditures (Continued):		
Public Safety (Continued):		
Animal Control:		
Contractual Services	7,428	3,261
Total Public Safety	5,563,327	5,543,725
Public Works:		
Engineering:		
Personal Services	117,948	110,331
Supplies	1,634	2,526
Contractual Services	8,892	6,125
Other Charges	6,413	780
Total Engineering	134,887	119,762
Street Department:		
Personal Services	764,767	712,035
Supplies	138,436	169,435
Contractual Services	64,040	16,362
Other Charges	8,041	5,079
Total Street Department	975,284	902,911
Traffic Signs:		
Supplies	6,617	4,098
Contractual Services	10,551	11,233
Other Charges	390	390
Total Traffic Signs	17,558	15,721
Street Lighting:		
Supplies	85	291
Contractual Services	122,152	127,042
Total Street Lighting	122,237	127,333
Total Public Works	1,249,966	1,165,727
Parks and Recreation:		
Parks:		
Personal Services	473,367	478,094
Supplies	40,828	39,884
Contractual Services	66,001	65,071
Other Charges	45,694	40,790
Total Parks and Recreation	625,890	623,839

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
STATEMENT 17
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Expenditures (Continued):		
Unallocated General Expenditures:		
Supplies	137	81
Contractual Services	2,088	18,760
Other Charges	4,589	33,566
Total Unallocated General Expenditures	6,814	52,407
Total Expenditures	9,453,702	9,514,667
Revenues Over (Under) Expenditures	50,543	(670,813)
Other Financing Sources:		
Sale of Capital Assets	5,774	45,165
Transfer from Special Revenue Fund	50,085	54,000
Transfer from Enterprise Fund	542,768	515,150
Total Other Financing Sources	598,627	614,315
Net Change in Fund Balances	649,170	(56,498)
Fund Balance - January 1,	5,098,493	5,154,987
Fund Balance - December 31	\$ 5,747,663	\$ 5,098,493

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INDIVIDUAL FUND STATEMENTS – SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following Special Revenue Funds during 2009:

Community Development Block Grant – used to account for the receipt and disbursement of a \$593,000 Community Development Block Grant awarded to the City in March 1981 under the Metro Small Cities program of the United States Department of Housing and Urban Development. The Dakota County HRA has administered all aspects of this program on behalf of the City in early 1985. Current activity in this fund represents accumulating repayments of loans made to property owners under the rehabilitation program. These accumulated monies can be used by the City Council for any community development purpose. During 1987, the City Council approved using these monies to abate street assessments resulting from the Street Reconstruction Program for low income property owners.

Landfill Abatement Program – used to account for recycling operations of the City of West St. Paul. Funding these operations comes from a Dakota County Landfill Abatement Funding Assistance Program. Currently, the following types of activities are being accounted for through this fund.

- 1) Various forms of financial support for recycling efforts operating in the City.
- 2) Purchase and distribution of containers for recyclable goods to all City residents.
- 3) Contracting with part-time recycling coordinator to manage the City's recycling efforts.

911 Communications – used to account for the receipts from the State of Minnesota and Dakota County that are fees collected from all telephone users in the City that have access to the 911 emergency system.

Economic Development Authority (Major Fund) – used to account for the facilitation of redevelopment of property within the City. The City established the EDA according to Minnesota Statutes 469.109.

PERA Police Fund – used to account for refund of residual assets of the over funded PERA monies for police staff.

PERA Fire Fund – used to account for refund of residual assets of the over funded PERA monies for the fire staff.

Grants Management Fund – used to account for the various grants received by the City for use in the various operating departments that are not of sufficient size or duration to justify the creation of a separate Special Revenue Fund.

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

**CITY OF WEST ST. PAUL, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
BALANCE SHEET
STATEMENT 18
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 21,498	\$ 23,035
Accrued Interest Receivable	107	132
Total Assets	\$ 21,605	\$ 23,167
Liabilities and Fund Balance:		
Fund Balance:		
Unreserved	\$ 21,605	23,167

**CITY OF WEST ST. PAUL, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – BUDGET TO ACTUAL
STATEMENT 19**

YEAR ENDED DECEMBER 31, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	2009				2008 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Revenue:					
Investment Income	\$ 1,500	\$ 1,500	\$ 432	\$ (1,068)	\$ 835
Expenditures:					
General Government:					
Contractual Services	<u>725</u>	<u>725</u>	<u>1,994</u>	<u>1,269</u>	<u>675</u>
Revenue Over (Under) Expenditures	<u>\$ 775</u>	<u>\$ 775</u>	(1,562)	<u>\$ (2,337)</u>	160
Fund Balance - January 1			<u>23,167</u>		<u>23,007</u>
Fund Balance - December 31			<u>\$ 21,605</u>		<u>\$ 23,167</u>

**CITY OF WEST ST. PAUL, MINNESOTA
 LANDFILL ABATEMENT PROGRAM FUND
 BALANCE SHEET
 STATEMENT 20
 DECEMBER 31, 2009
 (WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 18,123	\$ 27,678
Accrued Interest Receivable	82	240
Total Assets	\$ 18,205	\$ 27,918
Liabilities and Fund Balance:		
Liabilities:		
Due to Other Government Units	\$ -	\$ 9,300
Fund Balance:		
Unreserved	18,205	18,618
Total Liabilities and Fund Balance	\$ 18,205	\$ 27,918

**CITY OF WEST ST. PAUL, MINNESOTA
 LANDFILL ABATEMENT PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 STATEMENT 21
 DECEMBER 31, 2009
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Revenue:		
Intergovernmental Revenue:		
County Grants	\$ -	\$ 31,200
Investment Income	230	1,486
Total Revenue	230	32,686
Expenditures:		
Unallocated General Expenditures:		
Contractual Services	620	7,118
Other Charges	23	9,399
Total Expenditures	643	16,517
Revenue Over (Under) Expenditures	(413)	16,168
Other Financing Sources (Uses):		
Transfer to General Fund	-	(14,325)
Net Change in Fund Balances	(413)	1,843
Fund Balance - January 1	18,618	16,775
Fund Balance - December 31	\$ 18,205	\$ 18,618

**CITY OF WEST ST. PAUL,
911 COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 22
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2009
Revenue:		
Intergovernmental:		
Other Governmental	\$ -	\$ 56,470
Investment Income	-	519
Total Revenue	-	56,989
Expenditures:		
Unallocated General Expenditures:		
Contractual Services	-	91,460
Other Charges	-	5,193
Total Expenditures	-	96,653
Net Increase in Fund Balance	-	(39,664)
Fund Balance - January 1	-	39,664
Fund Balance - December 31	\$ -	\$ -

**CITY OF WEST ST. PAUL, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
STATEMENT 23
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 1,736,776	\$ 1,972,853
Accrued Interest Receivable	7,821	11,454
Due from County	28,604	23,599
Accounts Receivable	1,000	-
Delinquent Taxes Receivable	9,828	7,121
Land Held for Resale	550,494	23,383
Loan Receivable	104,518	122,277
Interfund Loan Receivable	1,315,951	1,621,840
Total Assets	\$ 3,754,992	\$ 3,782,527
Liabilities and Fund Balance:		
Liabilities:		
Accrued Salaries and Withholdings Payable	\$ 11,396	\$ 10,650
Accounts Payable	5,084	3,290
Due to Other Governmental Units	598	-
Deferred revenue	149,623	162,916
Total Liabilities	166,701	176,856
Fund Balance:		
Reserved for Interfund Loan Receivable	1,315,951	1,621,840
Reserved for Land Held for Resale	550,494	23,383
Unreserved	1,721,846	1,960,448
Total Fund Balance	3,588,291	3,605,671
Total Liabilities and Fund Balance	\$ 3,754,992	\$ 3,782,527

**CITY OF WEST ST. PAUL, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 24
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Taxes - Current	\$ 347,635	\$ 310,457
Delinquent Property Taxes	3,969	5,362
Intergovernmental:		
Market Value Homestead Credit	18,564	16,422
Revenue from the County	22,200	-
Investment Income	129,611	130,531
Charges for Services	30,015	12,892
Miscellaneous:		
Other Income	6,302	6,000
Total Revenue	<u>558,296</u>	<u>481,664</u>
Expenditures:		
General Government:		
Personal Services	263,671	203,098
Supplies	2,340	2,558
Contractual Services	188,108	53,377
Other Charges	73,072	25,901
Total Expenditures	<u>527,191</u>	<u>284,934</u>
Revenue Over (Under) Expenditures	31,105	196,730
Other Financing Sources (Uses):		
Transfer to General Fund	<u>(48,485)</u>	<u>(39,675)</u>
Net Change in Fund Balances	(17,380)	157,055
Fund Balance - January 1	<u>3,605,671</u>	<u>3,448,616</u>
Fund Balance - December 31	<u>\$ 3,588,291</u>	<u>\$ 3,605,671</u>

CITY OF WEST ST. PAUL, MINNESOTA
PERA POLICE FUND
BALANCE SHEET
STATEMENT 25
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)

	2009	2008
Assets:		
Cash and Investments	\$ 51,388	\$ 50,448
Accrued Interest Receivable	235	288
Total Assets	\$ 51,623	\$ 50,736
Liabilities and Fund Balance:		
Fund Balance:		
Unreserved	\$ 51,623	\$ 50,736

**CITY OF WEST ST. PAUL, MINNESOTA
PERA POLICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 26
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Investment Income	\$ 951	\$ 1,830
Expenditures:		
Public Safety:		
Other Charges	64	61
Capital Outlay	<u>-</u>	<u>1,459</u>
Total Expenditures	<u>64</u>	<u>1,520</u>
Revenue Over Expenditures	887	310
Fund Balance - January 1	<u>50,736</u>	<u>50,426</u>
Fund Balance - December 31	<u><u>\$ 51,623</u></u>	<u><u>\$ 50,736</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
PERA FIRE FUND
BALANCE SHEET
STATEMENT 27
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)

	2009	2008
Assets		
Cash and Investments	\$ 585,596	\$ 574,871
Accrued Interest Receivable	2,677	3,286
Total Assets	\$ 588,273	\$ 578,157
Liabilities and Fund Balance:		
Fund Balance:		
Unreserved	\$ 588,273	\$ 578,157

**CITY OF WEST ST. PAUL, MINNESOTA
PERA FIRE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 28
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Investment Income	\$ 10,850	\$ 20,806
Expenditures:		
Public Safety	<u>734</u>	<u>700</u>
Revenue Over (Under) Expenditures	10,116	20,106
Other Financing Sources (Uses):		
Transfer from Special Revenue Fund	<u>-</u>	<u>82</u>
Net Change in Fund Balance	10,116	20,188
Fund Balance - January 1	<u>578,157</u>	<u>557,969</u>
Fund Balance - December 31	<u><u>\$ 588,273</u></u>	<u><u>\$ 578,157</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
GRANTS MANAGEMENT FUND
BALANCE SHEET
STATEMENT 29
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)

	2009	2008
Assets:		
Cash and Investments	\$ 7,972	\$ 14,515
Accrued Interest Receivable	57	1
Total Assets	\$ 8,029	\$ 14,516
Liabilities and Fund Balance:		
Fund Balance:		
Unreserved	\$ 8,029	\$ 14,516

**CITY OF WEST ST. PAUL, MINNESOTA
GRANTS MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 30
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Intergovernmental:		
County Grants	\$ -	\$ 29,923
Investment Income	115	63
Total Revenue	<u>115</u>	<u>29,986</u>
Expenditures:		
Public Safety:		
Supplies	5,002	10,228
Contractual Services	-	15
Other Charges	-	7,466
Total Expenditures	<u>5,002</u>	<u>17,709</u>
Revenue Over (Under) Expenditures	(4,887)	12,277
Other Financing Sources (Uses):		
Transfer to General Fund	<u>(1,600)</u>	<u>(82)</u>
Net Increase (Decrease) in Fund Balance	(6,487)	12,195
Fund Balance - January 1	<u>14,516</u>	<u>2,321</u>
Fund Balance - December 31	<u><u>\$ 8,029</u></u>	<u><u>\$ 14,516</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA
INSURANCE FUND
BALANCE SHEET
STATEMENT 31
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 1,038,872	\$ 1,116,369
Accrued Interest Receivable	4,582	6,382
Delinquent Taxes Receivable	7,412	5,460
Accounts Receivable	-	3,084
Due from Dakota County	21,268	18,503
Total Assets	\$ 1,072,134	\$ 1,149,798
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ 15,159	\$ 14,723
Deferred Revenue	7,412	5,460
Total Liabilities	22,571	20,183
Fund Balance:		
Designated per City Resolutions	1,000,000	1,000,000
Unreserved	49,563	129,615
Total Fund Balance	1,049,563	1,129,615
Total Liabilities and Fund Balance	\$ 1,072,134	\$ 1,149,798

**CITY OF WEST ST. PAUL, MINNESOTA
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
STATEMENT 32
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009				
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	2008 Actual Amounts
	Original	Final			
Revenue:					
General Property Taxes	\$ 276,648	\$ 276,648	\$ 261,814	\$ (14,834)	\$ 248,043
Market Value Homestead Credit	-	-	13,820	13,820	12,876
Investment income	45,000	45,000	17,345	(27,655)	40,002
Insurance Dividends	25,000	25,000	31,101	6,101	14,458
Insurance Recoveries	-	-	9,190	9,190	17,160
Miscellaneous Revenue	-	-	1,085	1,085	149
Total Revenue	<u>346,648</u>	<u>346,648</u>	<u>334,355</u>	<u>(12,293)</u>	<u>332,688</u>
Expenditures:					
General Government	16,916	16,916	20,832	3,916	46,533
Public Safety	102,374	102,374	156,725	54,351	75,889
Public Works	52,420	52,420	47,338	(5,082)	45,982
Parks and Recreation	14,101	14,101	88,454	74,353	35,389
Unallocated General Expenditures	160,837	160,837	101,058	(59,779)	85,420
Total Expenditures	<u>346,648</u>	<u>346,648</u>	<u>414,407</u>	<u>67,759</u>	<u>289,213</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(80,052)	<u>\$ (80,052)</u>	43,475
Fund Balance - January 1			<u>1,129,615</u>		<u>1,086,140</u>
Fund Balance - December 31			<u>\$ 1,049,563</u>		<u>\$ 1,129,615</u>

INDIVIDUAL FUND STATEMENTS – DEBT SERVICE FUNDS

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

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.

TIF Bonds Fund – used to account for the payment of principal and interest on tax increment debt.

Capital Note Funds – used to accumulate monies for payment of various capital notes which were sold to provide funding for the acquisition of major capital equipment, as authorized by Minnesota Statutes Section 410.32.

Special Assessment Bond Funds (Major Fund) – used to account for the payment of principal and interest on special assessment bonds issued to fund the costs of construction various, sanitary sewer, storm sewer, and water projects benefiting specified properties in the City.

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL OBLIGATION DEBT SERVICE FUND
COMBINING BALANCE SHEET
STATEMENT 33
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	1994	1997	Totals	
	WMO G.O. Bonds	G.O. Arena Revenue Bonds	2009	2008
Assets:				
Cash and Investments	\$ 65,556	\$ 242	\$ 65,798	\$ 234,550
Accrued Interest Receivable	173	308	481	1,339
Delinquent Taxes Receivable	1,723	-	1,723	5,243
Due from County	4,175	-	4,175	13,650
	<u>4,175</u>	<u>-</u>	<u>4,175</u>	<u>13,650</u>
Total Assets	<u>\$ 71,627</u>	<u>\$ 550</u>	<u>\$ 72,177</u>	<u>\$ 254,782</u>
Liabilities and Fund Balance:				
Liabilities:				
Deferred Revenue	\$ 1,723	\$ -	\$ 1,723	\$ 5,243
Fund Balance:				
Reserved for Debt Service	69,904	550	70,454	249,539
	<u>69,904</u>	<u>550</u>	<u>70,454</u>	<u>249,539</u>
Total Liabilities and Fund Balance	<u>\$ 71,627</u>	<u>\$ 550</u>	<u>\$ 72,177</u>	<u>\$ 254,782</u>

**CITY OF WEST ST. PAUL, MINNESOTA
GENERAL OBLIGATION DEBT SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
STATEMENT 34
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	1994 WMO G.O. Bonds	1997 G.O. Arena Revenue Bonds	Totals	
			2009	2008
Revenue:				
Property Taxes:				
Current	\$ 50,514	\$ 129,097	\$ 179,611	\$ 179,571
Delinquent	676	1,788	2,464	3,339
Intergovernmental	2,698	6,894	9,592	9,499
Investment Income	491	414	905	8,177
Total Revenue	<u>54,379</u>	<u>138,193</u>	<u>192,572</u>	<u>200,586</u>
Expenditures:				
Debt Service:				
Principal	50,000	75,000	125,000	115,000
Interest and Fiscal Charges	4,522	34,189	38,711	59,920
Total Expenditures	<u>54,522</u>	<u>109,189</u>	<u>163,711</u>	<u>174,920</u>
Revenue Over (Under) Expenditures	(143)	29,004	28,861	25,666
Other Financing Sources (Uses):				
Proceeds From Issuance of Debt	-	900,000	900,000	-
Payment to Escrow Agent	-	(965,000)	(965,000)	-
Transfers In	-	9,858	9,858	-
Transfers Out	-	(152,804)	(152,804)	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>(207,946)</u>	<u>(207,946)</u>	<u>-</u>
Net Change in Fund Balances	(143)	(178,942)	(179,085)	25,666
Fund Balance - January 1	<u>70,047</u>	<u>179,492</u>	<u>249,539</u>	<u>223,873</u>
Fund Balance - December 31	<u>\$ 69,904</u>	<u>\$ 550</u>	<u>\$ 70,454</u>	<u>\$ 249,539</u>

CITY OF WEST ST. PAUL, MINNESOTA
TIF BONDS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 35
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	2009	2008
Revenue	\$ -	\$ -
Expenditures:		
Debt Service:		
Principal	25,000	25,000
Interest	67,619	68,556
Total Expenditures	92,619	93,556
Revenue Under Expenditures	(92,619)	(93,556)
Other Financing Sources:		
Transfer from Capital Project Fund	92,619	93,556
Net Change in Fund Balances	-	-
Fund Balance - January 1	-	-
Fund Balance - December 31	\$ -	\$ -

**CITY OF WEST ST. PAUL, MINNESOTA
 CAPITAL NOTE DEBT SERVICE FUND
 COMBINING BALANCE SHEET
 STATEMENT 36
 DECEMBER 31, 2009
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	2003	2004	2005	2006	2007	2008	2009	Totals	
	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	2009	2008
Assets:									
Cash and Investments	\$ 61,820	\$ 8,994	\$ 12,315	\$ 8,205	\$ 9,517	\$ 7,247	\$ 1,490	\$ 109,588	\$ 63,995
Accrued Interest Receivable	115	46	57	48	78	12	2	358	364
Due from County	-	3,104	3,365	4,240	4,240	4,442	-	19,391	17,957
Delinquent Taxes Receivable	2,038	615	929	1,447	1,167	1,114	-	7,310	5,399
Total Assets	\$ 63,973	\$ 12,759	\$ 16,666	\$ 13,940	\$ 15,002	\$ 12,815	\$ 1,492	\$ 136,647	\$ 87,715
Liabilities and Fund Balance:									
Liabilities:									
Deferred Revenue	\$ 2,038	\$ 615	\$ 929	\$ 1,447	\$ 1,167	\$ 1,114	\$ -	\$ 7,310	\$ 5,399
Fund Balance:									
Reserved for Debt Service	61,935	12,144	15,737	12,493	13,835	11,701	1,492	129,337	82,316
Total Liabilities and Fund Balance	\$ 63,973	\$ 12,759	\$ 16,666	\$ 13,940	\$ 15,002	\$ 12,815	\$ 1,492	\$ 136,647	\$ 87,715

**CITY OF WEST ST. PAUL, MINNESOTA
 CAPITAL NOTE DEBT SERVICE FUND
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
 STATEMENT 37
 YEAR ENDED DECEMBER 31, 2009
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2003	2004	2005	2006	2007	2008	2009	Totals	
	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	Capital Note	2009	2008
Revenue:									
Property Taxes:									
Current	\$ 37,419	\$ 37,419	\$ 41,160	\$ 49,580	\$ 37,421	\$ 58,000	\$ -	\$ 260,999	\$ 236,236
Delinquent	666	725	522	657	530	-	-	3,100	3,924
Intergovernmental	1,998	1,998	2,198	2,648	1,998	3,097	-	13,937	12,496
Investment Income	521	231	245	279	331	111	10	1,728	2,260
Total Revenue	<u>40,604</u>	<u>40,373</u>	<u>44,125</u>	<u>53,164</u>	<u>40,280</u>	<u>61,208</u>	<u>10</u>	<u>279,764</u>	<u>254,916</u>
Expenditures:									
Debt Service:									
Principal	-	38,000	38,000	48,000	37,000	44,000	-	205,000	205,000
Interest and Fiscal Charges	27	1,022	6,587	3,402	6,799	11,388	-	29,225	27,330
Total Expenditures	<u>27</u>	<u>39,022</u>	<u>44,587</u>	<u>51,402</u>	<u>43,799</u>	<u>55,388</u>	<u>-</u>	<u>234,225</u>	<u>232,330</u>
Revenue Over (Under) Expenditures	40,577	1,351	(462)	1,762	(3,519)	5,820	10	45,539	22,586
Other Financing Sources (Uses):									
Issuance of Debt	-	-	-	-	-	-	1,482	1,482	5,692
Net Change in Fund Balances	40,577	1,351	(462)	1,762	(3,519)	5,820	1,492	47,021	28,278
Fund Balance - January 1	<u>21,358</u>	<u>10,793</u>	<u>16,199</u>	<u>10,731</u>	<u>17,354</u>	<u>5,881</u>	<u>-</u>	<u>82,316</u>	<u>54,038</u>
Fund Balance - December 31	<u>\$ 61,935</u>	<u>\$ 12,144</u>	<u>\$ 15,737</u>	<u>\$ 12,493</u>	<u>\$ 13,835</u>	<u>\$ 11,701</u>	<u>\$ 1,492</u>	<u>\$ 129,337</u>	<u>\$ 82,316</u>

**CITY OF WEST ST. PAUL, MINNESOTA
SPECIAL ASSESSMENT DEBT SERVICE FUND
COMBINING BALANCE SHEET
STATEMENT 38
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	1998 G.O. Improvement Bonds	1998 G.O. Refunding Bonds	2000 G.O. Improvement Bonds	2002 G.O. Improvement Bonds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Investments	\$ 1,001	\$ 358,779	\$ 594	\$ 506,490
Accrued Interest Receivable	1,271	1,055	754	2,207
Delinquent Taxes Receivable	-	6,547	-	4,033
Delinquent Special Assessments Receivable	-	197	-	110
Deferred Special Assessments Receivable	-	-	-	26,810
Due from County	-	22,983	-	10,427
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,272</u>	<u>\$ 389,561</u>	<u>\$ 1,348</u>	<u>\$ 550,077</u>
Liabilities and Fund Balance:				
Liabilities:				
Deferred Revenue:				
Taxes	\$ -	\$ 6,547	\$ -	\$ 4,033
Special Assessments	-	197	-	26,920
Total Liabilities	<u> </u>	<u>6,744</u>	<u> </u>	<u>30,953</u>
Fund Balance:				
Reserved for Debt Service	<u>2,272</u>	<u>382,817</u>	<u>1,348</u>	<u>519,124</u>
	<u>\$ 2,272</u>	<u>\$ 389,561</u>	<u>\$ 1,348</u>	<u>\$ 550,077</u>

2002 G.O. Refunding Bonds	2004 G.O. Improvement Bonds	2006 G.O. Improvement Bonds	2008 G.O. Improvement Bonds	2009 G.O. Refunding Bonds	Totals	
					2009	2008
\$ 224,918	\$ 201,108	\$ 64,518	\$ 262	\$ 262,919	\$ 1,620,589	\$ 2,272,454
694	924	311	29	242	7,487	13,096
8,488	3,620	5,568	-	10,225	38,481	26,125
-	1,028	2,874	-	603	4,812	4,017
-	95,954	134,611	-	-	257,375	336,836
23,096	10,639	18,708	-	37,254	123,107	103,941
<u>\$ 257,196</u>	<u>\$ 313,273</u>	<u>\$ 226,590</u>	<u>\$ 291</u>	<u>\$ 311,243</u>	<u>\$ 2,051,851</u>	<u>\$ 2,756,469</u>
\$ 8,488	\$ 3,620	\$ 5,568	\$ -	\$ 10,225	\$ 38,481	\$ 26,125
-	96,982	137,485	-	603	262,187	340,853
8,488	100,602	143,053	-	10,828	300,668	366,978
248,708	212,671	83,537	291	300,415	1,751,183	2,389,491
<u>\$ 257,196</u>	<u>\$ 313,273</u>	<u>\$ 226,590</u>	<u>\$ 291</u>	<u>\$ 311,243</u>	<u>\$ 2,051,851</u>	<u>\$ 2,756,469</u>

**CITY OF WEST ST. PAUL, MINNESOTA
SPECIAL ASSESSMENT DEBT SERVICE FUND
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 39
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	1998 G.O. Improvement Bonds	1998 G.O. Refunding Bonds	2000 G.O. Improvement Bonds	2002 G.O. Improvement Bonds
Revenue:				
Property Taxes:				
Current	\$ 200,191	\$ 252,575	\$ 122,548	\$ 123,481
Delinquent	3,410	3,791	1,656	1,669
Intergovernmental	10,690	13,488	6,544	6,594
Special Assessments:				
Principal	-	178	4,711	21,337
Proceeds From Sale of Bonds				
Investment Income	1,869	2,961	1,153	8,630
Miscellaneous Revenue	-	-	-	-
Total Revenue	<u>216,160</u>	<u>272,993</u>	<u>136,612</u>	<u>161,711</u>
Expenditures:				
Debt Service:				
Principal	-	300,000	-	75,000
Interest and Fiscal Charges	25,438	18,292	18,746	46,360
Miscellaneous	-	-	172	74
Total Expenditures	<u>25,438</u>	<u>318,292</u>	<u>18,918</u>	<u>121,434</u>
Revenue Over (Under) Expenditures	190,722	(45,299)	117,694	40,277
Other Financing Sources (Uses):				
Issuance of Debt	1,085,000	-	700,000	-
Payment to Escrow Agent	(1,710,000)	-	(1,065,000)	-
Transfer from Debt Service	11,152	-	10,489	-
Transfer to Debt Service	(249,877)	-	(156,552)	(51,000)
Total Other Financing Sources (Uses)	<u>(863,725)</u>	<u>-</u>	<u>(511,063)</u>	<u>(51,000)</u>
Net Change in Fund Balances	(673,003)	(45,299)	(393,369)	(10,723)
Fund Balance - January 1	<u>675,275</u>	<u>428,116</u>	<u>394,717</u>	<u>529,847</u>
Fund Balance - December 31	<u>\$ 2,272</u>	<u>\$ 382,817</u>	<u>\$ 1,348</u>	<u>\$ 519,124</u>

2002 G.O. Refunding Bonds	2004 G.O. Improvement Bonds	2006 G.O. Improvement Bonds	2008 G.O. Improvement Bonds	2009 G.O. Refunding Bonds	Totals	
					2009	2008
\$ 280,641	\$ 125,353	\$ 224,515	\$ -	\$ -	\$ 1,329,304	\$ 1,356,758
3,381	1,568	2,199	-	-	17,674	21,609
14,986	6,694	11,989	-	-	70,985	71,766
-	31,112	45,313	-	-	102,651	77,718
3,004	4,011	1,569	70	1,134	24,401	81,854
-	-	-	5,599	-	5,599	-
<u>302,012</u>	<u>168,738</u>	<u>285,585</u>	<u>5,669</u>	<u>1,134</u>	<u>1,550,614</u>	<u>1,609,705</u>
175,000	85,000	135,000	-	189,428	959,428	1,000,000
25,265	38,821	85,548	83,677	74,170	416,317	376,524
-	714	308	-	38,271	39,539	904
<u>200,265</u>	<u>124,535</u>	<u>220,856</u>	<u>83,677</u>	<u>301,869</u>	<u>1,415,284</u>	<u>1,377,428</u>
101,747	44,203	64,729	(78,008)	(300,735)	135,330	232,277
-	-	-	-	73,416	1,858,416	26,425
-	-	-	-	-	(2,775,000)	-
-	-	-	51,000	559,234	631,875	-
-	-	-	-	(31,500)	(488,929)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>51,000</u>	<u>601,150</u>	<u>(773,638)</u>	<u>26,425</u>
101,747	44,203	64,729	(27,008)	300,415	(638,308)	258,702
<u>146,961</u>	<u>168,468</u>	<u>18,808</u>	<u>27,299</u>	<u>-</u>	<u>2,389,491</u>	<u>2,130,789</u>
<u>\$ 248,708</u>	<u>\$ 212,671</u>	<u>\$ 83,537</u>	<u>\$ 291</u>	<u>\$ 300,415</u>	<u>\$ 1,751,183</u>	<u>\$ 2,389,491</u>

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INDIVIDUAL FUND STATEMENTS – CAPITAL PROJECTS FUND

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.

Public Works Reserve (Major Fund) – used to account 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.

Minnesota State-Aid Streets (Major Fund) – used to account for the construction done on designated state-aid streets. Financing is provided by State grants for specified 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.

Equipment Acquisition Revolving – 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.

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

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

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

Public Works Facility (Major Fund) – 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.

Permanent Improvement Revolving (Major Fund) – used to account 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 has a large, revolving pool of working capital.

TIF District Funds (Major Fund) – used to account for the activities of the City's tax increment financing districts.

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC WORKS RESERVE FUND
BALANCE SHEET
STATEMENT 40
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and Investments	\$ 3,094,292	\$ 2,685,935
Accrued Interest Receivable	13,066	15,354
Delinquent Taxes Receivable	13,992	10,887
Deferred Special Assessments Receivable	2,143	2,038
Accounts Receivable	-	50,116
Due from County	<u>39,047</u>	<u>36,097</u>
 Total Assets	 <u><u>\$ 3,162,540</u></u>	 <u><u>\$ 2,800,427</u></u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ 683	\$ 2,509
Deferred Revenue	<u>16,135</u>	<u>63,041</u>
Total Liabilities	16,818	65,550
 Fund Balance:		
Designated for Other Capital Projects	3,145,722	300,000
Unreserved	<u>-</u>	<u>2,434,877</u>
Total Fund Balance	<u><u>3,145,722</u></u>	<u><u>2,734,877</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,162,540</u></u>	 <u><u>\$ 2,800,427</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC WORKS RESERVE FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
STATEMENT 41
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Revenue:		
Property Taxes:		
Current	\$ 474,515	\$ 474,865
Delinquent	6,007	7,767
Franchise Tax - Cable TV	50,116	46,471
Intergovernmental:		
Market Value Homestead Credit	25,339	25,118
Investment Income	53,894	97,142
Total Revenue	609,871	651,363
Expenditures:		
Current:		
General Government:		
General Government Building	-	1,444
Mayor/Council:	1,610	-
Unallocated General Expenditures	5,101	4,853
Public Works:		
Streets	96,550	132,253
Parks and Recreation	-	4,837
Capital Outlay:		
General Government Building	9,343	56,956
General Government Management Information Systems	9,968	-
Public Safety	36,347	71,171
Public Works	-	168,407
Parks and Recreation	40,107	24,607
Debt Service:		
Principal	-	152,996
Interest and Fiscal Charges	-	6,783
Total Expenditures	199,026	624,307
Revenue Over (Under) Expenditures	410,845	27,056
Fund Balance - January 1	2,734,877	2,707,821
Fund Balance - December 31	\$ 3,145,722	\$ 2,734,877

**CITY OF WEST ST. PAUL, MINNESOTA
MINNESOTA STATE – AID STREETS FUND
BALANCE SHEET
STATEMENT 42
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 594,812	\$ 491,918
Accrued Interest Receivable	2,435	3,019
Total Assets	\$ 597,247	\$ 494,937
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ -	\$ 930
Due to Other Governmental Units	277	-
Contracts Payable	66,748	-
Total Liabilities	67,025	930
Fund Balance:		
Reserved fir Capital Projects	530,222	-
Designated for Targeted Minimum Balance	-	100,000
Unreserved	-	394,007
Total Fund Balance	530,222	494,007
Total Liabilities and Fund Balance	\$ 597,247	\$ 494,937

**CITY OF WEST ST. PAUL, MINNESOTA
MINNESOTA STATE-AID STREETS FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 43
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Intergovernmental:		
State Grant	\$ 774,982	\$ 158,564
Miscellaneous:		
Investment Income	10,099	18,941
Total Revenue	<u>785,081</u>	<u>177,505</u>
Expenditures:		
Public Works:		
Public Works	672	22,284
Capital Outlay	953,682	36,798
Total Expenditures	<u>954,354</u>	<u>59,082</u>
Revenue Over (Under) Expenditures	(169,273)	118,423
Other Financing Sources (Uses):		
Transfer from Capital Project Fund	205,488	-
Transfer to General Fund	-	(30,346)
Total Other Financing Sources (Uses)	<u>205,488</u>	<u>(30,346)</u>
Net Change in Fund Balances	36,215	88,077
Fund Balance - January 1	<u>494,007</u>	<u>405,930</u>
Fund Balance - December 31	<u>\$ 530,222</u>	<u>\$ 494,007</u>

**CITY OF WEST ST. PAUL, MINNESOTA
EQUIPMENT ACQUISITION REVOLVING FUND
BALANCE SHEET
STATEMENT 44
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 332,498	\$ 266,992
Accrued Interest Receivable	1,272	1,526
Total Assets	\$ 333,770	\$ 268,518
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ 7,849	\$ 3
Fund Balance:		
Designated for Equipment Acquisition	325,921	150,000
Unreserved	-	118,514
Total Fund Balance	325,921	268,514
Total Liabilities and Fund Balance	\$ 333,770	\$ 268,517

**CITY OF WEST ST. PAUL, MINNESOTA
EQUIPMENT ACQUISITION REVOLVING FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 45
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Miscellaneous:		
Investment Income	\$ 5,073	\$ 9,604
Expenditures:		
Current:		
General Government:		
Finance	-	1,411
Legal Fees	-	73
Management Information Systems	-	49,123
Unallocated General Expenditures	1,268	1,285
Public Works:		
Streets	-	3,452
Capital Outlay:		
Public Safety	60,266	21,306
Public Works	27,441	127,266
Parks and Recreation	26,708	63,644
Total Expenditures	<u>115,683</u>	<u>267,560</u>
Revenue Under Expenditures	(110,610)	(257,956)
Other Financing Sources:		
Issuance of Debt	<u>168,017</u>	<u>224,307</u>
Net Change in Fund Balances	57,407	(33,649)
Fund Balance - January 1	<u>268,514</u>	<u>302,163</u>
Fund Balance - December 31	<u><u>\$ 325,921</u></u>	<u><u>\$ 268,514</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA
 TECHNOLOGY REPLACEMENT FUND
 BALANCE SHEET
 STATEMENT 46
 DECEMBER 31, 2009
 (WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 886,844	\$ 913,740
Accrued Interest Receivable	4,075	5,223
Total Assets	\$ 890,919	\$ 918,963
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ -	\$ 29,899
Fund balance:		
Unreserved:		
Designated for Equipment Acquisition	890,919	889,064
Total Liabilities and Fund Balance	\$ 890,919	\$ 918,963

**CITY OF WEST ST. PAUL, MINNESOTA
 TECHNOLOGY REPLACEMENT FUND
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
 STATEMENT 47
 YEAR ENDED DECEMBER 31, 2009
 (WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Investment Income	\$ 16,274	\$ 33,295
Expenditures:		
Current:		
General Government:		
Community Development	-	29,487
Management Information Systems	919	77,802
Public Safety:		
Police Department	1,704	-
Unallocated General Expenditures	1,118	1,112
Capital Outlay:		
General Government	7,417	-
Miscellaneous	3,261	-
Total Expenditures	<u>14,419</u>	<u>108,401</u>
Revenue Over (Under) Expenditures	1,855	(75,106)
Fund Balance - January 1	<u>889,064</u>	<u>964,170</u>
Fund Balance - December 31	<u>\$ 890,919</u>	<u>\$ 889,064</u>

**CITY OF WEST ST. PAUL, MINNESOTA
EQUIPMENT REPLACEMENT FUND
BALANCE SHEET
STATEMENT 48
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 1,000,296	\$ 996,466
Accrued Interest Receivable	4,592	5,697
Accounts Receivable	-	-
Total Assets	\$ 1,004,888	\$ 1,002,163
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ -	\$ 977
Due to Other Governments	-	2,695
Total Liabilities	-	3,672
Fund Balance:		
Unreserved:		
Designated for Equipment Acquisition	1,004,888	998,491
Total Liabilities and Fund Balance	\$ 1,004,888	\$ 1,002,163

**CITY OF WEST ST. PAUL, MINNESOTA
EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 49
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Investment Income	\$ 18,545	\$ 36,141
Expenditures:		
Current:		
General Government:		
Administration	-	771
City Buildings	-	1,934
Public Safety:		
Police	-	3,909
Parks and Recreation	5,791	1,154
Public Works:		
Streets	-	6,964
Street Lighting	-	13,049
Engineering	4,179	-
Miscellaneous:		
Unallocated General Expenditures	2,178	2,173
Capital Improvement Projects:		
Finance	-	1,602
Total Expenditures	<u>12,148</u>	<u>31,556</u>
Revenue Over Expenditures	6,397	4,585
Fund Balance - January 1	<u>998,491</u>	<u>993,906</u>
Fund Balance - December 31	<u><u>\$ 1,004,888</u></u>	<u><u>\$ 998,491</u></u>

**CITY OF WEST ST. PAUL, MINNESOTA
PARKS IMPROVEMENT FUND
BALANCE SHEET
STATEMENT 50
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 934,934	\$ 914,009
Accrued Interest Receivable	4,325	5,211
Delinquent Taxes Receivable	1,308	1,111
Due from County	2,692	2,487
Accounts Receivable	-	5,015
Total Assets	\$ 943,259	\$ 927,833
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ 3,146	\$ 317
Deferred Revenue - Special Assessments	1,308	1,111
Total Liabilities	4,454	1,428
Fund Balance:		
Unreserved:		
Designated per City Resolutions	500,000	500,000
Designated for Subsequent Years	438,805	426,405
Total Fund Balance	938,805	926,405
Total Liabilities and Fund Balance	\$ 943,259	\$ 927,833

**CITY OF WEST ST. PAUL, MINNESOTA
PARKS IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 51
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
Revenue:		
Property Taxes:		
Current	\$ 32,742	\$ 32,722
Delinquent	431	602
Intergovernmental		
State:		
Market Value Homestead Credit	1,748	1,731
Charges for Services - Parks and Recreation	5,643	-
Miscellaneous:		
Investment Income	17,669	32,655
Contributions and Donations	-	12,750
Other	42,397	14,947
Total Revenue	100,630	95,407
Expenditures:		
Other Charges - Parks and Recreation	23,979	2,069
Capital Improvement Projects:		
Parks and Recreation	64,251	53,971
Total Expenditures	88,230	56,040
Revenue Over Expenditures	12,400	39,367
Fund Balance - January 1	926,405	887,038
Fund Balance - December 31	\$ 938,805	\$ 926,405

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC WORKS FACILITY FUND
BALANCE SHEET
STATEMENT 52
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 5,925,654	\$ -
Accrued Interest Receivable	4,653	-
Total Assets	\$ 5,930,307	\$ -
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$ 234,743	\$ -
Due to Other Governments	5,009	-
Contracts Payable	21,253	-
Total Liabilities	261,005	-
Fund Balance:		
Reserved for Capital Projects	5,669,302	-
Total Liabilities and Fund Balance	\$ 5,930,307	\$ -

CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC WORKS FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 53
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)

	2009	2008
Revenue:		
Miscellaneous:		
Investment Income	\$ 22,280	\$ -
Proceeds from the Issuance of Debt	6,500,000	-
Total Revenue	6,522,280	-
Expenditures:		
Capital Improvement Projects:		
Maintenance Center Project	755,867	-
Miscellaneous Expenses	1,280	-
Bond Interest Expense	95,831	-
Total Expenditures	852,978	-
Revenue Over Expenditures	5,669,302	-
Fund Balance - January 1	-	-
Fund Balance - December 31	\$ 5,669,302	\$ -

**CITY OF WEST ST. PAUL, MINNESOTA
PERMANENT IMPROVEMENT REVOLVING FUND
BALANCE SHEET
STATEMENT 54
DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2008)**

	2009	2008
Assets:		
Cash and Investments	\$ 936,466	\$ 2,155,628
Accrued Interest Receivable	8,837	13,176
Accounts Receivable	-	7,880
Due from County	41,186	7,899
Due from Other Governments	-	17,688
Delinquent Special Assessments Receivable	4,578	3,106
Deferred Special Assessments Receivable	1,775,313	616,062
Total Assets	\$ 2,766,380	\$ 2,821,439
Liabilities and Fund Balance:		
Liabilities:		
Payroll Withholdings Payable	\$ 4,285	\$ 3,456
Accounts Payable	3,336	1,084
Contracts Payable	31,408	57,124
Deferred Revenue - Special Assessments	1,779,891	619,168
Total Liabilities	1,818,920	680,832
Fund Balance:		
Unreserved:		
Designated for Capital Improvements	947,460	950,000
Undesignated	-	1,190,607
Total Fund Balance	947,460	2,140,607
Total Liabilities and Fund Balance	\$ 2,766,380	\$ 2,821,439

**CITY OF WEST ST. PAUL, MINNESOTA
PERMANENT IMPROVEMENT REVOLVING FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 55
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Special Assessments:		
Principal	\$ 430,441	\$ 428,347
Interest	1,071	270
Total Special Assessments	431,512	428,617
Intergovernmental	21,660	-
Investment Income	33,677	84,658
Total Revenue	<u>486,849</u>	<u>513,275</u>
Expenditures:		
Public Works		
Sidewalk Replacement	109,436	194,794
Miscellaneous Other Expenditures	4,542	2,562
Capital Improvement Projects:		
Street Reconstruction Program:		
Non-Capitalized Street Reconstruction	82,451	82,445
Capitalized Street Reconstruction	1,278,079	2,096,759
Bond Issuance Costs	-	64,703
Total Expenditures	<u>1,474,508</u>	<u>2,441,263</u>
Revenue Over (Under) Expenditures	(987,659)	(1,927,988)
Other Financing Sources (Uses):		
Bond Sale Proceeds	-	2,343,575
Transfer from Capital Project Fund	-	30,346
Transfer to Debt Service Fund	(205,488)	-
Total Other Financing Sources (Uses)	<u>(205,488)</u>	<u>2,373,921</u>
Net Change in Fund Balances	(1,193,147)	445,933
Fund Balance - January 1	<u>2,140,607</u>	<u>1,694,674</u>
Fund Balance - December 31	<u>\$ 947,460</u>	<u>\$ 2,140,607</u>

**CITY OF WEST ST. PAUL, MINNESOTA
TIF DISTRICTS FUND
COMBINING BALANCE SHEET
STATEMENT 56
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	TIF 1-1	TIF 1-2	TIF 1-3	TIF 1-4	Totals	
					2009	2008
Assets:						
Cash and Investments	\$ 1,394,886	\$ 73,094	\$ 32,171	\$ 128,599	\$ 1,628,750	\$ 1,411,363
Accrued Interest Receivable	6,292	142	7	380	6,821	8,121
Tax Increment Receivable	11,055	865	183	-	12,103	43,908
Accounts Receivable	-	-	11,942.00	-	11,942	-
Due from Other Governmental Units	7,043	-	35,613	-	42,656	4,687
Total Assets	\$ 1,419,276	\$ 74,101	\$ 79,916	\$ 128,979	\$ 1,702,272	\$ 1,468,079
Liabilities and Fund Balance:						
Liabilities:						
Accounts Payable	\$ 336	\$ 2,375	\$ 124	\$ -	\$ 2,835	\$ 24
Due to Other Governmental Units	2,692	1,204	2,740	484	7,120	6,952
Deferred Revenue	11,055	865	183	-	12,103	43,908
Interfund Loan Payable	-	-	1,315,951	-	1,315,951	1,621,840
Total Liabilities	14,083	4,444	1,318,998	484	1,338,009	1,672,724
Fund Balance:						
Unreserved:						
Undesignated	1,405,193	69,657	(1,239,082)	128,495	364,263	(204,645)
Total Liabilities and Fund Balance	\$ 1,419,276	\$ 74,101	\$ 79,916	\$ 128,979	\$ 1,702,272	\$ 1,468,079

**CITY OF WEST ST. PAUL, MINNESOTA
TIF DISTRICTS FUND
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE
STATEMENT 57
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	TIF 1-1	TIF 1-2	TIF 1-3	TIF 1-4	Totals	
					2009	2008
Revenue:						
Property Taxes:						
Tax Increment Collections	\$ 614,353	\$ 232,708	\$ 47,003	\$ 107,470	\$ 1,001,534	\$ 885,300
Delinquent Tax Increment Collections	2,378	2,245	32,833	-	37,456	5,259
Investment Income	26,131	260	72	1,598	28,061	48,567
Total Revenue	<u>642,862</u>	<u>235,213</u>	<u>79,908</u>	<u>109,068</u>	<u>1,067,051</u>	<u>939,126</u>
Expenditures:						
General Government	11,522	188,371	51,981	4,445	256,319	104,102
Construction/Acquisition Costs	101,166	-	-	48,039	149,205	170,965
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>112,688</u>	<u>188,371</u>	<u>51,981</u>	<u>52,484</u>	<u>405,524</u>	<u>275,067</u>
Revenue Over (Under) Expenditures	530,174	46,842	27,927	56,584	661,527	664,059
Other Financing Sources (Uses):						
Transfer from TIF Fund	-	386,834	-	-	386,834	-
Transfer to TIF Fund	(386,834)	-	-	-	(386,834)	-
Transfer to Deb Service Fund	-	(92,619)	-	-	(92,619)	(93,556)
Total Other Financing Sources (Uses)	<u>(386,834)</u>	<u>294,215</u>	<u>-</u>	<u>-</u>	<u>(92,619)</u>	<u>(93,556)</u>
Net Change in Fund Balances	143,340	341,057	27,927	56,584	568,908	570,503
Fund Balance (Deficit) - January 1	<u>1,261,853</u>	<u>(271,400)</u>	<u>(1,267,009)</u>	<u>71,911</u>	<u>(204,645)</u>	<u>(775,148)</u>
Fund Balance (Deficit) - December 31	<u>\$ 1,405,193</u>	<u>\$ 69,657</u>	<u>\$ (1,239,082)</u>	<u>\$ 128,495</u>	<u>\$ 364,263</u>	<u>\$ (204,645)</u>

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INDIVIDUAL FUND STATEMENTS – ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – there 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 2009:

Public Utilities Fund – used to account for the provision of the following services to properties within the City:

- Sanitary Sewer
- Storm Sewer

The fund is maintained pursuant to City Code, Section 705.01. 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

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC UTILITIES FUND
COMBINING STATEMENT OF NET ASSETS
STATEMENT 58
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	Storm Sewer	Sanitary Sewer	Totals	
			2009	2008
Assets:				
Current Assets:				
Cash and Investments	\$ 338,518	\$ 765,418	\$ 1,103,936	\$ 1,875,690
Receivables:				
User Accounts - Current and Delinquent	68,267	556,211	624,478	458,961
Customer Assessments	-	704,603	704,603	-
Deferred Charges	-	18,744	18,744	-
Interest Receivable on Investments	2,131	3,504	5,635	13,781
Total Current Assets	408,916	2,048,480	2,457,396	2,348,432
Capital Assets:				
Land	-	10,945	10,945	10,945
Buildings and Improvements	-	2,229,781	2,229,781	2,229,781
Vehicles, Machinery, and Equipment	-	317,942	317,942	276,671
Distribution and Collection Systems	-	4,897,414	4,897,414	4,897,414
Construction in Progress	-	67,246	67,246	-
Total Capital Assets	-	7,523,328	7,523,328	7,414,811
Less: Accumulated Depreciation	-	(3,741,393)	(3,741,393)	(3,598,965)
Net Capital Assets	-	3,781,935	3,781,935	3,815,846
Total Assets	\$ 408,916	\$ 5,830,415	\$ 6,239,331	\$ 6,164,278
Liabilities:				
Current Liabilities:				
Payroll Withholdings Payable	\$ -	\$ 12,798	\$ 12,798	\$ 13,690
Accounts Payable	5	145,555	145,560	163,834
Contract Payable	-	-	-	9,054
Due to Other Governmental Units	-	757	757	1,214
Accrued Bond Interest Payable	-	2,826	2,826	5,381
Accrued Compensated Absences	-	4,805	4,805	9,979
Deferred Premium - Current Portion	-	4,374	4,374	-
Bonds Payable, Current Portion	-	95,000	95,000	80,000
Total Current Liabilities	5	266,115	266,120	283,152
Noncurrent Liabilities:				
Accrued Compensated Absences	-	14,950	14,950	6,102
Other Post Employment Benefits Payable	-	12,613	12,613	7,012
Bonds Payable, Net of Current Portion	-	2,703,572	2,703,572	1,220,000
Total Noncurrent Liabilities	-	2,731,135	2,731,135	1,233,114
Total Liabilities	5	2,997,250	2,997,255	1,516,266
Net Assets:				
Invested in Capital Assets, Net of Related Debt	-	2,528,363	2,528,363	2,515,846
Unrestricted	408,911	304,802	713,713	2,132,166
Total Net Assets	\$ 408,916	\$ 5,830,415	\$ 6,239,331	\$ 6,164,278

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC UTILITIES FUND
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS
STATEMENT 59
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	Storm Sewer	Sanitary Sewer	Totals	
			2009	2008
Operating Revenue:				
User Charges for Services	\$ 366,711	\$ 2,573,624	\$ 2,940,335	\$ 2,747,280
Retained Fees	-	4,420	4,420	40,000
Special Assessments	-	19,982	19,982	-
Miscellaneous Revenue	-	400	400	-
Total Operating Revenue	<u>366,711</u>	<u>2,598,426</u>	<u>2,965,137</u>	<u>2,787,280</u>
Operating Expenses:				
Personal Services	-	257,268	257,268	242,326
Supplies	810	16,561	17,371	14,356
Contractual Services	11,409	1,601,047	1,612,456	1,441,881
Miscellaneous Other Charges	143,607	1,605,301	1,748,908	428,705
Depreciation	-	142,427	142,427	142,006
Total Operating Expenses	<u>155,826</u>	<u>3,622,604</u>	<u>3,778,430</u>	<u>2,269,274</u>
Operating Income (Loss)	210,885	(1,024,178)	(813,293)	518,006
Nonoperating Revenue (Expense):				
Investment Income	8,569	3,742	12,311	86,524
Gain (Loss) on Disposal of Capital Assets	-	-	-	(24,509)
Bond Interest Expense	-	(45,616)	(45,616)	(67,664)
Total Nonoperating Revenue (Expense)	<u>8,569</u>	<u>(41,874)</u>	<u>(33,305)</u>	<u>(5,649)</u>
Income (Loss) before Transfers	219,454	(1,066,052)	(846,598)	512,357
Transfers:				
Transfer to General Fund	(190,708)	(352,060)	(542,768)	(515,150)
Transfer to Enterprise Fund	-	(16,570)	(16,570)	(54,628)
Total Transfers	<u>(190,708)</u>	<u>(368,630)</u>	<u>(559,338)</u>	<u>(569,778)</u>
Change in Net Assets	28,746	(1,434,682)	(1,405,936)	(57,421)
Net Assets - January 1	<u>380,165</u>	<u>4,267,847</u>	<u>4,648,012</u>	<u>4,705,433</u>
Net Assets - December 31	<u>\$ 408,911</u>	<u>\$ 2,833,165</u>	<u>\$ 3,242,076</u>	<u>\$ 4,648,012</u>

**CITY OF WEST ST. PAUL, MINNESOTA
PUBLIC UTILITIES FUND
COMBINING STATEMENT OF CASH FLOWS
STATEMENT 60
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	Storm	Sanitary	Totals	
	Sewer	Sewer	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 344,589	\$ 2,454,631	\$ 2,799,220	\$ 2,640,524
Payment to Suppliers	(155,990)	(3,268,816)	(3,424,806)	(1,760,421)
Payment to Employees	-	(248,885)	(248,885)	(230,673)
Miscellaneous Revenue	-	400	400	-
Net Cash Provided by Operating Activities	188,599	(1,062,670)	(874,071)	649,430
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to General Fund	(190,708)	(352,060)	(542,768)	(515,150)
Increase in Customer Assessments Receivable	-	(704,604)	(704,604)	-
Intergovernmental	-	(457)	(457)	-
Transfer to Enterprise Fund	-	(16,570)	(16,570)	(54,628)
Net Cash Used by Noncapital Financing Activities	(190,708)	(1,073,691)	(1,264,399)	(569,778)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	(108,517)	(108,517)	(46,405)
Proceeds from Debt Issuance	-	2,907,946	2,907,946	845
Principal Paid on Capital Debt	-	(1,405,000)	(1,405,000)	(75,000)
Interest Paid on Capital Debt	-	(48,171)	(48,171)	(67,945)
Net Cash Used by Capital and Related Financing Activities	-	1,346,258	1,346,258	(188,505)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	9,381	11,077	20,458	86,524
Net Increase (Decrease) in Cash and Cash Equivalents	7,272	(779,026)	(771,754)	(22,329)
Cash and Cash Equivalents - January 1	331,246	1,544,444	1,875,690	1,898,019
Cash and Cash Equivalents - December 31	\$ 338,518	\$ 765,418	\$ 1,103,936	\$ 1,875,690
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET ASSETS PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 210,885	\$ (1,024,178)	\$ (813,293)	\$ 517,160
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	-	142,428	142,428	142,006
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(22,122)	(143,395)	(165,517)	(140,562)
(Increase) Decrease in Other Assets	-	(18,744)	(18,744)	-
Increase (Decrease) in Payables	(164)	(27,164)	(27,328)	123,710
Increase in Accrued Compensated Absences	-	8,383	8,383	7,116
Total Adjustments	(22,286)	(38,492)	(60,778)	132,270
Net Cash Provided (Used) by Operating Activities	\$ 188,599	\$ (1,062,670)	\$ (874,071)	\$ 649,430

**CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING STATEMENT OF NET ASSETS
STATEMENT 61
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	Golf Course	Civic Center Arena	Swimming Pool	Totals	
				2009	2008
Assets:					
Current Assets:					
Cash and Investments	\$ 575	\$ 185,302	\$ 1,552	\$ 187,429	\$ 173,114
Receivables:					
User Accounts - Current and Delinquent	4,980	34,518	7,841	47,339	53,766
Delinquent Taxes Receivable	2,071	-	1,579	3,650	2,936
Interest Receivable on Investments	92	849	34	975	894
Inventory	2,226	-	-	2,226	1,141
Other Assets	500	-	-	500	500
Total Current Assets	<u>10,444</u>	<u>220,669</u>	<u>11,006</u>	<u>242,119</u>	<u>232,351</u>
Capital Assets:					
Land	1,070,302	32,296	30,625	1,133,223	1,133,223
Buildings and Improvements	276,975	2,084,298	1,719,949	4,081,222	4,081,222
Vehicles, Machinery, and Equipment	198,841	118,850	-	317,691	317,691
Total Capital Assets	<u>1,546,118</u>	<u>2,235,444</u>	<u>1,750,574</u>	<u>5,532,136</u>	<u>5,532,136</u>
Less: Accumulated Depreciation	(251,223)	(1,100,194)	(491,277)	(1,842,694)	(1,708,944)
Net Capital Assets	<u>1,294,895</u>	<u>1,135,250</u>	<u>1,259,297</u>	<u>3,689,442</u>	<u>3,823,192</u>
Total Assets	<u>\$ 1,305,339</u>	<u>\$ 1,355,919</u>	<u>\$ 1,270,303</u>	<u>\$ 3,931,561</u>	<u>\$ 4,055,543</u>
Liabilities:					
Current Liabilities:					
Payroll Withholdings Payable	\$ 12,455	\$ 5,322	\$ (12)	\$ 17,765	\$ 10,650
Accounts Payable	555	11,400	112	12,067	13,530
Due to Other Governmental Units	349	391	-	740	130
Accrued Bond Interest Payable	1,611	-	-	1,611	1,735
Accrued Compensated Absences	-	3,222	-	3,222	25,021
Bonds Payable, Current Portion	35,000	-	-	35,000	35,000
Total Current Liabilities	<u>49,970</u>	<u>20,335</u>	<u>100</u>	<u>70,405</u>	<u>86,066</u>
Noncurrent Liabilities:					
Accrued Compensated Absences	-	26,499	-	26,499	17,231
Other Post Employment Benefits Payable	2,337	2,103	2,103	6,543	4,675
Bonds Payable, Net of Current Portion	525,000	-	-	525,000	560,000
Total Noncurrent Liabilities	<u>527,337</u>	<u>28,602</u>	<u>2,103</u>	<u>558,042</u>	<u>581,906</u>
Total Liabilities	<u>577,307</u>	<u>48,937</u>	<u>2,203</u>	<u>628,447</u>	<u>667,972</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	734,895	1,135,250	1,259,297	3,129,442	3,228,192
Unrestricted	(6,863)	171,732	8,803	173,672	159,379
Total Net Assets	<u>\$ 728,032</u>	<u>\$ 1,306,982</u>	<u>\$ 1,268,100</u>	<u>\$ 3,303,114</u>	<u>\$ 3,387,571</u>

**CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS
STATEMENT 62
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	Golf Course	Civic Center Arena	Swimming Pool	Totals	
				2009	2008
Operating Revenue:					
User Charges for Services	\$ 160,380	\$ 204,977	\$ 55,040	\$ 420,397	\$ 412,829
Miscellaneous	20,463	3,892	-	24,355	22,190
Total Operating Revenue	<u>180,843</u>	<u>208,869</u>	<u>55,040</u>	<u>444,752</u>	<u>435,019</u>
Operating Expenses:					
Personal Services	139,822	125,188	60,580	325,590	329,651
Supplies	21,752	6,786	18,412	46,950	64,461
Contractual Services	24,716	77,060	18,054	119,830	120,138
Miscellaneous Other Charges	8,252	428	24	8,704	12,530
Depreciation	26,097	58,488	49,164	133,749	137,549
Total Operating Expenses	<u>220,639</u>	<u>267,950</u>	<u>146,234</u>	<u>634,823</u>	<u>664,329</u>
Operating Loss	(39,796)	(59,081)	(91,194)	(190,071)	(229,310)
Nonoperating Revenue (Expense):					
Taxes	61,974	-	38,138	100,112	100,036
Intergovernmental	3,247	-	1,998	5,245	5,192
Investment Income	520	3,697	171	4,388	5,760
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	(258)
Bond Interest Expense	(20,701)	-	-	(20,701)	(21,947)
Total Nonoperating Revenue (Expense)	<u>45,040</u>	<u>3,697</u>	<u>40,307</u>	<u>89,044</u>	<u>88,783</u>
Income (Loss) before Transfers and Capital Contributions	5,244	(55,384)	(50,887)	(101,027)	(140,527)
Transfers and Capital contributions:					
Capital Contributions	-	-	-	-	158,345
Transfer from Enterprise Fund	16,570	-	-	16,570	54,628
Transfer to General Fund	-	-	-	-	-
Total Transfers and Capital Contributions	<u>16,570</u>	<u>-</u>	<u>-</u>	<u>16,570</u>	<u>212,973</u>
Change in Net Assets	21,814	(55,384)	(50,887)	(84,457)	72,446
Net Assets - January 1	<u>706,218</u>	<u>1,362,366</u>	<u>1,318,987</u>	<u>3,387,571</u>	<u>3,315,125</u>
Net Assets - December 31	<u>\$ 728,032</u>	<u>\$ 1,306,982</u>	<u>\$ 1,268,100</u>	<u>\$ 3,303,114</u>	<u>\$ 3,387,571</u>

**CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING STATEMENT OF CASH FLOWS
STATEMENT 63
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)**

	Golf Course	Civic Center Arena	Swimming Pool	Totals	
				2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 160,508	\$ 216,633	\$ 50,297	\$ 427,438	\$ 440,094
Payment to Suppliers	(57,175)	(77,827)	(36,982)	(171,984)	(239,737)
Payment to Employees	(151,201)	(125,188)	(59,658)	(336,047)	(318,752)
Miscellaneous Revenue	19,997	3,892	-	23,889	-
Net Cash Provided (Used) by Operating Activities	(27,871)	17,510	(46,343)	(56,704)	(118,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property Taxes	61,974	-	38,138	100,112	98,436
Intergovernmental	3,563	294	1,998	5,855	5,192
Transfers from Enterprise Funds	16,570	-	-	16,570	54,628
Net Cash Provided by Noncapital Financing Activities	82,107	294	40,136	122,537	158,256
CASH FLOWS FROM CAPITAL AND RELATED PROVIDED BY OPERATING ACTIVITIES					
Proceeds From the Sale of Capital Assets	-	-	-	-	18,750
Principal Paid on Capital Debt	(35,000)	-	-	(35,000)	(35,000)
Interest Paid on Capital Debt	(20,825)	-	-	(20,825)	(22,050)
Net Cash Used by Capital and Related Financing Activities	(55,825)	-	-	(55,825)	(38,300)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	428	3,683	196	4,307	5,760
Net Increase (Decrease) in Cash and Cash Equivalents	(1,161)	21,487	(6,011)	14,315	7,321
Cash and Cash Equivalents - January 1	1,736.00	163,815	7,563	173,114	165,793
Cash and Cash Equivalents - December 31	\$ 575	\$ 185,302	\$ 1,552	\$ 187,429	\$ 173,114
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Loss	\$ (39,796)	\$ (59,081)	\$ (91,194)	\$ (190,071)	\$ (245,060)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Depreciation	26,097	58,489	49,164	133,750	137,549
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	(707)	11,656	(5,236)	5,713	7,223
(Increase) Decrease in Other Assets	(1,085)	-	-	(1,085)	-
Increase (Decrease) in Payables	(1,001)	6,446	1	5,446	(26,472)
Increase (Decrease) in Accrued Compensated Absences	(11,379)	-	922	(10,457)	8,365
Total Adjustments	11,925	76,591	44,851	133,367	126,665
Net Cash Provided (Used) by Operating Activities	\$ (27,871)	\$ 17,510	\$ (46,343)	\$ (56,704)	\$ (118,395)

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INDIVIDUAL FUND STATEMENTS – FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for other individuals, private organizations, other governmental units and/or funds.

Gang Strike Force Fund – used to account for funds obtained by the Metro Gang Strike Force. The Force, which disbanded in late 2009, was unable to acquire a fiscal agent. As a member of the Force, the City of West St. Paul offered to hold the funds during the dissolution of the Force. The Funds were subsequently forwarded to a third-party paying agent.

CITY OF WEST ST. PAUL, MINNESOTA
GANG STRIKE FORCE FUND
BALANCE SHEET
STATEMENT 64
DECEMBER 31, 2009
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008

	2009	2008
Assets:		
Cash and Investments	\$ 766,615	\$ -
Liabilities:		
Accounts Payable	\$ 502,010	\$ -
Due to Other Governments	264,605	-
Total Liabilities	\$ 766,615	\$ -

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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 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, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's Current Level 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 the city 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 services the City provides and activities it performs.

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**CITY OF WEST ST. PAUL, MINNESOTA
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
TABLE 1**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 27,458,440	\$ 27,388,025	\$ 28,530,217	\$ 28,838,130	\$ 28,849,102	\$ 28,259,027	\$ 30,796,241
Restricted	7,497,280	7,156,411	7,304,612	7,105,350	7,041,256	7,390,280	12,968,106
Unrestricted	12,313,518	11,890,845	9,643,747	11,335,204	13,668,115	14,788,580	9,846,265
Total Governmental Activities Net Assets	<u>\$ 47,269,238</u>	<u>\$ 46,435,281</u>	<u>\$ 45,478,576</u>	<u>\$ 47,278,684</u>	<u>\$ 49,558,473</u>	<u>\$ 50,437,887</u>	<u>\$ 53,610,612</u>
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 6,053,964	\$ 6,039,322	\$ 5,919,902	\$ 5,857,428	\$ 5,736,609	\$ 5,744,038	\$ 5,657,805
Restricted	-	-	-	-	-	-	-
Unrestricted	2,954,589	2,481,016	2,460,843	2,340,294	2,283,949	2,291,545	887,385
Total Business-Type Activities Net Assets	<u>\$ 9,008,553</u>	<u>\$ 8,520,338</u>	<u>\$ 8,380,745</u>	<u>\$ 8,197,722</u>	<u>\$ 8,020,558</u>	<u>\$ 8,035,583</u>	<u>\$ 6,545,190</u>
Primary Government:							
Invested in Capital Assets, Net of Related Debt	\$ 33,512,404	\$ 33,427,347	\$ 34,450,119	\$ 34,695,558	\$ 34,585,711	\$ 34,003,065	\$ 36,454,046
Restricted	7,497,280	7,156,411	7,304,612	7,105,350	7,041,256	7,390,280	12,968,106
Unrestricted	15,268,107	14,371,861	12,104,590	13,675,498	15,952,064	17,080,125	10,733,650
Total Primary Government Net Assets	<u>\$ 56,277,791</u>	<u>\$ 54,955,619</u>	<u>\$ 53,859,321</u>	<u>\$ 55,476,406</u>	<u>\$ 57,579,031</u>	<u>\$ 58,473,470</u>	<u>\$ 60,155,802</u>

⁽¹⁾The City implemented GASB Statement No. 34 for the fiscal year ended December 31, 2003. Therefore, information for years prior to 2003 is not available.

CITY OF WEST ST. PAUL, MINNESOTA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
TABLE 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
EXPENSES							
Governmental Activities:							
General Government	\$ 2,867,679	\$ 3,824,547	\$ 3,625,984	\$ 2,950,118	\$ 2,586,165	\$ 2,796,893	\$ 3,360,035
Public Safety	4,760,028	4,485,265	4,883,434	5,248,453	6,072,424	5,927,420	5,890,526
Public Works	2,977,382	2,680,865	2,817,726	2,907,025	3,165,152	3,867,676	3,435,137
Parks and Recreation	763,272	700,766	678,888	665,065	808,763	912,410	838,059
Interest and Fiscal Charges	519,701	531,889	529,178	545,727	573,403	556,157	397,208
Total Governmental Activities Expenses	<u>11,888,062</u>	<u>12,223,332</u>	<u>12,535,210</u>	<u>12,316,388</u>	<u>13,205,907</u>	<u>14,060,556</u>	<u>13,920,965</u>
Business-Type Activities:							
Public Utilities	1,688,851	1,826,699	1,776,694	1,991,350	1,884,927	2,361,447	3,824,046
Recreation	663,548	661,034	668,694	685,347	692,598	686,534	655,524
Total Business-Type Activities Expenses	<u>2,352,399</u>	<u>2,487,733</u>	<u>2,445,388</u>	<u>2,676,697</u>	<u>2,577,525</u>	<u>3,047,981</u>	<u>4,479,570</u>
Total Primary Government Expenses	<u>\$ 14,240,461</u>	<u>\$ 14,711,065</u>	<u>\$ 14,980,598</u>	<u>\$ 14,993,085</u>	<u>\$ 15,783,432</u>	<u>\$ 17,108,537</u>	<u>\$ 18,400,535</u>
PROGRAM REVENUES							
Governmental Activities:							
Charges for Services:							
General Government	\$ 863,367	\$ 940,156	\$ 816,436	\$ 699,460	\$ 720,739	\$ 515,872	\$ 617,830
Public Safety	448,516	419,966	519,993	414,528	452,865	274,322	297,953
Public Works	54,451	91,733	94,653	182,852	176,451	217,132	297,969
Parks and Recreation	79,729	32,028	60,168	63,526	260,802	78,598	64,684
Operating Grants and Contributions	529,660	547,533	527,126	562,144	882,769	748,435	1,401,375
Capital Grants and Contributions	663,975	2,017,748	627,689	2,007,373	587,582	530,873	581,053
Total Governmental Activities Program Revenues	<u>2,639,698</u>	<u>4,049,164</u>	<u>2,646,065</u>	<u>3,929,883</u>	<u>3,081,207</u>	<u>2,365,232</u>	<u>3,260,864</u>
Business-Type Activities:							
Charges for Services:							
Public Utilities	1,973,946	1,950,711	2,007,210	2,377,834	2,492,158	2,787,280	2,965,137
Recreation	482,861	494,184	473,027	467,611	469,462	435,019	444,752
Operating Grants and Contributions	-	-	-	560	-	-	-
Capital Grants and Contributions	-	24,974	-	-	105	158,345	-
Total Business-Type Activities Program Revenues	<u>2,456,807</u>	<u>2,469,869</u>	<u>2,480,237</u>	<u>2,846,005</u>	<u>2,961,725</u>	<u>3,380,644</u>	<u>3,409,889</u>
Total Primary Government Program Revenues	<u>\$ 5,096,505</u>	<u>\$ 6,519,033</u>	<u>\$ 5,126,302</u>	<u>\$ 6,775,888</u>	<u>\$ 6,042,932</u>	<u>\$ 5,745,876</u>	<u>\$ 6,670,753</u>
NET (EXPENSE) REVENUE							
Governmental Activities	\$ (9,248,364)	\$ (8,174,168)	\$ (9,889,145)	\$ (8,386,505)	\$ (10,124,700)	\$ (11,693,250)	\$ (10,660,101)
Business-Type Activities	104,408	(17,864)	34,849	169,308	384,200	332,663	(1,069,681)
Total Primary Government Net (Expense) Revenue	<u>\$ (9,143,956)</u>	<u>\$ (8,192,032)</u>	<u>\$ (9,854,296)</u>	<u>\$ (8,217,197)</u>	<u>\$ (9,740,500)</u>	<u>\$ (11,360,587)</u>	<u>\$ (11,729,782)</u>

**CITY OF WEST ST. PAUL, MINNESOTA
CHANGES IN NET ASSETS (CONTINUED)
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
TABLE 2**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
Governmental Activities:							
Taxes:							
Property Taxes	\$ 5,659,786	\$ 5,018,466	\$ 6,447,982	\$ 7,148,433	\$ 7,588,912	\$ 8,114,780	\$ 9,230,584
Tax Increment Collections	48,149	-	139,217	312,082	736,055	885,302	1,001,532
Franchise and Other Taxes	558,632	562,465	632,746	728,551	775,255	784,951	778,465
Grants and Contributions Not							
Restricted to Specific Programs	1,167,551	1,589,976	752,494	660,873	962,269	1,439,729	1,780,315
Unrestricted Investment Earnings	587,327	346,232	540,474	790,632	1,166,186	789,661	493,389
Gain on Sale of Capital Assets	9,340	11,236	19,229	-	40,596	45,165	5,774
Miscellaneous Revenues	87,485	140,127	124,798	54,165	48,531	-	-
Transfers	577,437	229,378	275,500	491,877	(321,950)	515,150	542,768
Total Governmental Activities	<u>8,695,707</u>	<u>7,897,880</u>	<u>8,932,440</u>	<u>10,186,613</u>	<u>10,995,854</u>	<u>12,574,738</u>	<u>13,832,827</u>
Business-Type Activities:							
Property Taxes	-	-	27,937	28,351	90,211	100,036	100,112
Grants and Contributions Not							
Restricted to Specific Programs	-	-	2,063	1,721	-	5,192	5,245
Unrestricted Investment Earnings	94,503	54,528	71,058	109,098	132,134	92,284	16,699
Gain on Sale of Capital Assets	-	-	-	376	800	-	-
Miscellaneous Revenues	-	1,378	-	-	435	-	-
Transfers	(577,437)	(229,378)	(275,500)	(491,877)	321,950	(515,150)	(542,768)
Total Business-Type Activities	<u>(482,934)</u>	<u>(173,472)</u>	<u>(174,442)</u>	<u>(352,331)</u>	<u>545,531</u>	<u>(317,638)</u>	<u>(420,712)</u>
Total Primary Government	<u>\$ 8,212,773</u>	<u>\$ 7,724,408</u>	<u>\$ 8,757,998</u>	<u>\$ 9,834,282</u>	<u>\$ 11,541,385</u>	<u>\$ 12,257,100</u>	<u>\$ 13,412,115</u>
CHANGE IN NET ASSETS							
Governmental Activities	\$ (552,657)	\$ (276,288)	\$ (956,705)	\$ 1,800,108	\$ 839,317	\$ 881,488	\$ 3,172,726
Business-Type Activities	(378,526)	(191,336)	(139,593)	(183,023)	929,731	15,025	(1,490,393)
Total Primary Government	<u>\$ (931,183)</u>	<u>\$ (467,624)</u>	<u>\$ (1,096,298)</u>	<u>\$ 1,617,085</u>	<u>\$ 1,769,048</u>	<u>\$ 896,513</u>	<u>\$ 1,682,333</u>

⁽¹⁾The City implemented GASB Statement No. 34 for the fiscal year ended December 31, 2003. Therefore, information for years prior to 2003 is not available.

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**CITY OF WEST ST. PAUL, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
TABLE 3**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund:							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:							
Designated for Subsequent Years' Budget	72,550	75,000	83,725	-	-	-	-
Designated for Working Capital	3,490,143	3,469,774	3,667,070	3,918,128	4,152,541	4,096,047	5,274,336
Designated for Contingencies	821,210	816,417	770,846	495,324	980,223	980,223	468,023
Designated for Police Forfeitures	-	-	-	22,223	22,223	22,223	5,304
Undesignated	491,487	280,141	-	-	-	-	-
Total General Fund	<u>\$ 4,875,390</u>	<u>\$ 4,641,332</u>	<u>\$ 4,521,641</u>	<u>\$ 4,435,675</u>	<u>\$ 5,154,987</u>	<u>\$ 5,098,493</u>	<u>\$ 5,747,663</u>
All Other Governmental Funds:							
Reserved	\$ 2,409,488	\$ 2,523,129	\$ 3,789,964	\$ 4,140,803	\$ 4,140,803	\$ 4,366,569	\$ 10,016,943
Unreserved, Reported in:							
Special Revenue Funds	2,315,070	998,406	1,000,000	1,000,000	1,000,000	1,000,000	1,737,298
Capital Projects Funds	5,628,387	3,966,143	3,889,151	3,894,047	3,964,170	3,887,555	7,253,715
Undesignated	4,240,303	6,531,263	4,861,916	6,032,981	5,801,188	7,135,022	2,086,109
Total All Other Governmental Funds	<u>\$ 14,593,248</u>	<u>\$ 14,018,941</u>	<u>\$ 13,541,031</u>	<u>\$ 15,067,831</u>	<u>\$ 14,906,161</u>	<u>\$ 16,389,146</u>	<u>\$ 21,094,065</u>

⁽¹⁾The City implemented GASB Statement No. 34 for the fiscal year ended December 31, 2003. Therefore, information for years prior to 2003 is not available.

CITY OF WEST ST. PAUL, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST SEVEN FISCAL YEARS
TABLE 4

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues:							
General Property Taxes	\$ 5,021,210	\$ 5,613,840	\$ 6,461,819	\$ 7,093,714	\$ 7,589,626	\$ 8,026,104	\$ 8,198,676
Tax Increment Collections	-	48,149	139,217	311,127	737,231	890,559	1,038,990
Franchise and Other Taxes	562,465	558,632	632,746	728,551	770,594	775,702	766,070
Licenses and Permits	609,384	710,632	602,122	557,771	725,347	470,559	515,595
Intergovernmental	3,811,605	1,938,928	1,283,509	2,549,294	2,144,118	2,039,715	3,003,528
Special Assessments	473,016	463,801	439,923	531,896	470,834	526,298	557,691
Charges for Services	623,497	674,711	687,304	681,772	615,954	572,455	681,621
Fines and Forfeits	84,095	68,905	91,986	98,384	117,986	119,783	132,957
Investment Income	346,232	587,327	540,474	790,632	1,151,057	789,661	493,389
Contributions and Donations	11,242	14,913	20,703	17,690	-	-	-
Sale of Land Held for Resale	105,937	-	-	-	-	-	-
Miscellaneous	166,277	120,563	164,941	157,604	444,912	94,268	146,371
Insurance Recoveries	-	10,057	104,495	5,935	16,872	17,160	9,190
Total Revenues	11,814,960	10,810,458	11,169,239	13,524,370	14,784,531	14,322,264	15,544,078
Expenditures:							
Current:							
General Government	1,959,718	2,643,264	3,247,668	2,639,410	2,467,715	2,903,076	2,970,876
Public Safety	4,194,462	4,563,019	4,661,066	4,982,224	5,908,111	5,738,646	5,727,556
Public Works	1,495,343	1,630,255	1,421,692	1,543,044	1,711,250	1,645,992	1,512,683
Parks and Recreation	669,323	734,512	641,397	635,065	725,223	800,658	744,114
Unallocated General Expenditures	173,719	131,253	225,597	163,397	112,637	158,914	113,079
Capital Outlay	2,896,523	2,915,948	1,720,909	3,280,104	1,887,240	2,614,096	3,355,188
Debt Service:							
Principal	1,163,173	1,257,034	1,349,482	1,485,546	1,640,579	1,497,996	5,054,428
Interest	509,877	531,818	534,528	534,765	590,245	510,674	647,703
Bond Issuance Costs	-	25,152	23,669	30,055	-	64,703	-
Miscellaneous	-	-	-	-	1,130	904	40,819
Total Expenditures	13,062,138	14,432,255	13,826,008	15,293,610	15,044,130	15,935,659	20,166,446
Revenues Over (Under) Expenditures	(1,247,178)	(3,621,797)	(2,656,769)	(1,769,240)	(259,599)	(1,613,395)	(4,622,368)
Other Financing Sources (Uses):							
Sale of Capital Assets	31,097	9,340	19,229	21,192	35,102	45,165	5,774
Issuance of Debt	225,000	1,540,000	1,790,000	2,692,000	190,000	2,600,000	9,427,915
Capital Lease	-	703,000	-	-	-	-	-
Bond Discount	-	(16,345)	(25,561)	(18,008)	-	(28,440)	-
Transfers In	2,437,486	1,297,232	1,941,046	1,122,751	834,908	693,134	1,919,527
Transfers Out	(2,208,108)	(719,795)	(1,665,546)	(607,861)	(334,758)	(177,984)	(1,376,759)
Total Other Financing Sources (Uses)	485,475	2,813,432	2,059,168	3,210,074	725,252	3,131,875	9,976,457
Net Change in Fund Balances	\$ (761,703)	\$ (808,365)	\$ (597,601)	\$ 1,440,834	\$ 465,653	\$ 1,518,480	\$ 5,354,089
Debt Service as a Percentage of Noncapital Expenditures	14.3%	15.8%	15.8%	17.1%	16.9%	15.9%	33.2%

⁽¹⁾The City implemented GASB Statement No. 34 for the fiscal year ended December 31, 2003. Therefore, information for years prior to 2003 is not available.

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
2000	\$ 7,140,378	\$ 4,193,862	\$ 2,517,294	\$ 13,851,534	\$ -	\$ 11,334,240	25.010	\$ 836,022,000	1.36%
2001	7,980,663	4,430,987	2,765,883	15,177,533	1,448,332	12,411,650	25.200	907,271,500	1.37%
2002	6,987,235	2,663,187	2,848,691	12,499,113	931,299	9,650,422	44.520	1,007,948,500	0.96%
2003	7,848,732	2,818,253	2,890,421	13,557,406	1,112,696	10,666,985	38.720	1,126,369,000	0.95%
2004	8,807,151	1,932,827	3,844,079	14,584,057	1,174,964	10,739,978	41.680	1,243,913,500	0.86%
2005	10,059,828	3,182,145	2,873,191	16,115,164	1,222,578	13,241,973	42.289	1,382,649,200	0.96%
2006	11,320,958	3,553,175	2,878,158	17,752,291	1,338,159	14,874,133	42.761	1,530,023,000	0.97%
2007	12,330,829	4,865,981	2,419,777	19,616,587	1,487,932	17,196,810	42.082	1,687,050,300	1.02%
2008	12,573,491	5,234,351	2,489,211	20,297,053	1,855,711	17,807,842	43.706	1,734,621,300	1.03%
2009	12,188,009	5,568,526	2,418,915	20,175,450	2,001,404	17,756,535	44.608	1,707,579,700	1.04%

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 Direct Rate	Overlapping Rates*			Total
		School District	Other Districts	County	
2000	25.010	44.240	6.460	27.250	102.960
2001	25.200	43.090	6.380	25.320	99.990
2002	44.520	15.270	5.020	33.100	97.910
2003	38.720	14.400	5.230	32.460	90.810
2004	41.680	12.920	4.930	30.300	89.830
2005	42.289	21.878	4.907	28.267	97.341
2006	42.761	21.428	4.616	26.318	95.123
2007	42.082	19.838	4.416	25.127	91.463
2008	43.706	18.914	4.393	25.184	92.197
2009	44.608	18.051	4.328	25.821	92.808

Source: Dakota County website.

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

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

**CITY OF WEST ST. PAUL, MINNESOTA
PRINCIPAL PROPERTY TAX PAYORS
CURRENT YEAR AND NINE YEARS AGO
TABLE 7**

Taxpayer	2009			2000		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Target Corporation*	\$ 306,164	1	1.52%	\$ 212,876	4	1.54%
Robert Street 2008 LLC***	290,902	2	1.44%	275,191	1	1.99%
Signal Hills Co. II	285,686	3	1.42%	144,387	9	1.04%
Wal-Mart	228,020	4	1.13%			
Lowes Home Centers Inc.	222,672	5	1.10%			
Menards	222,624	6	1.10%			
Xcel Energy**	182,768	7	0.91%	269,113	2	1.94%
Sasco Investments LLP	181,234	8	0.90%			
Mailand Property Ltd. Partnership	177,707	9	0.88%	217,762	3	1.57%
Westview Apartments	175,000	10	0.87%	156,309	7	1.13%
Walker Senior Housing Corp. IX			0.00%	172,800	6	1.25%
Individual			0.00%	137,984	10	
Holiday Acres Limited Partnership				147,600	8	1.07%
Westwood Villas				180,000	5	1.30%
Total	\$ 1,675,711		11.27%	\$ 1,914,022		12.82%
Total All Property	\$ 20,175,450			\$ 13,851,534		

Source: 2009 information from Ehler's Annual Disclosure.
2000 from City's 2000 CAFR.

* Company name in 2000 was Dayton Development Co.

** Company name in 2000 was Northern States Power

*** Company name in 2000 was Bradley Operating Ltd.

**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
2000	\$ 3,704,500	\$ 3,659,926	98.80%	\$ 44,574	\$ 3,704,500	100.00%
2001	4,149,050	4,109,018	99.04%	40,032	4,149,050	100.00%
2002	5,751,650	5,686,864	98.87%	64,786	5,751,650	100.00%
2003	5,559,625	5,502,703	98.98%	54,487	5,557,190	99.96%
2004	6,209,900	6,112,388	98.43%	95,613	6,208,001	99.97%
2005	6,941,900	6,854,442	98.74%	84,318	6,938,760	99.95%
2006	7,607,225	7,482,046	98.35%	120,525	7,602,571	99.94%
2007	8,094,100	7,969,034	98.45%	107,682	8,076,716	99.79%
2008	8,522,075	8,409,350	98.68%	57,890	8,467,241	99.36%
2009	8,745,974	8,629,734	98.67%	-	8,629,734	98.67%

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

**CITY OF WEST ST. PAUL, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
TABLE 9**

Fiscal Year	Governmental Activities					Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	Capital Leases	Total Governmental Activities	
2000	\$ 857,000	\$ 13,045,000	\$ -	\$ -	\$ 13,902,000	98.58%
2001	863,000	10,205,000	-	-	11,068,000	71.84%
2002	867,000	10,595,000	-	-	11,462,000	91.70%
2003	895,000	9,785,000	-	-	10,680,000	78.78%
2004	860,000	10,275,000	-	608,355	11,743,355	80.52%
2005	816,000	9,370,000	1,605,000	476,548	12,267,548	76.12%
2006	826,000	10,790,000	1,605,000	338,026	13,559,026	76.38%
2007	766,000	9,615,000	1,605,000	192,447	12,178,447	62.08%
2008	746,000	10,985,000	1,580,000	39,450	13,350,450	65.78%
2009	7,160,500	9,105,000	1,555,000	-	17,820,500	88.33%

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.

Business-Type Activities				
Sewer/ Water Bonds	Term Loan Payable	Total Business-Type Activities	Total Primary Government	Per Capita ^(a)
\$ 1,825,000	\$ 2,370,000	\$ 4,195,000	\$ 18,097,000	921
1,765,000	2,310,000	4,075,000	15,143,000	780
1,710,000	2,245,000	3,955,000	15,417,000	786
1,650,000	2,155,000	3,805,000	14,485,000	734
1,585,000	2,055,000	3,640,000	15,383,355	790
1,520,000	1,950,000	3,470,000	15,737,548	835
1,450,000	1,840,000	3,290,000	16,849,026	891
1,375,000	1,740,000	3,115,000	15,293,447	805
1,300,000	1,635,000	2,935,000	16,285,450	N/A
2,755,000	1,365,000	4,120,000	21,940,500	N/A

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CITY OF WEST ST. PAUL, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TABLE 10
DECEMBER 31, 2009

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)
2000	\$ 857,000	\$ 206,215	\$ 650,785	0.08%	34.41
2001	863,000	201,850	661,150	0.07%	34.96
2002	867,000	182,003	684,997	0.07%	36.22
2003	895,000	141,987	753,013	0.07%	39.81
2004	860,000	102,651	757,349	0.06%	40.04
2005	816,000	105,296	710,704	0.05%	37.58
2006	826,000	117,328	708,672	0.05%	37.47
2007	766,000	120,243	645,757	0.04%	34.14
2008	746,000	(660,500)	1,406,500	0.08%	74.36
2009	7,160,500	199,241	6,961,259	0.41%	368.05

(a) See Table 5 for property value data.

(6) See Table 14 for population data.

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CITY OF WEST ST. PAUL, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
TABLE 11
DECEMBER 31, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Dakota County	\$ 76,005,000	3.80%	\$ 2,889,406
School Districts:			
ISD No. 197	79,090,000	26.74%	21,145,265
Metropolitan Council	208,840,000	0.43%	888,614
Subtotal - overlapping debt			24,923,285
City direct debt			21,940,500
Total direct and overlapping debt			<u>\$ 46,863,785</u>

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
 TABLE 12**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt Limit	\$ 16,863,066	\$ 18,291,194	\$ 20,158,970	\$ 22,527,380
Total Net Debt Applicable to Limit	<u>935,832</u>	<u>864,030</u>	<u>782,938</u>	<u>773,326</u>
Legal Debt Margin	<u>\$ 15,927,234</u>	<u>\$ 17,427,164</u>	<u>\$ 19,376,032</u>	<u>\$ 21,754,054</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.55%	4.72%	3.88%	3.43%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. However, the City has established a more conservative internal limit of no more than 5%. 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%

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 24,878,270	\$ 27,652,984	\$ 30,600,460	\$ 33,741,006	\$ 52,038,639	\$ 51,227,391
<u>772,626</u>	<u>708,672</u>	<u>645,757</u>	<u>645,757</u>	<u>593,637</u>	<u>461,259</u>
<u>\$ 24,105,644</u>	<u>\$ 26,944,312</u>	<u>\$ 29,954,703</u>	<u>\$ 33,095,249</u>	<u>\$ 51,445,002</u>	<u>\$ 50,766,132</u>
3.11%	2.56%	2.11%	1.91%	1.14%	0.90%

Legal Debt Margin Calculation for Fiscal Year 2009

Market Value	<u>\$ 1,707,579,700</u>
Debt Limit (3% of Market Value) ^(a)	<u>51,227,391</u>
Debt Applicable to Limit:	
General Obligation Bonds	660,500
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>(199,241)</u>
Total Net Debt Applicable to Limit	<u>461,259</u>
Legal Debt Margin	<u>\$ 50,766,132</u>

**CITY OF WEST ST. PAUL, MINNESOTA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 TABLE 13**

Fiscal Year	Sewer Revenue Bonds					
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000	N/A	N/A	N/A	N/A	N/A	N/A
2001	\$ 1,710,583	\$ 1,459,244	\$ 251,339	\$ 60,000	\$ 81,580	1.78
2002	1,815,702	1,376,430	439,272	55,000	85,495	3.13
2003	1,927,375	1,626,499	300,876	60,000	83,020	2.10
2004	1,953,124	1,469,313	483,811	65,000	80,320	3.33
2005	1,999,199	1,550,140	449,059	65,000	77,395	3.15
2006	2,364,928	1,776,688	588,240	70,000	74,470	4.07
2007	2,445,899	1,956,727	489,172	75,000	71,320	3.34
2008	2,747,281	2,121,595	625,686	80,000	67,945	4.23
2009	2,940,335	3,636,003	(695,668)	95,000	45,616	(4.95)

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.

Improvement Bonds				Tax Increment Bonds			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 256,138	\$ 765,000	\$ 561,215	0.19	N/A	N/A	N/A	N/A
282,077	2,840,000	527,686	0.08	N/A	N/A	N/A	N/A
220,160	1,050,800	443,062	0.15	N/A	N/A	N/A	N/A
199,686	810,000	387,938	0.17	N/A	N/A	N/A	N/A
160,797	870,000	393,962	0.13	N/A	N/A	N/A	N/A
161,694	905,000	401,431	0.12	N/A	N/A	N/A	N/A
135,485	1,030,000	364,239	0.10	\$ 51,769	\$ -	\$ 51,769	1.00
109,947	1,175,000	411,260	0.07	69,025	-	69,025	1.00
77,718	1,000,000	373,735	0.06	93,556	25,000	68,556	1.00
102,651	1,090,000	424,397	0.07	92,619	25,000	67,619	1.00

**CITY OF WEST ST. PAUL, MINNESOTA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 TABLE 14**

Fiscal Year	Population *	Personal Income **	Per Capita Personal Income **	Unemployment Rate ***
2000	19,648	N/A	N/A	2.40%
2001	19,405	N/A	N/A	3.20%
2002	19,624	\$ 13,844,000,000	\$ 37,543	4.00%
2003	19,740	14,487,000,000	38,819	4.20%
2004	19,481	15,432,000,000	40,788	4.00%
2005	18,849	15,878,000,000	41,416	4.10%
2006	18,816	16,627,273,000	43,095	4.00%
2007	18,914	17,541,000,000	45,045	4.00%
2008	19,002	18,243,000,000	46,357	6.90%
2009	N/A	N/A	N/A	7.40%

* Source of data: Metropolitan Council, except 2001 for which the source is the U.S. Bureau of Census.

** Source of data: Bureau of Economic Analysis, Rates are for Dakota County.

*** 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**

Employers	2009		Employers	2000	
	(b) Employees	Percentage of Total City Employment		(b) Employees	Percentage of Total City Employment
Independent School District #197	721	(a)	Independent School District #197	740	(a)
Dakota County	600	(a)	Tapemark Company	350	(a)
Super Target	400	(a)	Southview Acres Health Center	300	(a)
Southview Acres Health Care Center	325	(a)	Dakota County	274	(a)
Wal-mart	173	(a)	Target	260	(a)
Total	<u>2,219</u>		Total	<u>1,924</u>	

Source: Ehlers and Associated, Inc.

- (a) Employment rates are not compiled for individual communities within Dakota County
- (b) Only information for the top 5 employers is available for each year presented.

CITY OF WEST ST. PAUL, MINNESOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
TABLE 16

Function/Program	2000	2001	2002	2003
General Government:				
Administration	4.0	4.0	4.0	4.0
Finance	5.0	5.0	6.0	6.0
Community Development	1.0	1.0	6.0	6.0
Building	1.0	1.0	1.0	1.0
MIS	1.0	1.0	1.0	1.0
Police:				
Officers	25.0	25.0	26.0	26.0
Civilians	5.0	5.0	5.0	4.0
Dispatch	5.0	5.0	5.0	7.0
Fire:				
Firefighters and Officers	20.0	20.0	20.0	20.0
Civilians		0.5	0.5	0.5
Public Works:				
Engineering	5.0	5.0	3.0	3.0
Streets	12.0	12.0	12.0	12.0
Sewer	3.0	3.0	3.0	3.0
Parks and Recreation	7.0	7.0	7.0	7.0
Golf Course Manager	1.0	1.0	2.0	2.0
Ice Arena / Pool Manager	1.0	1.0	1.0	1.0
	<u>97.0</u>	<u>97.5</u>	<u>102.5</u>	<u>103.5</u>
Total	<u>97.0</u>	<u>97.5</u>	<u>102.5</u>	<u>103.5</u>

Source: City Budget Office.

^(a) The police department began the hiring of additional police officers in 2007 to staff community policing positions.

^(b) The City has added additional engineering and water staff in recent years in connections with several infrastructure improvement initiatives.

Full-Time Equivalent Employees as of December 31,

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
4.0	4.0	5.0	5.0	5.0	4.0
5.0	5.0	4.0	5.0	5.0	5.0
6.0	5.0	5.0	5.0	5.0	4.0
1.0	1.0	1.0	1.5	1.5	2.0
-	-	1.0	1.0	1.0	1.0
26.0	26.0	28.0	30.0	30.0	30.0
4.0	4.0	5.5	6.0	6.0	5.8
7.0	7.0				
19.0	19.0	19.0	20.0	-	-
0.5	0.5	0.5	0.5	-	-
3.0	1.0	2.0	2.0	2.0	2.0
11.0	11.0	10.0	11.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0	3.0
7.0	7.0	6.0	7.0	7.0	7.0
2.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>99.5</u>	<u>95.5</u>	<u>92.0</u>	<u>99.0</u>	<u>78.5</u>	<u>76.8</u>

**CITY OF WEST ST. PAUL, MN
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 TABLE 17**

Function/Program	2000	2001	2002	2003
Police:				
Part 1 Crimes Reports	1,001	937	1,097	1,282
Part 2 Crimes Reports	1,076	1,107	1,215	1,148
Total Arrests	1,107	643	945	888
Part 1 Arrests	200	156	284	313
Cases Investigated	434	357	383	334
Building Inspection:				
Permits Issued:				
Residential				716
Commercial				103
Public Works:				
Streets Patched (Person Hrs)				
Parks and Recreation:				
Recreation Programs Offered				
Ice Arena Annual Admissions				
Golf Course:				
Rounds Played	23,877	19,209	17,098	18,425
Golf Cars Rented				
Wastewater:				
Average Sewer Lines Cleaned (Miles)				
Transit:				
Total Route Miles				
Passengers				

Sources: Various City Departments.

Fiscal Year					
2004	2005	2006	2007	2008	2009
1,227	1,323	1,177	1,080	1,047	N/A
1,021	1,220	1,184	1,182	989	N/A
792	978	1,099	1,153	827	N/A
301	331	392	451	341	N/A
158	442	387	535	603	N/A
655	627	451	1,023	623	790
111	101	83	156	83	55
3,220	2,310	3,380	2,195	3,035	3,409
		150	160	167	170
		65,000	65,425	65,700	65,750
15,345	14,472	13,330	12,487	12,348	14,713
			566	608	1,086
41	41	30	38	31	43

**CITY OF WEST ST. PAUL, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
TABLE 18**

Function/Program	2000	2001	2002	2003
Police:				
Stations	1	1	1	1
Police Vehicles:				
Marked	7	7	7	8
Unmarked	6	6	6	6
Gun Range				
Holding Cells	3	3	3	3
Fire:				
Stations	1	1	1	1
Engines	3	3	3	3
Ladder	1	1	1	1
Ambulances	2	2	2	2
Rescue truck				
Vehicles	2	2	2	2
SCBA	20	20	20	20
Public Works:				
Streets (Miles)	69.16	69.16	69.16	69.16
Alley (Miles)	5	5	5	5
Streetlights	240	240	240	240
Parks and Recreation:				
Acreage	136.5	136.5	136.5	136.5
Parks and Playgrounds	17	17	17	17
Baseball/Softball Diamonds ^(b)	9	9	9	9
Soccer/Football Fields ^(b)	3	3	3	3
Community (Senior) Centers	1	1	1	1
Outdoor Skating Rinks	11	11	11	11
Executive Golf Course (Par 29)	1	1	1	1
Public Swimming Pool	1	1	1	1
Public Ice Arena	1	1	1	1
Wastewater:				
Sanitary Sewers (Miles)	63	63	63	63
Storm Sewers (Miles)	35	35	35	35

Sources: Various City Departments.

Fiscal Year						
2004	2005	2006	2007	2008	2009	
1	1	1	1	1	1	1
9	10	10	10	11	11	11
7	8	8	8	8	8	8
1	1	1	1	1	1	1
3	3	3	3	3	3	3
1	1	1	1	1	1	1
3	3	3	3			
1	1	1	1			
2	2	2	2			
1	1	1	1			
2	2	2	2			
20	20	20	20			
69.16	69.16	69.16	71.16	71.16	71.2	
5	5	5	5	5	5	
240	240	240	240	240	243	
136.5	136.5	136.5	152.0	152.0	155	
17	17	17	17	17	17	
9	9	9	9	9	9	
3	3	3	3	3	3	
1	1	1	1	1	1	
11	11	11	12	12	12	
1	1	1	1	1	1	
1	1	1	1	1	1	
1	1	1	1	1	1	
63	63	63	63	63	63.0	
35	35	35	35	35	35.0	

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