
City of
WEST ST. PAUL
MINNESOTA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended December 31, 2016

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

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

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

**Joan Carlson
Director of Finance**

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

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CITY OF WEST ST. PAUL

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

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

June 8, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the City of West St. Paul (the City) for the year ended December 31, 2016, is submitted herewith.

INTRODUCTION

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

Pursuant to the City Financial Reporting Act of 1978, the City's Finance Officer is required to prepare the CAFR, which is then to be attested to by an external auditor. Accordingly, this report has been prepared by the City's Finance Director. This report consists of management's representations concerning the finances of the City of West St Paul. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established an internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, it is asserted that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements have been audited by the certified public accounting firm of Abdo, Eick & Meyers, 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 for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with GAAP.

City of West St. Paul
Letter of Transmittal

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF WEST ST. PAUL

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

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the proposed budget during July of each year. The City Manager then presents this proposed budget to the City Council in August. The City Council reviews the proposed budget, holds public hearings to receive public input and then adopts a final budget in December. The adopted budget document is prepared by fund and function. The City Manager may transfer appropriations within any given department, but any transfers between departments or funds must be presented to and approved by the City Council. This CAFR provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund on pages 49 and 51.

ECONOMIC CONDITION AND OUTLOOK

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

Town Center II – redevelopment of this block began in the fall of 2016 and includes Grifols Plasma Center, Raising Cane’s Chicken restaurant, and another still to be determined retail/restaurant space.

Chick-Fil-A – Chick-Fil-A completed construction of a 4,971 square foot restaurant which opened for business during 2016.

Medical Express Urgent Care – This walk-in doctor’s office was completed and opened late in 2016 and provides urgent care to patients 7 days a week.

The Sanctuary – The Sanctuary is a 164 unit assisted living complex that began construction in 2015 and was completed in the fall 2016. It will create 68 new jobs in the City.

LA Fitness – LA Fitness was completed and opened its doors for business in the fall of 2015, along with four adjoining retail spaces.

Aspen Dental/Retail Building – Aspen Dental Clinic construction was completed and the clinic began seeing patients during 2015.

Tapemark – Tapemark has invested significantly in equipment and facility renovations and added 82 new employees. They were awarded a \$500,000 Minnesota Investment Fund Grant/Loan from the Minnesota Department of Employment and Economic Development.

Prime Design – Prime Design reorganized its operations in 2015. They currently have 82 employees and plan to create 30 more jobs in the next two years. They were awarded a \$150,000 Minnesota Investment Fund Grant/Loan from the Minnesota Department of Employment and Economic Development.

MAJOR INITIATIVES

During 2016, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

Robert Street Reconstruction – Construction on this important project began in 2015. The \$7.0 million federal grant that was awarded to the City in early 2010 was increased to \$8.0 million in 2014. The City partnered with the State of Minnesota and Dakota County for \$8.6 million of funding and continues to lobby the state for additional funding. Work also began on the Streetscape Phase to enhance the appearance of Robert Street and encourage further redevelopment. Completion of this project is expected in the summer of 2017.

Street Reconstruction Program – To ease traffic issues from the Robert Street project, the 2016 street project was delayed and combined with the 2017 project. This larger project is expected to cost around 8 million and included portion of 10 different local streets. The improvements are funded through bond issuance with assessments covering approximately 25% of the total construction costs.

Sports Complex – this 23 acre park facility will be undergoing a 1 million dollar renovation starting in late 2016 with completion expected in 2017. Improvements include resurfacing of blacktop trails and parking lot, ballfield lighting and irrigation, a new picnic shelter.

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

Smith Avenue Revitalization – A new revitalization plan for the Smith Avenue Transit Corridor was completed in 2013. The plan lays out action steps to achieve an economically, environmentally and physically vital commercial and residential area. The new plan updated the 1984 Smith Avenue Task Force Report.

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

LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with other aging suburbs, the City is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2016, the City presented its eighth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least ten years in advance. The 2016-2025 CIP includes planned projects for streets, parks, sewer system and City facilities.

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

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

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

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, 2015. This was the twenty-ninth 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 2015 report satisfied both GAAP and all applicable legal requirements.

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

BOND RATING

In December of 2016, the City issued General Obligation bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA. The rating maintains the higher step that was awarded in 2009. This bond rating signals the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

ACKNOWLEDGEMENTS

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

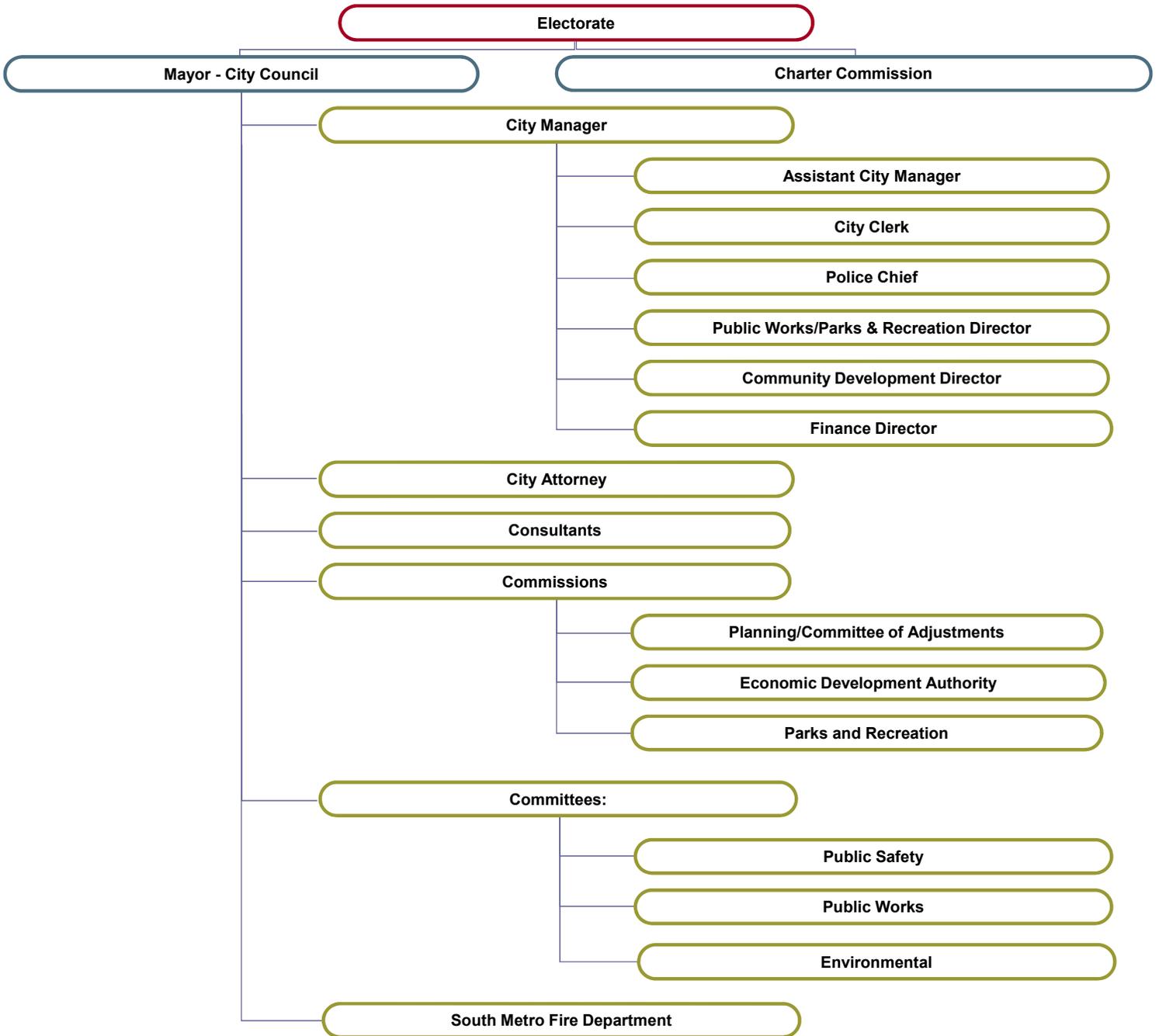
Respectfully submitted,

A handwritten signature in black ink that reads "Joan Carlson". The signature is written in a cursive, flowing style.

Joan Carlson
Finance Director

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City of West Saint Paul



CITY OF WEST ST. PAUL, MINNESOTA
 ELECTED AND APPOINTED OFFICIALS
 FOR THE YEAR ENDED DECEMBER 31, 2016

ELECTED

Name	Title	Term Expires
David Meisinger	Mayor	12/31/16
Pat Armon	Council Member	12/31/16
John Bellows	Council Member	12/31/18
Jenny Halverson	Council Member	12/31/16
Ed Iago	Council Member	12/31/18
Dave Napier	Council Member	12/31/16
Dick Vitelli	Council Member	12/31/18

APPOINTED

Name	Title
Ryan Schroeder	City Manager
Sherrie Le	Assistant City Manager/Human Resources
Joan Carlson	Director of Finance/City Treasurer
Bud Shaver	Police Chief
Ross Beckwith	Director Parks and Recreations & Public Works
Jim Hartshorn	Director of Community Development



Government Finance Officers Association

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

Presented to

**City of West St. Paul
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

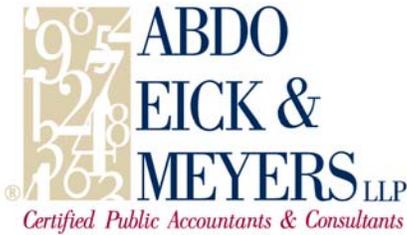
Executive Director/CEO

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FINANCIAL SECTION
CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West Saint Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Saint Paul, Minnesota (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund and the EDA fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employers Contributions and the Schedule of Funding Progress starting on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

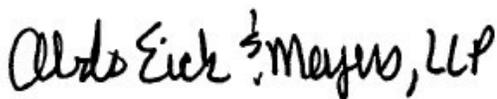
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and combining and individual fund financial statements and schedules are presented for purposes of additional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

The combining and individual fund financial statements and schedules and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 8, 2017

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Management's Discussion and Analysis

As management of the City of West St. Paul, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$45,234,256 (net position). Of this amount, \$4,143,964 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$8,206,225. Of the total, governmental activities decreased \$7,508,163 and business-type activities decreased \$698,062.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,079,361.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$9,184,804, or 74 percent of total 2016 General fund expenditures.

Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

Figure 1
Required Components of the
City's Annual Financial Report

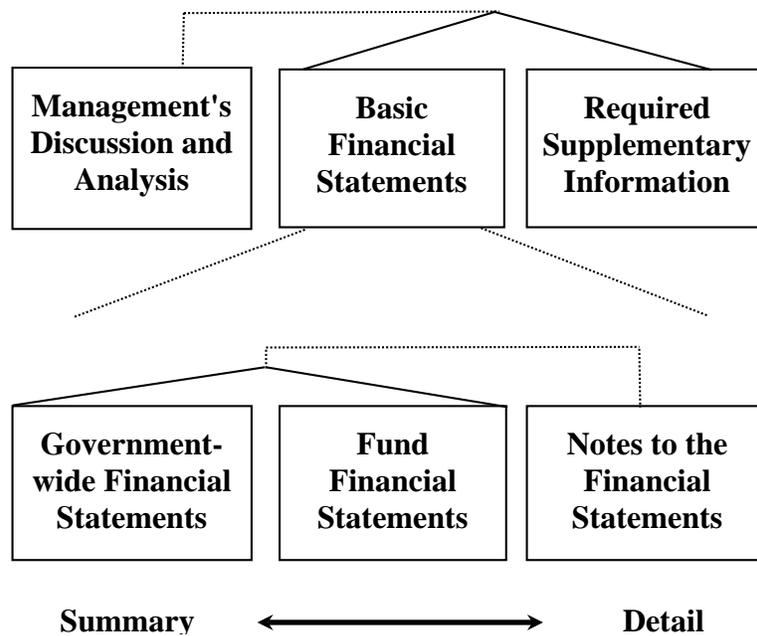


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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 (streets and highways), culture and recreation, economic development and interest on long-term debt. The business-type activities of the City include storm sewer, sewer, and recreation.

The government-wide financial statements start on page 37 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 government, 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*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains twenty-seven individual governmental funds, thirteen of which are Debt Service funds and four of which are TIF Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Economic Development Authority fund, Debt Service funds, Permanent Improvement Revolving fund and the TIF Districts fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General and Economic Development Authority funds. A budgetary comparison statement has been provided for the General fund and the Economic Development Authority fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 42 of this report.

Proprietary funds. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its storm sewer, sewer, and recreation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 52 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 59 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 98 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,234,256 at the close of the most recent fiscal year.

The largest portion of the City's net position (83 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are 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 Saint Paul's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Assets						
Current and other assets	\$ 17,929,951	\$ 21,041,704	\$ (3,111,753)	\$ 6,918,744	\$ 3,367,440	\$ 3,551,304
Capital assets	53,646,123	55,266,524	(1,620,401)	21,035,809	20,161,213	874,596
Total assets	71,576,074	76,308,228	(4,732,154)	27,954,553	23,528,653	4,425,900
Deferred outflows of resources						
Deferred pension resources	8,817,191	1,200,237	7,616,954	182,333	35,241	147,092
Liabilities						
Noncurrent liabilities outstanding	45,385,981	34,732,732	10,653,249	12,046,774	7,044,201	5,002,573
Other liabilities	3,433,751	3,885,619	(451,868)	757,405	485,408	271,997
Total liabilities	48,819,732	38,618,351	10,201,381	12,804,179	7,529,609	5,274,570
Deferred inflows of resources						
Deferred pension resources	1,626,955	1,435,373	191,582	45,029	48,545	(3,516)
Net position						
Net investment in capital assets	25,581,953	30,272,393	(4,690,440)	11,877,211	13,490,986	(1,613,775)
Restricted	3,631,128	4,697,697	(1,066,569)	-	-	-
Unrestricted	733,497	2,484,651	(1,751,154)	3,410,467	2,494,754	915,713
Total net position	\$ 29,946,578	\$ 37,454,741	\$ (7,508,163)	\$ 15,287,678	\$ 15,985,740	\$ (698,062)

An additional portion of the City's net position (\$3,631,128) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$4,143,964) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for governmental and business-type activities.

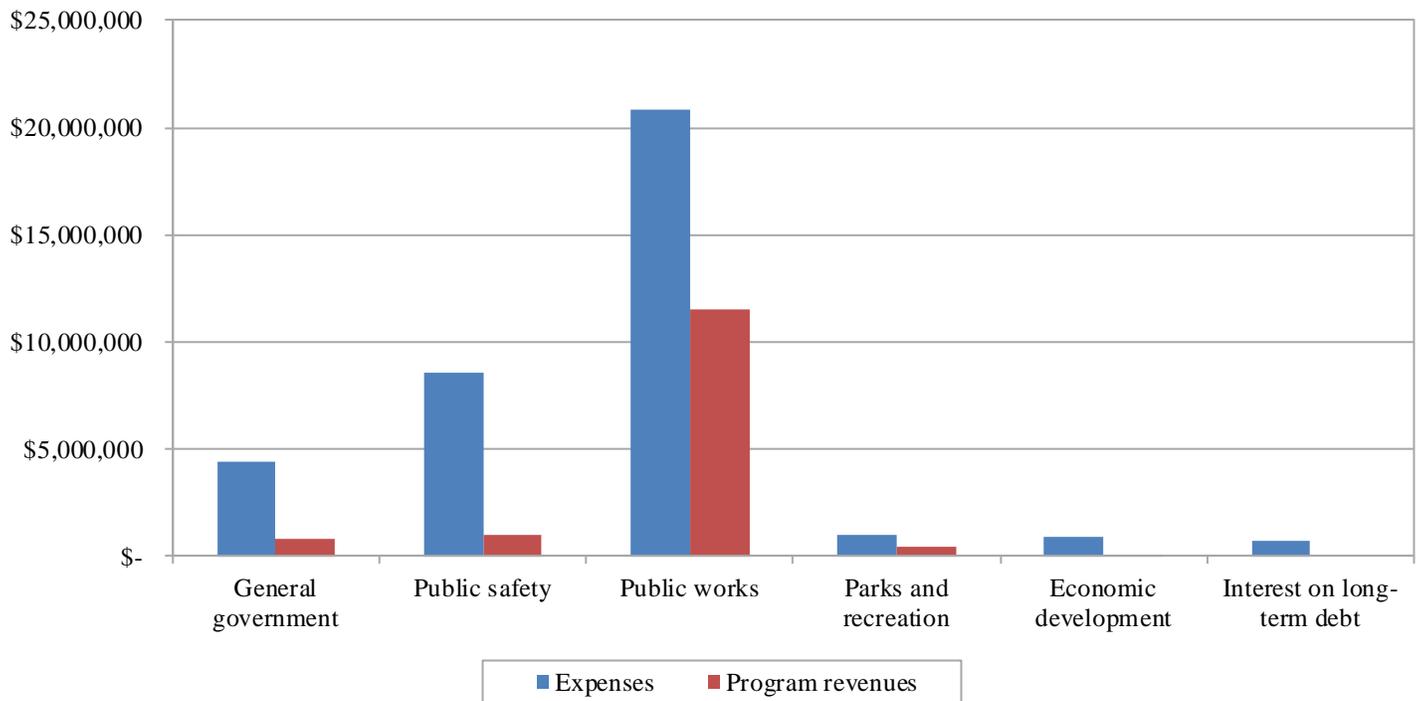
Governmental activities. Governmental activities decreased the City's net position by \$7,508,163. The main reason for the decrease was due to costs associated with current infrastructure projects. Other key elements of the changes are as follows:

City of West Saint Paul's Changes in Net Position

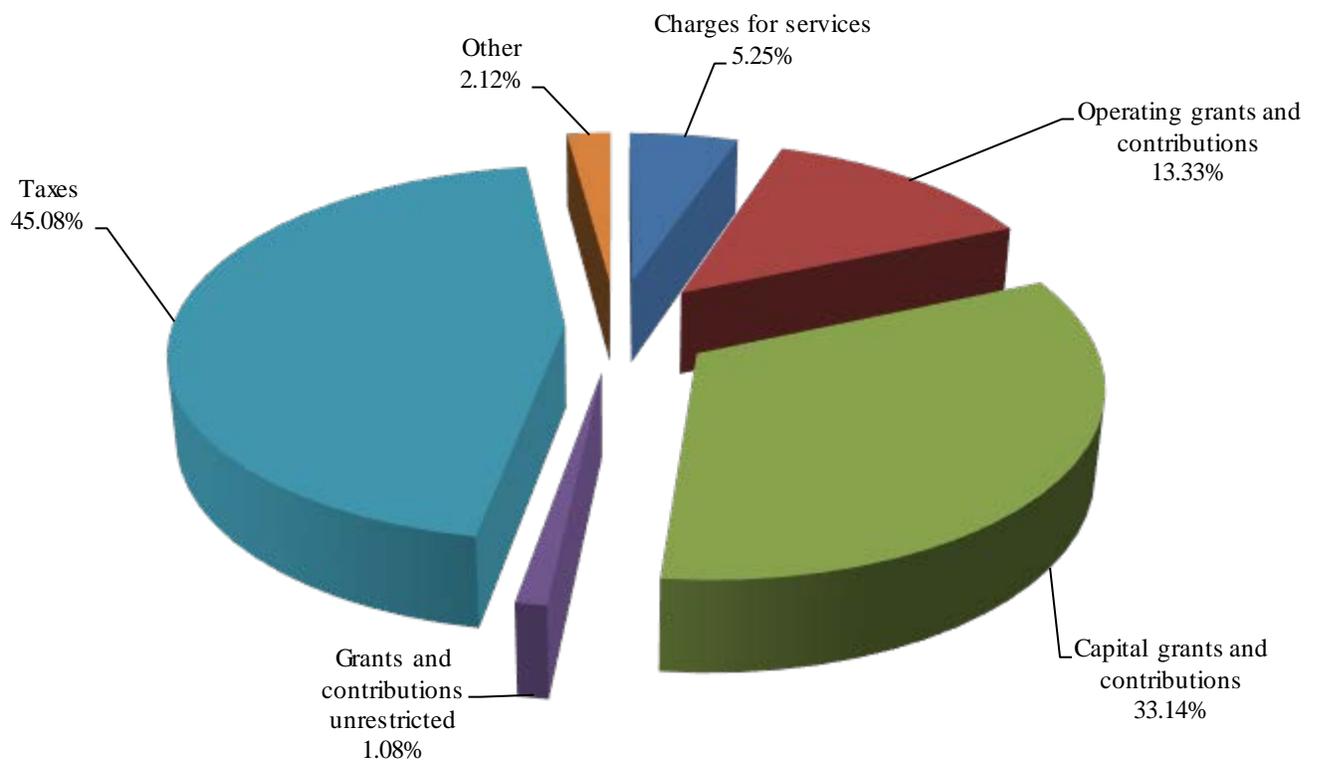
	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 1,407,728	\$ 1,531,032	\$ (123,304)	\$ 4,622,343	\$ 4,496,202	\$ 126,141
Operating grants and contributions:	3,574,024	936,983	2,637,041	136,111	781,119	(645,008)
Capital grants and contributions	8,887,491	14,091,333	(5,203,842)	-	1,111,430	(1,111,430)
General revenues						
Taxes						
Property taxes	11,710,599	11,233,695	476,904	385,859	386,730	(871)
Tax increment	380,874	255,830	125,044	-	-	-
Franchise and other	942,289	893,817	48,472	-	-	-
Grants and contributions not restricted to specific programs	288,957	472,840	(183,883)	-	-	-
Unrestricted investment earnings	386,434	417,937	(31,503)	51,884	56,989	(5,105)
Gain on sale of capital assets	7,069	12,203	(5,134)	-	-	-
Miscellaneous	176,256	156,211	20,045	3,494	-	3,494
Total revenues	27,761,721	30,001,881	(2,240,160)	5,199,691	6,832,470	(1,632,779)
Expenses						
General government	4,406,578	3,098,841	1,307,737	-	-	-
Public safety	8,533,267	7,002,514	1,530,753	-	-	-
Public works	20,833,032	20,866,152	(33,120)	-	-	-
Parks and recreation	998,392	917,884	80,508	-	-	-
Miscellaneous	893,626	1,671,352	(777,726)	-	-	-
Interest on long-term debt	730,418	984,888	(254,470)	-	-	-
Storm sewer	-	-	-	336,468	290,394	46,074
Sanitary sewer	-	-	-	3,007,180	2,780,700	226,480
Golf course	-	-	-	176,688	196,564	(19,876)
Civic center arena	-	-	-	373,261	258,078	115,183
Swimming pool	-	-	-	81,124	79,924	1,200
Regional athletic center	-	-	-	797,603	836,121	(38,518)
Total expenses	36,395,313	34,541,631	1,853,682	4,772,324	4,441,781	330,543
Increase (decrease) in net position before transfers	(8,633,592)	(4,539,750)	(4,093,842)	427,367	2,390,689	(1,963,322)
Transfers - capital assets	(229,359)	(311,065)	81,706	229,359	311,065	(81,706)
Transfers (net)	1,354,788	1,335,594	19,194	(1,354,788)	(1,335,594)	(19,194)
Change in net position	(7,508,163)	(3,515,221)	(3,992,942)	(698,062)	1,366,160	(2,064,222)
Net position, January 1	37,454,741	40,969,962	(3,515,221)	15,985,740	14,619,580	1,366,160
Net position, December 31	\$ 29,946,578	\$ 37,454,741	\$ (7,508,163)	\$ 15,287,678	\$ 15,985,740	\$ (698,062)

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenue - Governmental Activities

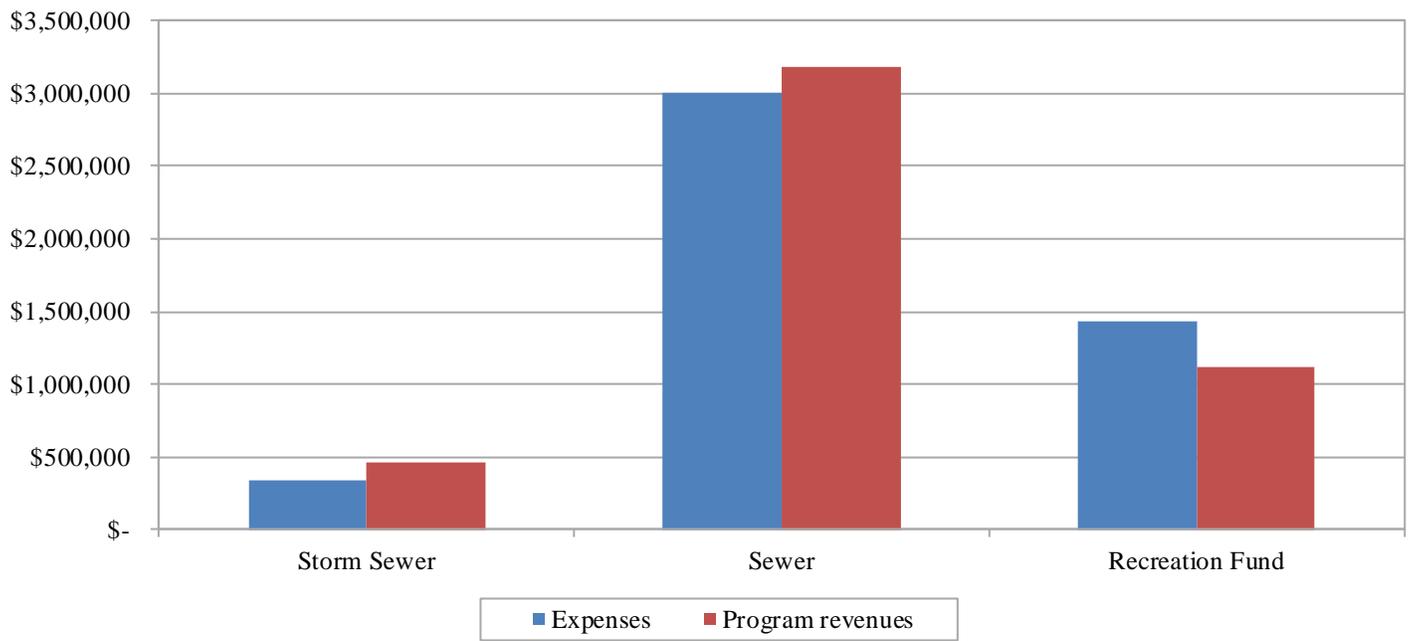


Revenue by Source - Governmental Activities

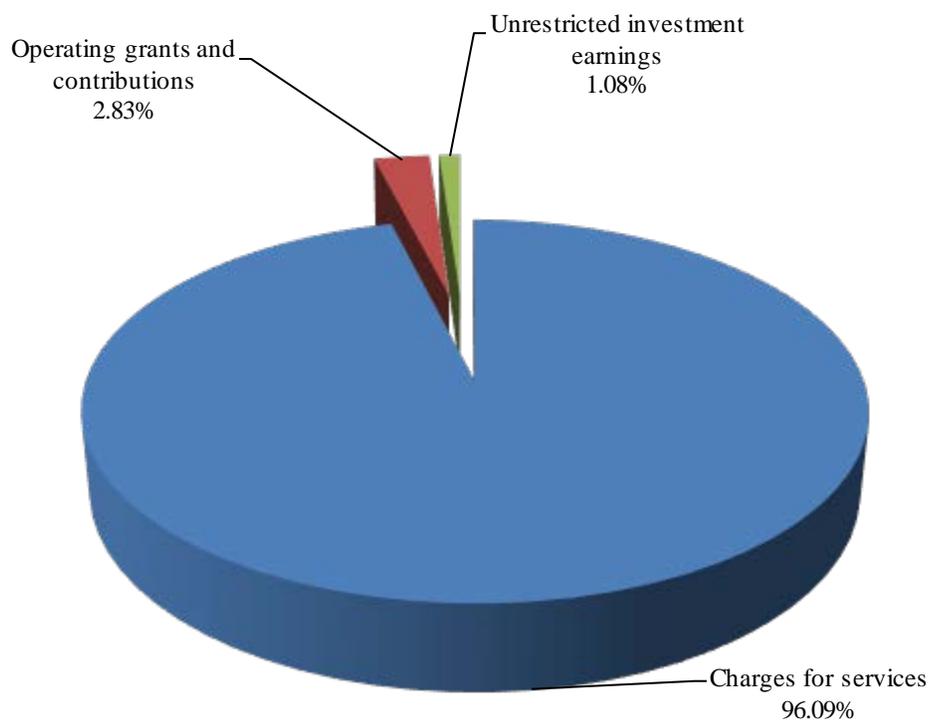


Business-type activities. Business-type activities decreased the City's net position by \$698,062. The main reason of this decrease was due to a deficiency of program revenues under expenses. Other key elements of the changes are as follows:

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,079,361. Approximately 3 percent of this total amount, (\$290,286) constitutes deficit *unassigned fund balance*, which is available for spending at the City's discretion. The City also has nonspendable balance of \$159,886, restricted balance of \$4,702,048, committed balance of \$4,115,670 and assigned balance of \$2,392,043 .

Major funds	Fund Balance		Increase (Decrease)
	December 31, 2016	2015	
General	\$ 9,344,690	\$ 9,253,781	\$ 90,909
The General fund is the chief operating fund of the City. The General fund had an increase in fund balance of \$90,909. The fund received transfers in of \$678,000 during the year.			
Economic Development Authority	\$ 3,608,536	\$ 2,821,997	\$ 786,539
The Economic Development Authority fund had an increase in fund balance of \$786,539 from 2015. The increase in fund balance is mainly due to transfers in of over \$1 million.			
Debt Service	\$ 4,190,243	\$ 5,418,424	\$ (1,228,181)
The Debt Service fund has a total fund balance of \$4,190,243 and decreased \$1,228,181 from 2015. The decrease in fund balance is due to regularly scheduled debt payments.			
Permanent Improvement Revolving Fund	\$ (8,208,402)	\$ (4,846,761)	\$ (3,361,641)
The Permanent Improvement Revolving fund had a decrease in fund balance of \$3,361,641 from 2015. The decrease in fund balance is mainly due to the costs associated with current infrastructure projects.			
TIF Districts	\$ (913,183)	\$ (15,963)	\$ (897,220)
The TIF Districts fund had a decrease in fund balance of \$897,220 from 2015. The decrease in fund balance is due to a transfer out to the Economic Development Authority.			

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,410,467. The change in net position for the funds was a decrease of \$698,062. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was not amended during the year. The budget called for a balanced budget. Actual net change to the General fund balance was an increase of \$90,909. Actual revenues were under budget mostly due to a negative budget variance in taxes of \$356,614. Expenditures in total were under budget by \$365,756. The largest positive expenditure variances were in general government, public safety, and public works of \$137,077, \$149,077, and \$87,322, respectively.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2016, amounts to \$74,681,932 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, software, park facilities and roads.

Major capital asset events during the current fiscal year included the following:

- Expenses for the Bellows Trail project
- Expenses for the 2015, 2016 and 2017 street reconstruction projects
- Expenses for the Lift Station 5 & 6 Upgrade
- Expenses for 2016 City Hall Remodel Project
- Purchase of two plow trucks, two squad cars, and one public works truck

Additional information on the City's capital assets can be found in Note 3B starting on page 72 of this report.

City of West Saint Paul's Capital Assets (net of depreciation)

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Land	\$ 5,043,391	\$ 5,834,879	\$ (791,488)	\$ 1,144,168	\$ 1,144,168	\$ -
Construction in progress	1,386,462	9,249,081	(7,862,619)	1,327,059	372,109	954,950
Buildings	7,429,109	7,609,544	(180,435)	10,729,706	10,826,760	(97,054)
Improvements other than buildings	7,281,000	1,017,321	6,263,679	-	-	-
Vehicles, machinery and equipment	1,597,010	1,272,529	324,481	458,997	469,872	(10,875)
Software	100,785	132,402	(31,617)	-	-	-
Infrastructure	30,808,366	30,150,768	657,598	7,375,879	7,348,304	27,575
Total	\$ 53,646,123	\$ 55,266,524	\$ (1,620,401)	\$ 21,035,809	\$ 20,161,213	\$ 874,596

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$40,831,955. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of West Saint Paul's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
G.O. bonds	\$ 19,675,000	\$ 15,460,000	\$ 4,215,000	\$ -	\$ -	\$ -
G.O. improvement bonds	7,815,000	9,000,000	(1,185,000)	-	-	-
G.O. tax increment bonds	1,320,000	2,655,000	(1,335,000)	-	-	-
G.O. revenue bonds	-	-	-	11,230,000	6,640,000	4,590,000
Bond premium	559,134	534,131	25,003	241,041	40,502	200,539
Bond discount	-	-	-	(8,220)	(10,275)	2,055
Pension liability	14,422,764	5,583,018	8,839,746	501,574	307,292	194,282
Compensated absences	791,451	732,007	59,444	36,845	22,871	13,974
Other postemployment benefits payable	802,632	768,576	34,056	45,534	43,811	1,723
Total	\$ 45,385,981	\$ 34,732,732	\$ 10,653,249	\$ 12,046,774	\$ 7,044,201	\$ 5,002,573

The City's total debt increased \$15,655,822 during the current fiscal year. The increase in outstanding debt can be attributed to the issuance of the 2016A and 2016B bonds and the increase in the City's pension liability.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt in excess of this limit.

Additional information on the City's long-term debt can be found in Note 3E starting on page 75 of this report.

Economic Factors and Next Year's Budgets and Rates

- The county unemployment rate for 2016 was 3.60 percent which is slightly below the statewide rate for the period.
- Property values increased 5.40 percent from 2015 and are projected to increase another 3.34 percent in 2017.
- The tax base continues to grow; 2016 resulted in a 9.2 million dollar increase in the tax base from new construction.
- Property tax rates are expected to increase as debt is issued for the completion of the Robert Street reconstruction.
- Storm and sanitary sewer rates are also expected to increase to cover planned capital improvements.

Requests for Information

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

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CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and temporary investments	\$ 10,444,521	\$ 5,251,856	\$ 15,696,377
Receivables			
Accrued interest	11,681	5,423	17,104
Property taxes	162,679	-	162,679
Notes	152,600	-	152,600
Accounts	674,675	868,841	1,543,516
Special assessments	747,332	773,112	1,520,444
Due from other governments	5,015,177	18,922	5,034,099
Prepaid items	46,286	-	46,286
Inventories	-	590	590
Assets held for resale	675,000	-	675,000
Capital assets			
Land and construction in progress	6,429,853	2,471,227	8,901,080
Depreciable assets (net of accumulated depreciation)	<u>47,216,270</u>	<u>18,564,582</u>	<u>65,780,852</u>
TOTAL ASSETS	<u>71,576,074</u>	<u>27,954,553</u>	<u>99,530,627</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	<u>8,817,191</u>	<u>182,333</u>	<u>8,999,524</u>
LIABILITIES			
Accounts and contracts payable	2,268,197	390,047	2,658,244
Accrued salaries payable	300,675	16,457	317,132
Due to other governments	367,780	172,233	540,013
Accrued interest payable	256,119	107,070	363,189
Deposits payable	240,980	-	240,980
Unearned revenue	-	71,598	71,598
Noncurrent liabilities			
Due within one year	2,495,077	545,265	3,040,342
Due in more than one year	<u>42,890,904</u>	<u>11,501,509</u>	<u>54,392,413</u>
TOTAL LIABILITIES	<u>48,819,732</u>	<u>12,804,179</u>	<u>61,623,911</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	<u>1,626,955</u>	<u>45,029</u>	<u>1,671,984</u>
NET POSITION			
Net investment in capital assets	25,581,953	11,877,211	37,459,164
Restricted for			
Debt service	3,119,323	-	3,119,323
Economic development	340,710	-	340,710
Police purposes	37,775	-	37,775
Fire purposes	120,320	-	120,320
Community Events	13,000	-	13,000
Unrestricted	<u>733,497</u>	<u>3,410,467</u>	<u>4,143,964</u>
TOTAL NET POSITION	<u>\$ 29,946,578</u>	<u>\$ 15,287,678</u>	<u>\$ 45,234,256</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,406,578	\$ 740,765	\$ 125,000	\$ -
Public safety	8,533,267	576,352	412,756	-
Public works	20,833,032	28,275	2,766,268	8,708,605
Parks and recreation	998,392	62,336	200,000	178,886
Economic development	893,626	-	70,000	-
Interest on long-term debt	730,418	-	-	-
Total governmental activities	<u>36,395,313</u>	<u>1,407,728</u>	<u>3,574,024</u>	<u>8,887,491</u>
Business-type activities				
Storm sewer	336,468	461,890	246	-
Sanitary Sewer	3,007,180	3,049,436	133,044	-
Golf course	176,688	149,220	204	-
Civic center arena	373,261	236,191	2,417	-
Swimming pool	81,124	-	-	-
Regional athletic center	797,603	725,606	200	-
Total business-type activities	<u>4,772,324</u>	<u>4,622,343</u>	<u>136,111</u>	<u>-</u>
Total	<u>\$ 41,167,637</u>	<u>\$ 6,030,071</u>	<u>\$ 3,710,135</u>	<u>\$ 8,887,491</u>

General revenues

- Taxes
 - Property taxes, levied for general purposes
 - Property taxes, levied for debt service
- Tax increments
- Franchise and other taxes
- Grants and contributions not restricted to specific programs
- Gain on sale of capital assets
- Unrestricted investment earnings
- Miscellaneous revenues
- Transfers - capital assets
- Transfers

Total general revenues and transfers

Change in net position

Net position, January 1

Net position, December 31

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,540,813)	\$ -	\$ (3,540,813)
(7,544,159)	-	(7,544,159)
(9,329,884)	-	(9,329,884)
(557,170)	-	(557,170)
(823,626)	-	(823,626)
(730,418)	-	(730,418)
<u>(22,526,070)</u>	<u>-</u>	<u>(22,526,070)</u>
-	125,668	125,668
-	175,300	175,300
-	(27,264)	(27,264)
-	(134,653)	(134,653)
-	(81,124)	(81,124)
-	(71,797)	(71,797)
<u>-</u>	<u>(13,870)</u>	<u>(13,870)</u>
<u>(22,526,070)</u>	<u>(13,870)</u>	<u>(22,539,940)</u>
9,389,882	385,859	9,775,741
2,320,717	-	2,320,717
380,874	-	380,874
942,289	-	942,289
288,957	-	288,957
7,069	-	7,069
386,434	51,884	438,318
176,256	3,494	179,750
(229,359)	229,359	-
1,354,788	(1,354,788)	-
<u>15,017,907</u>	<u>(684,192)</u>	<u>14,333,715</u>
(7,508,163)	(698,062)	(8,206,225)
<u>37,454,741</u>	<u>15,985,740</u>	<u>53,440,481</u>
<u>\$ 29,946,578</u>	<u>\$ 15,287,678</u>	<u>\$ 45,234,256</u>

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

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FUND FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

CITY OF WEST ST. PAUL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General	Economic Development Authority	Debt Service
ASSETS			
Cash and temporary investments	\$ 1,182,704	\$ 1,546,950	\$ 4,153,037
Receivables			
Accounts	631,734	-	-
Property taxes	162,679	-	-
Accrued interest	1,579	1,524	3,894
Notes	113,600	39,000	-
Special assessments	135,931	-	490,161
Due from other governments	1,114,293	97,152	33,764
Advances to other funds	7,016,461	1,268,055	-
Prepaid items	46,286	-	-
Assets held for resale	-	675,000	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 10,405,267</u>	<u>\$ 3,627,681</u>	<u>\$ 4,680,856</u>
LIABILITIES			
Accounts payable	\$ 145,105	\$ 10,581	\$ 450
Accrued salaries payable	285,824	8,564	-
Due to other governments	34,773	-	-
Deposits payable	230,980	-	-
Advances from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>696,682</u>	<u>19,145</u>	<u>450</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property and franchise taxes	227,966	-	-
Unavailable revenues - special assessments	135,929	-	490,163
Unavailable revenues - other	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>363,895</u>	<u>-</u>	<u>490,163</u>
FUND BALANCES			
Nonspendable	159,886	-	-
Restricted	-	-	4,190,243
Committed	-	3,608,536	-
Assigned	-	-	-
Unassigned	9,184,804	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>9,344,690</u>	<u>3,608,536</u>	<u>4,190,243</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 10,405,267</u>	<u>\$ 3,627,681</u>	<u>\$ 4,680,856</u>

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

<u>Permanent Improvement Revolving Fund</u>	<u>TIF Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 327,032	\$ 3,234,798	\$ 10,444,521
24,496	10,183	8,262	674,675
-	-	-	162,679
954	368	3,362	11,681
-	-	-	152,600
121,240	-	-	747,332
3,734,305	34,196	1,467	5,015,177
-	-	-	8,284,516
-	-	-	46,286
-	-	-	675,000
<u>\$ 3,880,995</u>	<u>\$ 371,779</u>	<u>\$ 3,247,889</u>	<u>\$ 26,214,467</u>
\$ 1,920,771	\$ 878	\$ 190,412	\$ 2,268,197
6,287	-	-	300,675
326,978	6,029	-	367,780
-	10,000	-	240,980
7,016,461	1,268,055	-	8,284,516
<u>9,270,497</u>	<u>1,284,962</u>	<u>190,412</u>	<u>11,462,148</u>
-	-	-	227,966
121,238	-	-	747,330
2,697,662	-	-	2,697,662
<u>2,818,900</u>	<u>-</u>	<u>-</u>	<u>3,672,958</u>
-	-	-	159,886
-	340,710	171,095	4,702,048
-	-	507,134	4,115,670
-	-	2,392,043	2,392,043
(8,208,402)	(1,253,893)	(12,795)	(290,286)
<u>(8,208,402)</u>	<u>(913,183)</u>	<u>3,057,477</u>	<u>11,079,361</u>
<u>\$ 3,880,995</u>	<u>\$ 371,779</u>	<u>\$ 3,247,889</u>	<u>\$ 26,214,467</u>

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

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CITY OF WEST ST. PAUL, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

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

Total fund balances - governmental	\$ 11,079,361
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	91,112,885
Less: accumulated depreciation	(37,466,762)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(28,810,000)
Plus: premiums on bonds issued	(559,134)
Other postemployment benefits payable	(802,632)
Compensated absences payable	(791,451)
Pension liability	(14,422,764)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent property taxes and franchise taxes receivable	227,966
Special assessments receivable	747,330
Intergovernmental grants and reimbursements	2,697,662
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	8,817,191
Deferred inflows of pension resources	(1,626,955)
Governmental funds do not report a liability for accrued interest until due and payable.	(256,119)
Total net position - governmental activities	\$ 29,946,578

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Economic Development Authority	Debt Service
REVENUES			
Taxes	\$ 9,692,171	\$ 300,000	\$ 2,220,717
Tax increment	-	-	-
Licenses and permits	547,130	-	-
Intergovernmental	440,040	-	-
Charges for services	642,995	-	-
Fines and forfeitures	175,941	-	-
Special assessments	90,514	-	205,610
Interest on investments	148,287	60,525	56,999
Miscellaneous	76,116	29,554	-
TOTAL REVENUES	11,813,194	390,079	2,483,326
EXPENDITURES			
Current			
General government	3,053,165	-	-
Public safety	6,953,852	-	-
Public works	1,537,305	-	-
Parks and recreation	828,884	-	-
Economic development	-	731,898	-
Capital outlay			
General government	2,936	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Debt service			
Principal	-	-	3,130,000
Bond issuance costs	-	-	-
Interest and other charges	-	-	688,945
TOTAL EXPENDITURES	12,376,142	731,898	3,818,945
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(562,948)	(341,819)	(1,335,619)
OTHER FINANCING SOURCES (USES)			
Transfers in	678,000	1,128,358	107,438
Sale of capital assets	7,069	-	-
Premium on bonds	-	-	-
Bonds issued	-	-	-
Transfers out	(31,212)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	653,857	1,128,358	107,438
NET CHANGE IN FUND BALANCES	90,909	786,539	(1,228,181)
FUND BALANCES, JANUARY 1	9,253,781	2,821,997	5,418,424
FUND BALANCES, DECEMBER 31	\$ 9,344,690	\$ 3,608,536	\$ 4,190,243

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

Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Total Governmental Funds
\$ 100,000	\$ -	\$ 340,000	\$ 12,652,888
-	380,874	-	380,874
-	-	-	547,130
8,436,952	-	400,000	9,276,992
-	-	38,176	681,171
-	-	-	175,941
38,914	-	-	335,038
(1,116)	38,938	82,801	386,434
<u>390,779</u>	<u>70,000</u>	<u>170,165</u>	<u>736,614</u>
<u>8,965,529</u>	<u>489,812</u>	<u>1,031,142</u>	<u>25,173,082</u>
-	-	349,320	3,402,485
-	-	156,189	7,110,041
994,174	-	89,512	2,620,991
-	-	45,417	874,301
-	151,236	-	883,134
-	-	161,945	164,881
-	-	178,561	178,561
16,918,536	-	469,497	17,388,033
-	-	104,590	104,590
-	-	-	3,130,000
45,849	-	-	45,849
<u>47,568</u>	<u>-</u>	<u>-</u>	<u>736,513</u>
<u>18,006,127</u>	<u>151,236</u>	<u>1,555,031</u>	<u>36,639,379</u>
<u>(9,040,598)</u>	<u>338,576</u>	<u>(523,889)</u>	<u>(11,466,297)</u>
786,000	-	-	2,699,796
-	-	-	7,069
67,957	-	-	67,957
4,825,000	-	-	4,825,000
-	(1,235,796)	(78,000)	(1,345,008)
<u>5,678,957</u>	<u>(1,235,796)</u>	<u>(78,000)</u>	<u>6,254,814</u>
(3,361,641)	(897,220)	(601,889)	(5,211,483)
<u>(4,846,761)</u>	<u>(15,963)</u>	<u>3,659,366</u>	<u>16,290,844</u>
<u>\$ (8,208,402)</u>	<u>\$ (913,183)</u>	<u>\$ 3,057,477</u>	<u>\$ 11,079,361</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Total net change in fund balances - governmental funds	\$ (5,211,483)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	1,683,678
Depreciation expense	(2,282,521)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Capital grants contributed from other governments	121,636
Reimbursements from other governments	2,576,026
A gain or loss on the disposal of capital assets, including the difference between carrying value and any related sales proceeds, is included in net position. However, only the sales proceeds are included in the change in the change in fund balance.	
	(792,199)
Governmental fund report projects in capital project funds. Some of the capital assets constructed in the project will be maintained from business-type activity funds. The assets are reported as a transfer from the government-activities to the business-type activities.	
	(229,359)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal repayments	3,130,000
Bonds issued	(4,825,000)
Premium on bonds issued	(67,957)
Current year amortization of bond premium	42,954
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	
	8,990
Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(157,301)
Property taxes	2,247
Long-term pension activity is not reported in governmental funds.	
Pension expense	(1,453,336)
Pension revenue from State contributions	38,962
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Other post employment benefits	(34,056)
Compensated absences	(59,444)
Change in net position - governmental activities	\$ (7,508,163)

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 10,048,785	\$ 10,048,785	\$ 9,692,171	\$ (356,614)
Licenses and permits	515,000	515,000	547,130	32,130
Intergovernmental	454,500	454,500	440,040	(14,460)
Charges for services	673,705	673,705	642,995	(30,710)
Fines and forfeitures	132,000	132,000	175,941	43,941
Special assessments	43,500	43,500	90,514	47,014
Interest on investments	140,000	140,000	148,287	8,287
Miscellaneous	46,408	46,408	76,116	29,708
TOTAL REVENUES	<u>12,053,898</u>	<u>12,053,898</u>	<u>11,813,194</u>	<u>(240,704)</u>
EXPENDITURES				
Current				
General government	3,190,242	3,190,242	3,053,165	137,077
Public safety	7,103,579	7,103,579	6,953,852	149,727
Public works	1,624,627	1,624,627	1,537,305	87,322
Parks and recreation	823,450	823,450	828,884	(5,434)
Capital outlay				
General government	-	-	2,936	(2,936)
TOTAL EXPENDITURES	<u>12,741,898</u>	<u>12,741,898</u>	<u>12,376,142</u>	<u>365,756</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(688,000)</u>	<u>(688,000)</u>	<u>(562,948)</u>	<u>125,052</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	678,000	678,000	678,000	-
Transfers out	-	-	(31,212)	(31,212)
Sale of capital assets	10,000	10,000	7,069	(2,931)
TOTAL OTHER FINANCING SOURCES (USES)	<u>688,000</u>	<u>688,000</u>	<u>653,857</u>	<u>(34,143)</u>
NET CHANGE IN FUND BALANCES	-	-	90,909	90,909
FUND BALANCES, JANUARY 1	<u>9,253,781</u>	<u>9,253,781</u>	<u>9,253,781</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u><u>\$ 9,253,781</u></u>	<u><u>\$ 9,253,781</u></u>	<u><u>\$ 9,344,690</u></u>	<u><u>\$ 90,909</u></u>

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

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CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Interest on investments	60,000	60,000	60,525	525
Miscellaneous revenue	6,000	6,000	29,554	23,554
TOTAL REVENUES	366,000	366,000	390,079	24,079
EXPENDITURES				
Current				
Economic development	435,080	435,080	731,898	(296,818)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,080)	(69,080)	(341,819)	(272,739)
OTHER FINANCING SOURCES				
Transfers in	-	-	1,128,358	1,128,358
NET CHANGE IN FUND BALANCES	(69,080)	(69,080)	786,539	855,619
FUND BALANCES, JANUARY 1	2,821,997	2,821,997	2,821,997	-
FUND BALANCES, DECEMBER 31	\$ 2,752,917	\$ 2,752,917	\$ 3,608,536	\$ 855,619

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	600 Storm Sewer	602 Sanitary Sewer	Recreation Fund	
ASSETS				
CURRENT ASSETS				
Cash and temporary investments	\$ 1,495,360	\$ 2,412,777	\$ 1,343,719	\$ 5,251,856
Receivables				
Accrued interest	1,621	2,470	1,332	5,423
Accounts	100,304	655,871	112,666	868,841
Special assessments	-	423,214	-	423,214
Due from other governments	-	18,922	-	18,922
Inventory	-	-	590	590
TOTAL CURRENT ASSETS	1,597,285	3,513,254	1,458,307	6,568,846
NONCURRENT ASSETS				
Special assessments	-	349,898	-	349,898
Capital assets				
Land	-	10,945	1,133,223	1,144,168
Construction in progress	-	1,327,059	-	1,327,059
Buildings	-	-	12,944,583	12,944,583
Machinery and equipment	183,179	511,123	475,806	1,170,108
Infrastructure	8,509,976	9,125,361	-	17,635,337
Less accumulated depreciation	(4,727,692)	(4,785,585)	(3,672,169)	(13,185,446)
NET CAPITAL ASSETS	3,965,463	6,188,903	10,881,443	21,035,809
TOTAL NONCURRENT ASSETS	3,965,463	6,538,801	10,881,443	21,385,707
TOTAL ASSETS	5,562,748	10,052,055	12,339,750	27,954,553
DEFERRED INFLOWS OF RESOURCES				
Deferred pension resources	23,062	102,272	56,999	182,333

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation Fund	Totals
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 1,554	\$ 129,484	\$ 93,871	\$ 224,909
Contracts payable	-	152,324	-	152,324
Accrued salaries payable	600	11,265	4,592	16,457
Due to other governments	-	169,038	3,195	172,233
Accrued interest payable	12,814	61,372	45,698	119,884
Unearned revenue	-	-	71,598	71,598
Compensated absences payable - current	-	14,624	5,641	20,265
Bonds payable - current	-	275,000	250,000	525,000
TOTAL CURRENT LIABILITIES	<u>14,968</u>	<u>813,107</u>	<u>474,595</u>	<u>1,302,670</u>
NONCURRENT LIABILITIES				
Other postemployment benefits	-	32,396	13,138	45,534
Compensated absences payable	-	11,964	4,616	16,580
Pension liability	63,428	281,389	156,757	501,574
Bonds payable	1,063,391	5,145,395	4,729,035	10,937,821
TOTAL NONCURRENT LIABILITIES	<u>1,126,819</u>	<u>5,471,144</u>	<u>4,903,546</u>	<u>11,501,509</u>
TOTAL LIABILITIES	<u>1,141,787</u>	<u>6,284,251</u>	<u>5,378,141</u>	<u>12,804,179</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension resources	5,693	25,266	14,070	45,029
NET POSITION				
Net investment in capital assets	2,902,072	3,072,731	5,902,408	11,877,211
Unrestricted	1,536,258	772,079	1,102,130	3,410,467
TOTAL NET POSITION	<u>\$ 4,438,330</u>	<u>\$ 3,844,810</u>	<u>\$ 7,004,538</u>	<u>\$ 15,287,678</u>

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

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CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation Fund	Totals
OPERATING REVENUES				
Charges for services	\$ 461,890	\$ 3,049,436	\$ 1,111,017	\$ 4,622,343
OPERATING EXPENSES				
Personal services	67,795	349,365	233,982	651,142
Supplies	5,741	45,953	47,981	99,675
Professional services	32,202	2,248,694	183,575	2,464,471
Insurance	763	15,698	18,193	34,654
Utilities	-	-	226,057	226,057
Repairs and maintenance	-	1,848	167,234	169,082
Depreciation	202,220	196,675	432,485	831,380
Other	-	450	-	450
TOTAL OPERATING EXPENSES	<u>308,721</u>	<u>2,858,683</u>	<u>1,309,507</u>	<u>4,476,911</u>
OPERATING INCOME (LOSS)	<u>153,169</u>	<u>190,753</u>	<u>(198,490)</u>	<u>145,432</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	-	-	385,859	385,859
Interest income	20,002	8,459	23,423	51,884
Miscellaneous	246	135,044	4,315	139,605
Bond issuance costs	(9,789)	(39,155)	-	(48,944)
Interest expense	(17,958)	(109,342)	(119,169)	(246,469)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(7,499)</u>	<u>(4,994)</u>	<u>294,428</u>	<u>281,935</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	145,670	185,759	95,938	427,367
TRANSFERS IN	-	-	31,212	31,212
CAPITAL CONTRIBUTIONS FROM OTHER FUNDS	131,971	97,388	-	229,359
TRANSFERS OUT	<u>(650,000)</u>	<u>(686,000)</u>	<u>(50,000)</u>	<u>(1,386,000)</u>
CHANGE IN NET POSITION	(372,359)	(402,853)	77,150	(698,062)
NET POSITION, JANUARY 1	<u>4,810,689</u>	<u>4,247,663</u>	<u>6,927,388</u>	<u>15,985,740</u>
NET POSITION, DECEMBER 31	<u>\$ 4,438,330</u>	<u>\$ 3,844,810</u>	<u>\$ 7,004,538</u>	<u>\$ 15,287,678</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	600 Storm Sewer	602 Sanitary Sewer	Recreation Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 460,730	\$ 2,753,725	\$ 1,111,223	\$ 4,325,678
Payments to suppliers	(47,019)	(2,191,528)	(700,085)	(2,938,632)
Payments to employees	(58,687)	(322,177)	(207,001)	(587,865)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>355,024</u>	<u>240,020</u>	<u>204,137</u>	<u>799,181</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	-	-	385,859	385,859
Transfers from other funds	-	-	31,212	31,212
Transfers to other funds	(650,000)	(686,000)	(50,000)	(1,386,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(650,000)</u>	<u>(686,000)</u>	<u>367,071</u>	<u>(968,929)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	-	(1,311,720)	(25,511)	(1,337,231)
Proceeds from bonds issued, net	1,055,029	4,220,119	-	5,275,148
Interest paid on bonds	(6,571)	(68,949)	(122,394)	(197,914)
Principal paid on bonds	-	(270,000)	(250,000)	(520,000)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>1,048,458</u>	<u>2,569,450</u>	<u>(397,905)</u>	<u>3,220,003</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	21,844	7,889	24,797	54,530
NET INCREASE IN CASH AND CASH EQUIVALENTS	775,326	2,131,359	198,100	3,104,785
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>720,034</u>	<u>281,418</u>	<u>1,145,619</u>	<u>2,147,071</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,495,360</u>	<u>\$ 2,412,777</u>	<u>\$ 1,343,719</u>	<u>\$ 5,251,856</u>

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

CITY OF WEST ST. PAUL, MINNESOTA
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	Storm Sewer	Sanitary Sewer	Recreation Fund	
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 153,169	\$ 190,753	\$ (198,490)	\$ 145,432
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	202,220	196,675	432,485	831,380
Other income related to operations	246	135,044	4,315	139,605
(Increase) decrease in assets				
Receivables				
Accounts	(1,406)	(66,733)	(17,529)	(85,668)
Special assessments	-	(346,525)	-	(346,525)
Due from other governments	-	(17,497)	-	(17,497)
Inventories	-	-	525	525
(Increase) decrease in deferred outflows of resources				
Deferred pension resource	(18,938)	(81,287)	(46,867)	(147,092)
Increase (decrease) in liabilities				
Accounts payable	1,554	17,103	(59,778)	(41,121)
Accrued salaries payable	570	2,330	1,006	3,906
Due to other governments	(9,867)	104,012	2,208	96,353
Unearned revenue	-	-	13,420	13,420
Other postemployment benefits	-	1,291	432	1,723
Compensated absences payable	-	10,090	3,884	13,974
Pension liability	27,464	98,405	68,413	194,282
Increase (decrease) in deferred inflows of resources				
Deferred pension resource	12	(3,641)	113	(3,516)
	<u>12</u>	<u>(3,641)</u>	<u>113</u>	<u>(3,516)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 355,024</u>	<u>\$ 240,020</u>	<u>\$ 204,137</u>	<u>\$ 799,181</u>
NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES				
Amortization of deferred charges	<u>\$ 1,427</u>	<u>\$ 8,667</u>	<u>\$ 1,404</u>	<u>\$ 11,498</u>
Capital assets acquired on account	<u>\$ -</u>	<u>\$ 152,324</u>	<u>\$ -</u>	<u>\$ 152,324</u>
Capital contributions from other funds	<u>\$ 131,971</u>	<u>\$ 97,388</u>	<u>\$ -</u>	<u>\$ 229,359</u>

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

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CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of West Saint Paul, Minnesota (the City) operates under its own “Home Rule Charter.” Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and six elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City’s operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended component unit

The Economic Development Authority (EDA) is an entity legally separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the six City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 funds 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 City considers revenues to be available if they are collected within 60 days 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, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The City reports the following major governmental funds:

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

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

The *Debt Service fund* accounts for the accumulation of resources and payment of bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

The *Permanent Improvement Revolving Fund* accounts for the costs of constructing various street, sanitary sewer, storm sewer, and water projects. These costs are accumulated until it becomes prudent to issue bonds. The bond proceeds are then placed here to finance future construction. Thus, the fund acts as a large, revolving pool of working capital. It is also used to account for construction done on designated state-aid streets. Financing is provided by State grants for specific state-aid street projects. State law requires that these grants be used for the projects specified in the grant application, or on similar state-aid street projects.

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

The City reports the following major proprietary funds:

The *Storm Sewer fund* accounts for the costs associated with the City's storm sewer system and insure that user charges are sufficient to pay for those costs.

The *Sanitary Sewer fund* accounts for the costs associated with the City's sewer system and insure that user charges are sufficient to pay for those costs.

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

Additionally, the City reports the following fund types:

Fiduciary fund accounts for assets held by the City in a trustee capacity or as an agent on behalf of others.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

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

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, 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, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 70.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The City has the following recurring fair value measurements as of December 31, 2016:

- Government Agency Securities of \$2,478,055 are valued using quoted market prices (Level 1 inputs)
- Municipal Bonds and Certificates of Deposit of \$6,041,696 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market (4M) Fund investment pool is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. Financial statements of the 4M Fund can be obtained by contacting RBC Global Asset Management at 100 South Fifth Street Suite 2300, Minneapolis, MN 55402-1240.

Property taxes

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.

In the 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

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

Accounts receivable

Accounts receivable include amounts billed for services provided before year end. Property taxes and special assessments have been reported net of estimated uncollectible accounts. 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.

Special assessments

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

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

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In the 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

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

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories

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

Prepaid Items

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

Assets held for resale

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

Capital assets

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

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

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

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2016, no interest was capitalized in connection with construction in progress.

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

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

<u>Assets</u>	<u>Useful Live in Years</u>
Buildings and improvements	20 to 50
Machinery and equipment	5 to 20
Motor vehicles	5 to 20
Trails, sidewalks and streetlights	30
Storm sewers	50
Streets	40
Distribution and collection systems	50 to 75
Software	5

Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated absences

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

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 a portion of accumulated sick leave as severance pay based on years of service.

Deferred inflows of resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, *unavailable revenue* and *deferred pension resources*.

- *Unavailable revenue* arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* is reported only in the statements of net position and results from actuarial calculations.

Postemployment benefits other than pensions

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 45, at January 1, 2014. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

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

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

Net position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

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

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and Special Revenue funds; however, the City did not budget for the Community Events fund in 2016. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

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. The budget was not amended during 2016.

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.

B. Excess of expenditures over appropriations

For the year ended December 31, 2016 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Economic Development Authority	\$ 435,080	\$ 731,898	\$ 296,818
Insurance Fund	388,515	412,613	24,098

The excess of expenditures over appropriations for these funds were funded by both actual revenues in excess of budget and the use of reserves.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

C. Deficit fund equity

The following funds had deficits at December 31, 2016:

Fund	Amount
Major governmental	
Permanent Improvement Revolving	\$ 8,208,402
TIF District	913,183
Nonmajor governmental	
Parks Improvement	12,795

The fund balance deficits will be eliminated with future revenues and transfers from other funds.

Note 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, 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 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- 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;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- 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
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

At year end, the City's carrying amount of deposits was \$1,169,570 and the bank balance was \$1,443,577. The bank balance was covered by federal depository insurance totaling \$452,649. The remaining balance was covered by collateral held by the City's agent in the City's name.

Cash and investments summary

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying amount of deposits	\$ 1,169,570
Investments	<u>14,526,807</u>
Total	<u><u>\$ 15,696,377</u></u>
As reported on the financial statements	
Statement of net position	
Cash and temporary investments	<u><u>\$ 15,696,377</u></u>

Investments

As of December 31, 2016, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled investments at amortized costs						
4M Fund	N/A	less than 6 months	\$ 3,499			
Broker Money Market Funds	N/A	less than 6 months	5,713,557			
Municipal Bonds (3)	N/A	more than 3 years	290,000			
Non-pooled investments at fair value						
US Government Securities	Aaa	more than 3 years	2,478,055	\$ 2,478,055	\$ -	\$ -
Taxable Municipal Bonds	Aa1	1 to 3 years	496,930	-	496,930	-
Taxable Municipal Bonds	Aa1	more than 3 years	490,050	-	490,050	-
Brokered Certificates of Deposit	N/A	less than 6 months	200,074	-	200,074	-
Brokered Certificates of Deposit	N/A	6 months to 1 year	1,648,558	-	1,648,558	-
Brokered Certificates of Deposit	N/A	1 to 3 years	1,538,872	-	1,538,872	-
Brokered Certificates of Deposit	N/A	more than 3 years	<u>1,667,212</u>	<u>-</u>	<u>1,667,212</u>	<u>-</u>
Total investments			<u><u>\$ 14,526,807</u></u>	<u><u>\$ 2,478,055</u></u>	<u><u>\$ 6,041,696</u></u>	<u><u>\$ -</u></u>

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
- (2) Interest rate risk is disclosed using the segmented time distribution method.
- (3) Internal investment in City of West St. Paul 1995 gross revenue golf course bonds, which are not rated.
- N/A Indicates not applicable or available.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

The investments of the City are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City’s investment policy does not place further restrictions on investment options.
- *Custodial Credit Risk.* For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City’s investment policy does not address custodial risk. However, investments in securities are held by the City’s broker-dealer of which \$500,000 is insured through SIPC. The broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer’s accounts.
- *Concentration of Credit risk.* The City's investment policy places limits on various security types as a percentage of the total portfolio. United States governmental securities are allowed to be 100% of the portfolio. State and local securities cannot exceed 40% of the portfolio. The City has placed limits on other types of securities, but has not invested in these types. The City places no limit on the amount the City may invest in any one issuer (except commercial paper). As of December 31, 2016, the following issuers exceeded 5 percent of the City’s total investments: FFCB (6.88 percent) and FNMA (10.17 percent).
- *Interest Rate Risk.* The City's investment policy states the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be structured so that securities mature concurrent with cash needs to meet anticipated demands and the portfolio should consist largely of securities with active secondary or resale markets.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Capital assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 5,834,879	\$ -	\$ (791,488)	\$ 5,043,391
Construction in progress	9,249,081	892,319	(8,754,938)	1,386,462
Total capital assets not being depreciated	<u>15,083,960</u>	<u>892,319</u>	<u>(9,546,426)</u>	<u>6,429,853</u>
Capital assets, being depreciated				
Buildings	10,651,592	175,024	-	10,826,616
Improvements other than buildings	1,857,308	6,330,334	-	8,187,642
Vehicles, machinery and equipment	3,513,022	719,219	(387,989)	3,844,252
Software	358,254	22,116	(19,736)	360,634
Infrastructure	59,390,280	2,073,608	-	61,463,888
Total capital assets being depreciated	<u>75,770,456</u>	<u>9,320,301</u>	<u>(407,725)</u>	<u>84,683,032</u>
Less accumulated depreciation for				
Buildings	(3,042,048)	(355,459)	-	(3,397,507)
Improvements other than buildings	(839,987)	(66,655)	-	(906,642)
Machinery and equipment	(2,240,493)	(390,664)	383,915	(2,247,242)
Software	(225,852)	(53,733)	19,736	(259,849)
Infrastructure	(29,239,512)	(1,416,010)	-	(30,655,522)
Total accumulated depreciation	<u>(35,587,892)</u>	<u>(2,282,521)</u>	<u>403,651</u>	<u>(37,466,762)</u>
Total capital assets being depreciated, net	<u>40,182,564</u>	<u>7,037,780</u>	<u>(4,074)</u>	<u>47,216,270</u>
Governmental activities capital assets, net	<u><u>\$ 55,266,524</u></u>	<u><u>\$ 7,930,099</u></u>	<u><u>\$ (9,550,500)</u></u>	<u><u>\$ 53,646,123</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 1,144,168	\$ -	\$ -	\$ 1,144,168
Construction in progress	372,109	1,321,510	(366,560)	1,327,059
	<u>1,516,277</u>	<u>1,321,510</u>	<u>(366,560)</u>	<u>2,471,227</u>
Total capital assets not being depreciated				
Capital assets being depreciated				
Buildings and improvements	14,802,963	366,560	-	15,169,523
Distribution and collection systems	15,111,548	298,849	-	15,410,397
Machinery and equipment	1,108,148	85,617	(23,657)	1,170,108
	<u>31,022,659</u>	<u>751,026</u>	<u>(23,657)</u>	<u>31,750,028</u>
Total capital assets being depreciated				
Less accumulated depreciation for				
Buildings and improvements	(3,976,203)	(463,614)	-	(4,439,817)
Distribution and collection systems	(7,763,244)	(271,274)	-	(8,034,518)
Machinery and equipment	(638,276)	(96,492)	23,657	(711,111)
	<u>(12,377,723)</u>	<u>(831,380)</u>	<u>23,657</u>	<u>(13,185,446)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>18,644,936</u>	<u>(80,354)</u>	<u>-</u>	<u>18,564,582</u>
Business-type activities capital assets, net	<u>\$ 20,161,213</u>	<u>\$ 1,241,156</u>	<u>\$ (366,560)</u>	<u>\$ 21,035,809</u>

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

Governmental activities	
General government	\$ 284,644
Public safety	97,589
Public works	1,838,427
Parks and recreation	61,861
	<u>2,282,521</u>
Total depreciation expense - governmental activities	<u>\$ 2,282,521</u>
 Business-type activities	
Storm Sewer	\$ 202,220
Sanitary Sewer	196,675
Recreation	432,485
	<u>831,380</u>
Total depreciation expense - business-type activities	<u>\$ 831,380</u>

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

C. Construction commitments

The City had the following outstanding construction commitments at December 31, 2016:

Project	Spent to date	Remaining Commitment
Wentworth/Bellows Trail	\$ 211,300	\$ 4,754
Lift Stations 5 and 6	1,130,439	35,396
Robert Street Reconstruction	24,669,810	96,727

D. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2016 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Economic Development Authority	TIF Districts	To fund tax increment projects	\$ 1,268,055
General	Permanent Improvement Revolving Fund	To provide cash flows	<u>7,016,461</u>
Total			<u><u>\$ 8,284,516</u></u>

Interfund loans are not expected to be collected in full within one year. These loans will be repaid with future tax increment collections, intergovernmental receipts and bond proceeds.

The City made transfers during the fiscal year 2016 as shown and described below:

Fund	Transfer in					Total
	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving Fund	Recreation	
Transfer out						
General	\$ -	\$ -	\$ -	\$ -	\$ 31,212	\$ 31,212
TIF districts	-	1,128,358	107,438	-	-	1,235,796
Nonmajor governmental	78,000	-	-	-	-	78,000
Storm sewer	150,000	-	-	500,000	-	650,000
Sanitary sewer	400,000	-	-	286,000	-	686,000
Recreation	50,000	-	-	-	-	50,000
Total	<u>\$ 678,000</u>	<u>\$ 1,128,358</u>	<u>\$ 107,438</u>	<u>\$ 786,000</u>	<u>\$ 31,212</u>	<u>\$ 2,731,008</u>

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

During the year, transfers are used to 1) transfer funds to the General Fund for indirect costs and administrative support and 2) transfer tax increment resources to pay debt service. Further, during the year ended December 31, 2016, the City made the following one-time transfers:

1. The General fund transferred resources to the recreation fund to cover the swimming pool cash deficits.
2. The nonmajor governmental Police and Fire PERA transferred funds to cover debt service on Fire Vehicles paid from the General fund.
3. The Storm Sewer, Sanitary Sewer and Receptions funds made transfers to the general fund for overhead charges.
4. The Storm Sewer and Sanitary Sewer funds made transfers to the Permanent Improvement Revolving Fund to transfer costs related to the Robert street project.
5. The TIF Districts transferred funds to the Economic Development Authority to close a TIF District.

E. Long-term debt

General obligation (G.O.) bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. tax increment, G.O. special assessment, and G.O. revenue bonds.

On November 28, 2016, the City issued \$4,825,000 of G.O. Street Reconstruction bonds that are guaranteed through a Credit Enhancement Program. Agreement with the Minnesota Public Facilities Authority which is acting on behalf of the State of Minnesota. The provisions of the agreement shall be binding on the City as long as the obligations of the issue remain outstanding. Through December 31, 2016, the Authority has made no payments on the obligation on behalf of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2014A	\$ 4,845,000	2.00 - 3.38 %	6/24/2014	2/1/2035	\$ 4,645,000
G.O. Street Reconstruction Bonds, Series 2014B	4,930,000	2.00 - 3.25	6/24/2014	2/1/2030	4,655,000
G.O. Refunding Bonds, Series 2015A	5,685,000	2.9 - 3.00	6/24/2015	2/1/2035	5,550,000
G.O. Street Reconstruction Bonds, Series 2016B	4,825,000	2.00 - 2.75	11/28/2016	2/1/2032	<u>4,825,000</u>
Total G.O. Bonds					<u>\$ 19,675,000</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Annual debt service requirements to maturity for G.O. bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 665,000	\$ 477,262	\$ 1,142,262
2018	930,000	501,958	1,431,958
2019	975,000	481,033	1,456,033
2020	995,000	459,408	1,454,408
2021	1,015,000	437,308	1,452,308
2022-2026	5,620,000	1,778,292	7,398,292
2027-2031	6,290,000	924,576	7,214,576
2032-2035	3,185,000	180,656	3,365,656
Total	<u>\$ 19,675,000</u>	<u>\$ 5,240,493</u>	<u>\$ 24,915,493</u>

G.O. improvement bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
G.O. Improvement Refunding Bonds, Series 2009A	\$ 2,685,000	2.50 - 4.60 %	3/18/2009	2/1/2021	\$ 290,000
G.O. Improvement and Refunding Bonds, Series 2010A	2,940,000	3.00 - 3.75	12/29/2010	2/1/2026	1,770,000
G.O. Improvement and Refunding Bonds, Series 2012C	3,795,000	0.40 - 1.45	12/27/2012	2/1/2023	2,520,000
G.O. Improvement and Refunding Bonds, Series 2013A	1,530,000	2.0 - 2.30	5/13/2013	2/1/2024	1,240,000
G.O. Improvement and Refunding Bonds, Series 2015A	1,195,000	2.9 - 3.00	6/24/2015	2/1/2022	1,150,000
G.O. Improvement and Refunding Bonds, Series 2015B	995,000	2.00	12/1/2015	12/1/2023	<u>845,000</u>
Total G.O. improvement bonds					<u>\$ 7,815,000</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Annual debt service requirements to maturity for general obligation improvement bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,320,000	\$ 162,664	\$ 1,482,664
2018	1,045,000	135,281	1,180,281
2019	1,030,000	116,028	1,146,028
2020	940,000	96,715	1,036,715
2021	955,000	76,696	1,031,696
2022-2026	<u>2,525,000</u>	<u>126,955</u>	<u>2,651,955</u>
Total	<u>\$ 7,815,000</u>	<u>\$ 714,339</u>	<u>\$ 8,529,339</u>

G.O. tax increment bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
G.O. TIF Refunding Bonds, Series 2015C	\$ 1,320,000	1.50 - 3.00 %	12/1/2015	2/1/2031	<u>\$ 1,320,000</u>

Annual debt service requirements to maturity for G.O. tax increment bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 60,000	\$ 30,010	\$ 90,010
2018	65,000	29,073	94,073
2019	70,000	28,060	98,060
2020	75,000	26,954	101,954
2021	80,000	25,753	105,753
2022-2026	430,000	105,681	535,681
2027-2031	<u>540,000</u>	<u>41,874</u>	<u>581,874</u>
Total	<u>\$ 1,320,000</u>	<u>\$ 287,405</u>	<u>\$ 1,607,405</u>

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

General obligation revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds.

The Golf Course Bonds and the G.O. Sewer Revenue Bonds will be repaid from future revenues pledged from the enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Sanitary Sewer	Recreation (Golf Course)	Recreation (Regional Athletic Center)
Net operating revenues	\$ 3,049,436	\$ 149,220	\$ 725,606
Principal and interest	338,949	56,725	315,669
Percentage of revenues	11 %	38 %	44 %

The Tax Abatement Bonds and interest thereon are payable from abatements collected from certain property in the City. If abatement revenues are insufficient to meet principal and interest due, the City is required to levy ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Golf Course Bonds, Series 1995	\$ 970,000	6.50 %	7/1/1995	12/1/2016	\$ 290,000
G.O. Sewer Refunding Bonds Series 2009A	1,315,000	2.5 - 4.60	3/18/2009	2/1/2018	485,000
G.O. Sewer Revenue Bonds, Series 2009A	1,545,000	2.0 - 3.50	11/18/2009	2/1/2020	670,000
G.O. Tax Abatement Bonds, Series 2012A	2,520,000	2.00 - 2.75	8/14/2012	2/1/2026	2,115,000
G.O. Tax Abatement Bonds, Series 2012B	2,560,000	2.125 - 2.75	8/14/2012	2/1/2034	2,560,000
G.O. Sewer Revenue Bonds, Series 2016A	5,110,000	2.10 - 3.00	6/16/2016	2/1/2032	<u>5,110,000</u>
Total G.O. Revenue Bonds					<u>\$11,230,000</u>

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2017	\$ 525,000	\$ 290,813	\$ 815,813
2018	820,000	257,051	1,077,051
2019	845,000	233,839	1,078,839
2020	870,000	209,176	1,079,176
2021	580,000	186,464	766,464
2022-2026	2,925,000	700,919	3,625,919
2027-2031	3,305,000	352,759	3,657,759
2032-2034	<u>1,360,000</u>	<u>43,373</u>	<u>1,403,373</u>
Total	<u>\$ 11,230,000</u>	<u>\$ 2,274,394</u>	<u>\$ 13,504,394</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Changes in long-term liabilities

Noncurrent liability activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. bonds	\$ 15,460,000	\$ 4,825,000	\$ (610,000)	\$ 19,675,000	\$ 665,000
G.O. improvement bonds	9,000,000	-	(1,185,000)	7,815,000	1,320,000
G.O. tax increment bonds	2,655,000	-	(1,335,000)	1,320,000	60,000
Bond premium	534,131	67,957	(42,954)	559,134	-
Total bonds payable	27,649,131	4,892,957	(3,172,954)	29,369,134	2,045,000
Pension liability					
GERF	2,537,911	1,698,531	(247,930)	3,988,512	-
PEPFF	3,045,107	7,818,315	(429,170)	10,434,252	-
Compensated absences payable	732,007	542,835	(483,391)	791,451	450,077
Other postemployment benefits payable	768,576	142,199	(108,143)	802,632	-
Governmental activity long-term liabilities	<u>\$ 34,732,732</u>	<u>\$ 15,094,837</u>	<u>\$ (4,441,588)</u>	<u>\$ 45,385,981</u>	<u>\$ 2,495,077</u>
Business-type activities					
Bonds payable					
G.O. revenue bonds	\$ 6,640,000	\$ 5,110,000	\$ (520,000)	\$ 11,230,000	\$ 525,000
Bond premium	40,502	214,092	(13,553)	241,041	-
Bond discount	(10,275)	-	2,055	(8,220)	-
Total bonds payable	6,670,227	5,324,092	(531,498)	11,462,821	525,000
Pension liability					
GERF	307,292	238,483	(44,201)	501,574	-
Compensated absences payable	22,871	27,682	(13,708)	36,845	20,265
Other postemployment benefits payable	43,811	8,067	(6,344)	45,534	-
Business-type activity long-term liabilities	<u>\$ 7,044,201</u>	<u>\$ 5,598,324</u>	<u>\$ (595,751)</u>	<u>\$ 12,046,774</u>	<u>\$ 545,265</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Fund balance classification

At December 31, 2016, a summary of the governmental fund balance classifications are as follows:

	General	Economic Development Authority	Debt Service	TIF Districts	Other Governmental Funds	Total
Nonspendable						
Prepays	\$ 159,886	\$ -	\$ -	\$ -	\$ -	\$ 159,886
Restricted for						
Debt service	\$ -	\$ -	\$ 4,190,243	\$ -	\$ -	\$ 4,190,243
Economic development	-	-	-	340,710	-	340,710
Community events	-	-	-	-	13,000	13,000
Police	-	-	-	-	37,775	37,775
Fire	-	-	-	-	120,320	120,320
Total restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,190,243</u>	<u>\$ -</u>	<u>\$ 171,095</u>	<u>\$ 4,702,048</u>
Committed to						
Economic development	\$ -	\$ 3,608,536	\$ -	\$ -	\$ -	\$ 3,608,536
Insurance deductibles, litigation, risk mitigation	-	-	-	-	507,134	507,134
Total committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,134</u>	<u>\$ 4,115,670</u>
Assigned to						
Equipment acquisition	\$ -	\$ -	\$ -	\$ -	\$ 1,820,581	\$ 1,820,581
Technology replacement	-	-	-	-	240,797	240,797
Capital facilities	-	-	-	-	330,665	330,665
Total assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,392,043</u>	<u>\$ 2,392,043</u>

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. Plan description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City, are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following 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.

GERF benefits

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. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

PEPFF benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service.

For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the years ending December 31, 2016, 2015 and 2014 were \$269,660, \$238,068, and \$224,346, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

PEPFF contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2016. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2016. The City's contributions to the PEPFF for the years ending December 31, 2016, 2015 and 2014 were \$411,042, \$386,253, and \$359,769, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

D. Pension costs

GERF pension costs

At December 31, 2016, the City reported a liability of \$4,490,086 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$58,724. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.0553 percent which was an increase of 0.0004 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$559,528 for its proportionate share of GERF's pension expense. In addition, the City recognized an additional \$17,510 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

At December 31, 2016, the City reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,634	\$ 366,595
Changes in actuarial assumptions	968,305	-
Net difference between projected and actual earnings on plan investments	503,040	-
Changes in proportion	16,603	35,168
Contributions to GERF subsequent to the measurement date	<u>135,491</u>	<u>-</u>
Total	<u>\$ 1,637,073</u>	<u>\$ 401,763</u>

Deferred outflows of resources totaling \$135,491 related to pensions resulting from the City's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2016	\$ 300,277
2017	198,489
2018	438,870
2019	162,183

PEPFF pension costs

At December 31, 2016, the City reported a liability of \$10,434,252 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.2600 percent which was a decrease of 0.268 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$1,606,099 for its proportionate share of PEPFF's pension expense. The City also recognized \$23,400 for the year ended December 31, 2016 as pension expense (and an offsetting reduction of net pension liability) for its proportionate share of the State of Minnesota's on-behalf contributions to the plan. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

At December 31, 2016, the City reported its proportionate share of PEPFF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,251	\$ 1,183,218
Changes in actuarial assumptions	6,162,790	-
Net difference between projected and actual earnings on plan investments	889,273	-
Changes in proportion	98,378	87,003
Contributions to PEPFF subsequent to the measurement date	209,759	-
Total	\$ 7,362,451	\$ 1,270,221

Deferred outflows of resources totaling \$209,759 related to pensions resulting from the City's contributions to PEPFF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2016	\$ 1,119,469
2017	1,119,469
2018	1,476,532
2019	1,198,662
2020	968,339

E. Actuarial assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active member payroll growth	3.25% per year
Investment rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabled members were based on RP-2014 tables for the GERF and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the GERF and PEPFF. effective every January 1st until 2034, then 2.5 percent for GERF and PEPFF.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015. The experience study for PEPFF was for the period July 1, 2004, through June 30, 2009.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

The following changes in actuarial assumptions occurred in 2016:

GERF

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

PEPFF

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent.
- The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic stocks	45.00 %	5.50 %
International stocks	15.00	6.00
Bonds	18.00	1.45
Alternative assets	20.00	6.40
Cash	<u>2.00</u>	0.50
Total	<u><u>100.00 %</u></u>	

F. Discount rate

The discount rate used to measure the total pension liability was 7.50 percent, a reduction from the 7.90 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057 for the PEPFF, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60 percent for the PEPFF was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits through the point of asset depletion and 2.85 percent after.

G. Pension liability sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	GERF	\$ 6,377,252	\$ 4,490,086

	City Proportionate Share of NPL		
	1 Percent Decrease (4.60%)	Current (5.60%)	1 Percent Increase (6.60%)
	PEPFF	\$ 14,606,569	\$ 10,434,252

H. Pension plan fiduciary net position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 5: DEFINED CONTRIBUTION PLAN

There are six City Council members that are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (.0025) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City During the fiscal year 2016 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 2,233	\$ 2,233	5.00%	5.00%	5.00%

The City's contributions to the PEDCP for the years ended December 31, 2016, 2015 and 2014 were \$2,233, \$1,995 and \$1,518, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan description

In addition to providing the pension benefits described in Note 7, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B. Benefits provided

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement or disability benefits from a Minnesota public pension plan. The employee may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED

All health care benefits are provided through the City’s group health insurance plans. The retiree pays 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City’s plan becomes secondary.

C. Participants

As of the actuarial valuation dated January 1, 2014, participants consisted of 11 retirees and beneficiaries and 70 active members.

D. Funding policy

Retiree health care benefits are currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time.

E. Annual OPEB costs and net OPEB obligation

The City’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 days.

Annual required contribution	\$ 165,183
Interest on net OPEB obligation	32,495
Adjustment to annual required contribution	<u>(46,980)</u>
 Annual OPEB cost (expense)	 150,698
Contributions made	<u>(114,918)</u>
 Increase in net OPEB obligation	 35,780
Net OPEB obligation - January 1, 2016	<u>812,386</u>
 Net OPEB obligation - December 31, 2016	 <u>\$ 848,166</u>

The City first had an actuarial valuation performed for the plan as of January 1, 2008 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended December 31, 2008. The City’s annual OPEB cost (expense) of \$283,891 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of December 31, 2007. A subsequent actuarial valuation was performed for the Plan as of January 1, 2014 which revalued the annual required contribution (ARC) to \$165,183 beginning December 31, 2015. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Year Ending	Three Year Trend Information			
	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/16	\$ 150,698	\$ 114,918	76.3 %	\$ 848,166
12/31/15	150,268	107,213	71.3	812,387
12/31/14	171,579	91,242	53.2	673,379

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED

F. Funded status and funding progress

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,897,694, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,311,287, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 7.3 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Postemployment Benefit Plan, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

G. Actuarial methods and assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan asset is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 7.5% reduced by 0.31% each year to arrive at an ultimate health care cost trend rate of 5.0%, which includes a 3% inflation assumption. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using a level dollar amount over a 30 year open period. The remaining amortization period at December 31, 2016, was 21 years.

Note 7: JOINT POWERS AGREEMENTS

A. DCC-JOINT POWERS DEBT COMMITMENT

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

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org/stats.asp.

CITY OF WEST ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 7: JOINT POWERS AGREEMENTS - 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 had an estimated original value of \$1,446,249.

The activities of the SMFD are funded substantially 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 2016 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website www.southmetrofire.com.

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

Note 8: OTHER INFORMATION

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 for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Tax increment financing 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.

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

CITY OF WEST ST. PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Note 8: OTHER INFORMATION - CONTINUED

C. Conduit debt obligations

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 payment 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, 2016, there were two series of Housing Revenue Bonds outstanding as follows:

Description	Amount Issued	Balance at Year End
2009 Care Facilities Revenue Note	\$ 4,850,000	\$ 49,319
2011 Health Care Facilities Revenue Bonds	17,915,000	17,375,000
Total	\$ 22,765,000	\$ 17,424,319

D. Golf course land use agreement

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

Note 9: CONTINGENCIES

The City has outstanding claims for damages claimed by property owners related to condemnations within the City. Owners have made claims totaling \$855,217 in excess of initial deposits made on claims by City. The City intends to defend the claims on the merits and to resolve the cases by settlement where appropriate. The liability at this time cannot be determined.

Note 10: SUBSEQUENT EVENT

On May 22, 2017, the City issued \$4,825,000 in General Obligation Improvement Bonds, Series 2017A. The bonds will mature on February 1, 2033 and carry an average coupon rate of 3.28 percent.

On May 22, 2017, the City issued \$5,175,000 in General Obligation Street Reconstruction Bonds, Series 2017B. The bonds will mature on February 1, 2033 and carry an average coupon rate of 3.27 percent.

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REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

CITY OF WEST ST. PAUL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule of employer's share of PERA net pension liability - General Employees Retirement Fund

Required Supplementary Information							
Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/16	0.0553 %	\$ 4,490,086	\$ 58,724	\$ 4,548,810	\$ 3,425,146	131.1 %	68.9 %
06/30/15	0.0549	2,845,203	-	2,845,203	3,225,507	88.2	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of employer's PERA contributions - General Employees Retirement Fund

Required Supplementary Information					
Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/16	\$ 269,660	\$ 269,660	\$ -	\$ 3,595,466	7.5 %
12/31/15	238,068	238,068	-	3,174,240	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WEST ST. PAUL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule of employer's share of PERA net pension liability - Public Employees Police and Fire Fund

Required Supplementary Information								
Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
06/30/16	0.2600 %	\$ 10,434,252	\$ -	\$ 10,434,252	\$ 2,502,937	416.9 %	63.9 %	
06/30/15	0.2680	3,045,107	-	3,045,107	2,450,436	124.3	86.6	

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of employer's PERA contributions - Public Employees Police and Fire Fund

Required Supplementary Information					
Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/16	\$ 411,042	\$ 411,042	\$ -	\$ 2,537,297	16.2 %
12/31/15	386,253	386,253	-	2,524,529	15.3

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of funding progress for the other postemployment benefit plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Rate	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/14	\$ -	\$ 1,897,694	\$ 1,897,694	-	\$ 5,311,287	35.7 %
01/01/11	-	1,621,549	1,621,549	-	4,800,000	33.8
01/01/08	-	2,294,555	2,294,555	-	4,918,450	46.7

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

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

CITY OF WEST ST. PAUL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and temporary investments	\$ 515,399	\$ 2,719,399	\$ 3,234,798
Receivables			
Accounts	8,262	-	8,262
Accrued interest	410	2,952	3,362
Due from other governments	1,467	-	1,467
 TOTAL ASSETS	 \$ 525,538	 \$ 2,722,351	 \$ 3,247,889
LIABILITIES			
Accounts payable	\$ 5,404	\$ 185,008	\$ 190,412
FUND BALANCES			
Restricted	13,000	158,095	171,095
Committed	507,134	-	507,134
Assigned	-	2,392,043	2,392,043
Unassigned	-	(12,795)	(12,795)
 TOTAL FUND BALANCES	 520,134	 2,537,343	 3,057,477
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 525,538	 \$ 2,722,351	 \$ 3,247,889

CITY OF WEST ST. PAUL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	\$ 150,000	\$ 190,000	\$ 340,000
Intergovernmental	-	400,000	400,000
Charges for services	-	38,176	38,176
Interest on investments	11,981	70,820	82,801
Miscellaneous			
Insurance dividends	94,943	-	94,943
Other	13,000	62,222	75,222
TOTAL REVENUES	269,924	761,218	1,031,142
EXPENDITURES			
Current			
General government	121,495	227,825	349,320
Public safety	156,189	-	156,189
Public works	89,512	-	89,512
Parks and recreation	45,417	-	45,417
Capital outlay			
General government	-	161,945	161,945
Public safety	-	178,561	178,561
Public works	-	469,497	469,497
Parks and recreation	-	104,590	104,590
TOTAL EXPENDITURES	412,613	1,142,418	1,555,031
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(142,689)	(381,200)	(523,889)
OTHER FINANCING USES			
Transfers out	-	(78,000)	(78,000)
NET CHANGE IN FUND BALANCES	(142,689)	(459,200)	(601,889)
FUND BALANCES, JANUARY 1	662,823	2,996,543	3,659,366
FUND BALANCES, DECEMBER 31	\$ 520,134	\$ 2,537,343	\$ 3,057,477

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

Community Events - used to account for private contributions for community events.

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
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	201	212	
	Community Events	Insurance Fund	Total
ASSETS			
Cash and temporary investments	\$ 13,000	\$ 502,399	\$ 515,399
Receivables			
Accounts	-	8,262	8,262
Accrued interest	-	410	410
Due from other governments	-	1,467	1,467
TOTAL ASSETS	\$ 13,000	\$ 512,538	\$ 525,538
LIABILITIES			
Accounts payable	-	\$ 5,404	\$ 5,404
FUND BALANCES			
Restricted	13,000	-	13,000
Committed	-	507,134	507,134
TOTAL FUND BALANCES	13,000	507,134	520,134
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,000	\$ 512,538	\$ 525,538

CITY OF WEST ST. PAUL, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	201	212	
	Community Events	Insurance Fund	Total
REVENUES			
Taxes	\$ -	\$ 150,000	\$ 150,000
Interest on investments	-	11,981	11,981
Miscellaneous			
Insurance dividends	-	94,943	94,943
Other	13,000	-	13,000
TOTAL REVENUES	<u>13,000</u>	<u>256,924</u>	<u>269,924</u>
EXPENDITURES			
Current			
General government	-	121,495	121,495
Public safety	-	156,189	156,189
Public works	-	89,512	89,512
Parks and recreation	-	45,417	45,417
TOTAL EXPENDITURES	<u>-</u>	<u>412,613</u>	<u>412,613</u>
NET CHANGE IN FUND BALANCES	13,000	(155,689)	(142,689)
FUND BALANCES, JANUARY 1	<u>-</u>	<u>662,823</u>	<u>662,823</u>
FUND BALANCES, DECEMBER 31	<u>\$ 13,000</u>	<u>\$ 507,134</u>	<u>\$ 520,134</u>

CITY OF WEST ST. PAUL, MINNESOTA
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interest on investments	12,000	12,000	11,981	(19)
Miscellaneous				
Insurance dividends	35,000	35,000	94,943	59,943
TOTAL REVENUES	<u>197,000</u>	<u>197,000</u>	<u>256,924</u>	<u>59,924</u>
EXPENDITURES				
Current				
General government	35,465	35,465	37,153	(1,688)
Public safety	147,000	147,000	156,189	(9,189)
Public works	85,000	85,000	89,512	(4,512)
Parks and recreation	37,500	37,500	45,417	(7,917)
Unallocated	83,550	83,550	84,342	(792)
TOTAL EXPENDITURES	<u>388,515</u>	<u>388,515</u>	<u>412,613</u>	<u>(24,098)</u>
NET CHANGE IN FUND BALANCES	(191,515)	(191,515)	(155,689)	35,826
FUND BALANCES, JANUARY 1	<u>662,823</u>	<u>662,823</u>	<u>662,823</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u>\$ 471,308</u>	<u>\$ 471,308</u>	<u>\$ 507,134</u>	<u>\$ 35,826</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Vehicle and Equipment 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.

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

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

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.

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

CITY OF WEST ST. PAUL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	401	409	411
	<u>Vehicle and Equipment Fund</u>	<u>Police and Fire PERA</u>	<u>Technology Replacement</u>
ASSETS			
Cash and temporary investments	\$ 1,820,684	\$ 157,919	\$ 252,589
Receivable			
Accrued interest	<u>2,039</u>	<u>176</u>	<u>227</u>
TOTAL ASSETS	<u><u>\$ 1,822,723</u></u>	<u><u>\$ 158,095</u></u>	<u><u>\$ 252,816</u></u>
LIABILITIES			
Accounts payable	<u>\$ 2,142</u>	<u>\$ -</u>	<u>\$ 12,019</u>
FUND BALANCES			
Restricted	-	158,095	-
Assigned	1,820,581	-	240,797
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>1,820,581</u>	<u>158,095</u>	<u>240,797</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,822,723</u></u>	<u><u>\$ 158,095</u></u>	<u><u>\$ 252,816</u></u>

413 Parks Improvement	415 Government Facilities	Total
\$ 137,414	\$ 350,793	\$ 2,719,399
<u>154</u>	<u>356</u>	<u>2,952</u>
<u>\$ 137,568</u>	<u>\$ 351,149</u>	<u>\$ 2,722,351</u>
<u>\$ 150,363</u>	<u>\$ 20,484</u>	<u>\$ 185,008</u>
-	-	158,095
-	330,665	2,392,043
<u>(12,795)</u>	<u>-</u>	<u>(12,795)</u>
<u>(12,795)</u>	<u>330,665</u>	<u>2,537,343</u>
<u>\$ 137,568</u>	<u>\$ 351,149</u>	<u>\$ 2,722,351</u>

CITY OF WEST ST. PAUL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	401	409	411
	<u>Vehicle and Equipment Fund</u>	<u>Police and Fire PERA</u>	<u>Technology Replacement</u>
REVENUES			
Property taxes	\$ 190,000	\$ -	\$ -
Intergovernmental	-	-	100,000
Charges for services	-	-	-
Interest on investments	49,107	5,211	7,018
Miscellaneous	-	-	4,972
	<u>239,107</u>	<u>5,211</u>	<u>111,990</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General government	-	-	-
Capital outlay			
General government	27,335	-	134,610
Public safety	115,728	-	62,833
Public works	469,497	-	-
Parks and recreation	56,385	-	-
	<u>668,945</u>	<u>-</u>	<u>197,443</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(429,838)	5,211	(85,453)
OTHER FINANCING USES			
Transfers out	-	(78,000)	-
NET CHANGE IN FUND BALANCES	(429,838)	(72,789)	(85,453)
FUND BALANCES, JANUARY 1	<u>2,250,419</u>	<u>230,884</u>	<u>326,250</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,820,581</u>	<u>\$ 158,095</u>	<u>\$ 240,797</u>

413 Parks Improvement	415 Government Facilities	Total
\$ -	\$ -	\$ 190,000
200,000	100,000	400,000
38,176	-	38,176
(738)	10,222	70,820
57,250	-	62,222
<u>294,688</u>	<u>110,222</u>	<u>761,218</u>
-	227,825	227,825
-	-	161,945
-	-	178,561
-	-	469,497
48,205	-	104,590
<u>48,205</u>	<u>227,825</u>	<u>1,142,418</u>
246,483	(117,603)	(381,200)
-	-	(78,000)
246,483	(117,603)	(459,200)
(259,278)	448,268	2,996,543
<u>\$ (12,795)</u>	<u>\$ 330,665</u>	<u>\$ 2,537,343</u>

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CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			Variance with Final Budget	2015
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
REVENUES					
Taxes					
Property taxes	\$ 9,118,285	\$ 9,118,285	\$ 8,749,882	\$ (368,403)	\$ 8,288,837
Franchise taxes	906,500	906,500	917,403	10,903	872,919
Water surcharge	24,000	24,000	24,886	886	23,824
Total	<u>10,048,785</u>	<u>10,048,785</u>	<u>9,692,171</u>	<u>(356,614)</u>	<u>9,185,580</u>
Licenses and permits					
Licenses	216,000	216,000	217,374	1,374	182,870
Permits	299,000	299,000	329,756	30,756	454,346
Total	<u>515,000</u>	<u>515,000</u>	<u>547,130</u>	<u>32,130</u>	<u>637,216</u>
Intergovernmental					
Federal					
Other	2,500	2,500	22,395	19,895	2,143
State					
PERA aid	14,361	14,361	14,361	-	14,361
Police and fire aid	262,000	262,000	268,727	6,727	272,448
Municipal State Aid	80,000	80,000	86,271	6,271	82,616
Other	70,639	70,639	23,286	(47,353)	87,540
County	25,000	25,000	25,000	-	25,000
Total	<u>454,500</u>	<u>454,500</u>	<u>440,040</u>	<u>(14,460)</u>	<u>484,108</u>
Charges for services					
General government	254,000	254,000	249,761	(4,239)	288,739
Public safety	351,705	351,705	320,167	(31,538)	343,160
Public works	2,000	2,000	1,626	(374)	5,322
Parks and recreation	62,000	62,000	62,336	336	61,604
Community development	4,000	4,000	9,105	5,105	16,187
Total	<u>673,705</u>	<u>673,705</u>	<u>642,995</u>	<u>(30,710)</u>	<u>715,012</u>
Fines and forfeitures	<u>132,000</u>	<u>132,000</u>	<u>175,941</u>	<u>43,941</u>	<u>136,400</u>
Special assessments	<u>43,500</u>	<u>43,500</u>	<u>90,514</u>	<u>47,014</u>	<u>87,408</u>
Interest on investments	<u>140,000</u>	<u>140,000</u>	<u>148,287</u>	<u>8,287</u>	<u>140,228</u>
Miscellaneous					
Refunds and reimbursements	30,000	30,000	16,689	(13,311)	14,133
Contributions and donations	7,500	7,500	19,625	12,125	3,642
Other	8,908	8,908	39,802	30,894	28,753
Total	<u>46,408</u>	<u>46,408</u>	<u>76,116</u>	<u>29,708</u>	<u>46,528</u>
TOTAL REVENUES	<u>12,053,898</u>	<u>12,053,898</u>	<u>11,813,194</u>	<u>(240,704)</u>	<u>11,432,480</u>

CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES					
Current expenditures					
General government					
Mayor and City Council					
Personal services	\$ 57,185	\$ 57,185	\$ 55,412	\$ 1,773	\$ 55,265
Supplies	250	250	652	(402)	-
Other services and charges	63,217	63,217	89,667	(26,450)	107,907
Total	<u>120,652</u>	<u>120,652</u>	<u>145,731</u>	<u>(25,079)</u>	<u>163,172</u>
Management and administration					
Personal services	704,455	704,455	692,539	11,916	616,263
Supplies	8,450	8,450	8,586	(136)	10,480
Other services and charges	65,470	65,470	56,337	9,133	51,969
Total	<u>778,375</u>	<u>778,375</u>	<u>757,462</u>	<u>20,913</u>	<u>678,712</u>
Finance					
Personal services	360,840	360,840	340,970	19,870	309,840
Supplies	2,200	2,200	2,049	151	2,689
Other services and charges	15,330	15,330	25,168	(9,838)	31,293
Total	<u>378,370</u>	<u>378,370</u>	<u>368,187</u>	<u>10,183</u>	<u>343,822</u>
Human relations					
Personal services	55,000	55,000	57,443	(2,443)	55,838
Supplies	1,150	1,150	-	1,150	19
Other services and charges	32,625	32,625	19,687	12,938	20,464
Total	<u>88,775</u>	<u>88,775</u>	<u>77,130</u>	<u>11,645</u>	<u>76,321</u>
Elections					
Personal services	100	100	1,240	(1,140)	-
Supplies	425	425	555	(130)	-
Other services and charges	28,050	28,050	30,638	(2,588)	205
Total	<u>28,575</u>	<u>28,575</u>	<u>32,433</u>	<u>(3,858)</u>	<u>205</u>
City attorney					
Other services and charges	360,000	360,000	412,291	(52,291)	366,748
Charter commission					
Other services and charges	1,500	1,500	2,880	(1,380)	1,582
General governmental buildings					
Personal services	68,935	68,935	68,605	330	65,184
Supplies	20,450	20,450	14,449	6,001	16,747
Other services and charges	116,225	116,225	92,470	23,755	85,739
Total	<u>205,610</u>	<u>205,610</u>	<u>175,524</u>	<u>30,086</u>	<u>167,670</u>

CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
EXPENDITURES - CONTINUED					
Current expenditures - continued					
General government - continued					
Planning and zoning					
Personal services	\$ 277,890	\$ 277,890	\$ 244,978	\$ 32,912	\$ 230,339
Supplies	2,900	2,900	2,104	796	3,444
Other services and charges	36,485	36,485	35,893	592	61,631
Total	<u>317,275</u>	<u>317,275</u>	<u>282,975</u>	<u>34,300</u>	<u>295,414</u>
Recycling					
Personal services	12,325	12,325	12,325	-	-
Supplies	1,400	1,400	4,855	(3,455)	2,095
Other services and charges	9,525	9,525	3,287	6,238	5,985
Total	<u>23,250</u>	<u>23,250</u>	<u>20,467</u>	<u>2,783</u>	<u>8,080</u>
Building inspection					
Personal services	334,310	334,310	313,496	20,814	246,889
Supplies	3,600	3,600	4,261	(661)	3,483
Other services and charges	77,725	77,725	59,100	18,625	36,607
Total	<u>415,635</u>	<u>415,635</u>	<u>376,857</u>	<u>38,778</u>	<u>286,979</u>
Management information systems					
Personal services	250,625	250,625	243,319	7,306	220,598
Supplies	7,000	7,000	4,997	2,003	3,329
Other services and charges	179,600	179,600	152,912	26,688	152,196
Total	<u>437,225</u>	<u>437,225</u>	<u>401,228</u>	<u>35,997</u>	<u>376,123</u>
Innovations					
Other services and charges	35,000	35,000	-	35,000	-
Total general government	<u>3,190,242</u>	<u>3,190,242</u>	<u>3,053,165</u>	<u>137,077</u>	<u>2,764,828</u>
Public safety					
Police					
Personal services	3,966,085	3,966,085	3,854,353	111,732	3,714,741
Supplies	165,500	165,500	116,748	48,752	129,441
Other services and charges	188,090	188,090	212,267	(24,177)	150,821
Total	<u>4,319,675</u>	<u>4,319,675</u>	<u>4,183,368</u>	<u>136,307</u>	<u>3,995,003</u>
Fire					
Other services and charges	2,125,394	2,125,394	2,125,394	-	2,101,737
Dispatching					
Other services and charges	638,065	638,065	627,774	10,291	595,547

CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current expenditures - continued					
Public safety - continued					
Civil defense					
Supplies	\$ 2,500	\$ 2,500	\$ 4,971	\$ (2,471)	\$ 1,467
Other services and charges	12,795	12,795	12,345	450	12,392
Total	15,295	15,295	17,316	(2,021)	13,859
Animal control					
Other services and charges	5,150	5,150	-	5,150	5,297
Total public safety	7,103,579	7,103,579	6,953,852	149,727	6,711,443
Public works					
Streets and highways					
Personal services	916,913	916,913	902,312	14,601	871,735
Supplies	229,660	229,660	203,101	26,559	187,056
Other services and charges	55,125	55,125	51,007	4,118	143,579
Total	1,201,698	1,201,698	1,156,420	45,278	1,202,370
Engineering					
Personal services	178,904	178,904	163,626	15,278	162,958
Supplies	2,600	2,600	3,709	(1,109)	2,216
Other services and charges	22,500	22,500	6,659	15,841	32,036
Total	204,004	204,004	173,994	30,010	197,210
Traffic signs					
Supplies	10,400	10,400	12,407	(2,007)	10,049
Other services and charges	13,500	13,500	8,864	4,636	10,872
Total	23,900	23,900	21,271	2,629	20,921
Facility					
Supplies	3,700	3,700	3,660	40	3,539
Other services and charges	59,300	59,300	61,115	(1,815)	54,775
Total	63,000	63,000	64,775	(1,775)	58,314
Street lighting					
Supplies	6,025	6,025	-	6,025	8,092
Other services and charges	126,000	126,000	120,845	5,155	114,060
Total	132,025	132,025	120,845	11,180	122,152
Total public works	1,624,627	1,624,627	1,537,305	87,322	1,600,967

CITY OF WEST ST. PAUL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current expenditures - continued					
Parks and recreation					
Parks and recreation					
Personal services	\$ 620,400	\$ 620,400	\$ 588,768	\$ 31,632	\$ 569,254
Supplies	62,000	62,000	51,697	10,303	49,517
Other services and charges	141,050	141,050	188,419	(47,369)	134,325
Total parks and recreation	<u>823,450</u>	<u>823,450</u>	<u>828,884</u>	<u>(5,434)</u>	<u>753,096</u>
Total current expenditures	12,741,898	12,741,898	12,373,206	368,692	11,830,334
Capital outlay					
General government	-	-	2,936	(2,936)	2,671
TOTAL EXPENDITURES	<u>12,741,898</u>	<u>12,741,898</u>	<u>12,376,142</u>	<u>365,756</u>	<u>11,833,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(688,000)</u>	<u>(688,000)</u>	<u>(562,948)</u>	<u>125,052</u>	<u>(400,525)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	678,000	678,000	678,000	-	678,000
Transfers out	-	-	(31,212)	(31,212)	(50,406)
Sale of capital assets	10,000	10,000	7,069	(2,931)	12,203
TOTAL OTHER FINANCING SOURCES (USES)	<u>688,000</u>	<u>688,000</u>	<u>653,857</u>	<u>(34,143)</u>	<u>639,797</u>
NET CHANGE IN FUND BALANCES	-	-	90,909	90,909	239,272
FUND BALANCES, JANUARY 1	<u>9,253,781</u>	<u>9,253,781</u>	<u>9,253,781</u>	<u>-</u>	<u>9,014,509</u>
FUND BALANCES, DECEMBER 31	<u><u>\$ 9,253,781</u></u>	<u><u>\$ 9,253,781</u></u>	<u><u>\$ 9,344,690</u></u>	<u><u>\$ 90,909</u></u>	<u><u>\$ 9,253,781</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET - CONTINUED ON THE FOLLOWING PAGES
DECEMBER 31, 2016

	323	324	325
	2006 G.O. Improvement Bonds	2008 G.O. Improvement Bonds	2009 G.O. Refunding Bonds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and temporary investments	\$ -	\$ -	\$ 332,510
Receivables			
Accrued interest	-	-	478
Special assessments	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 332,988</u></u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - special assessments	-	-	-
FUND BALANCES			
Restricted for debt service	-	-	332,988
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 332,988</u></u>

327 G.O. Capital Improvement Bonds	328 2010 G.O. Improvement Bonds	329 2012 G.O. Improvement Bonds	330 2013 G.O. Improvement Bonds	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds
\$ -	\$ 987,060	\$ 891,657	\$ 139,187	\$ 297,052	\$ 508,310	\$ 959,590
-	994	820	106	202	408	856
-	121,551	229,045	84,598	-	40,275	1,073
-	3,462	22,338	7,594	-	-	4
<u>\$ -</u>	<u>\$ 1,113,067</u>	<u>\$ 1,143,860</u>	<u>\$ 231,485</u>	<u>\$ 297,254</u>	<u>\$ 548,993</u>	<u>\$ 961,523</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ -
-	121,552	229,045	84,598	-	40,276	1,073
-	991,515	914,815	146,887	297,254	508,267	960,450
<u>\$ -</u>	<u>\$ 1,113,067</u>	<u>\$ 1,143,860</u>	<u>\$ 231,485</u>	<u>\$ 297,254</u>	<u>\$ 548,993</u>	<u>\$ 961,523</u>

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CITY OF WEST ST. PAUL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET - CONTINUED
DECEMBER 31, 2016

	334	335	375	
	2015B G.O. Refunding Bonds	2015C G.O. Tax Increment Refunding Bonds	TIF Bonds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and temporary investments	\$ 26,536	\$ 11,135	\$ -	\$ 4,153,037
Receivables				
Accrued interest	18	12	-	3,894
Special assessments	13,619	-	-	490,161
Due from other governments	366	-	-	33,764
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 40,539</u></u>	<u><u>\$ 11,147</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,680,856</u></u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 450
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - special assessments	13,619	-	-	490,163
FUND BALANCES				
Restricted for debt service	<u>26,920</u>	<u>11,147</u>	<u>-</u>	<u>4,190,243</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 40,539</u></u>	<u><u>\$ 11,147</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,680,856</u></u>

CITY OF WEST ST. PAUL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2016

	323 2006 G.O. Improvement Bonds	324 2008 G.O. Improvement Bonds	325 2009 G.O. Refunding Bonds	327 G.O. Capital Improvement Bonds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	18	-	-
Interest on investments	1,014	45	13,819	14,581
TOTAL REVENUES	1,014	63	13,819	14,581
EXPENDITURES				
Debt service				
Principal	-	-	280,000	-
Interest and other charges	246	769	17,100	-
TOTAL EXPENDITURES	246	769	297,100	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	768	(706)	(283,281)	14,581
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(41,781)	(2,421)	-	(622,306)
TOTAL OTHER FINANCING SOURCES (USES)	(41,781)	(2,421)	-	(622,306)
NET CHANGE IN FUND BALANCES	(41,013)	(3,127)	(283,281)	(607,725)
FUND BALANCES, JANUARY 1	41,013	3,127	616,269	607,725
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,988</u>	<u>\$ -</u>

328 2010 G.O. Improvement Bonds	329 2012 G.O. Improvement Bonds	330 2013 G.O. Improvement Bonds	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds
\$ 224,818	\$ 404,689	\$ 114,962	\$ 343,934	\$ 413,820	\$ 558,999
52,568	81,554	24,338	-	11,224	3,546
16,718	9,672	268	360	3,225	(1,049)
<u>294,104</u>	<u>495,915</u>	<u>139,568</u>	<u>344,294</u>	<u>428,269</u>	<u>561,496</u>
150,000	410,000	150,000	200,000	275,000	180,000
62,804	27,809	27,951	130,006	130,533	221,371
<u>212,804</u>	<u>437,809</u>	<u>177,951</u>	<u>330,006</u>	<u>405,533</u>	<u>401,371</u>
81,300	58,106	(38,383)	14,288	22,736	160,125
-	-	-	-	-	664,087
-	-	-	-	-	-
-	-	-	-	-	664,087
81,300	58,106	(38,383)	14,288	22,736	824,212
910,215	856,709	185,270	282,966	485,531	136,238
<u>\$ 991,515</u>	<u>\$ 914,815</u>	<u>\$ 146,887</u>	<u>\$ 297,254</u>	<u>\$ 508,267</u>	<u>\$ 960,450</u>

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CITY OF WEST ST. PAUL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016

	334 2015B G.O. Refunding Bonds	335 2015C G.O. Tax Increment Refunding Bonds	375 TIF Bonds	Intra-Activity Eliminations	Total
REVENUES					
Taxes	\$ 159,495	\$ -	\$ -	\$ -	\$ 2,220,717
Special assessments	32,362	-	-	-	205,610
Interest on investments	(551)	(1,165)	62	-	56,999
TOTAL REVENUES	<u>191,306</u>	<u>(1,165)</u>	<u>62</u>	<u>-</u>	<u>2,483,326</u>
EXPENDITURES					
Debt service					
Principal	150,000	-	1,335,000	-	3,130,000
Interest and other charges	20,349	20,757	29,250	-	688,945
TOTAL EXPENDITURES	<u>170,349</u>	<u>20,757</u>	<u>1,364,250</u>	<u>-</u>	<u>3,818,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,957</u>	<u>(21,922)</u>	<u>(1,364,188)</u>	<u>-</u>	<u>(1,335,619)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,421	28,867	107,438	(695,375)	107,438
Transfers out	-	-	(28,867)	695,375	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,421</u>	<u>28,867</u>	<u>78,571</u>	<u>-</u>	<u>107,438</u>
NET CHANGE IN FUND BALANCES	23,378	6,945	(1,285,617)	-	(1,228,181)
FUND BALANCES, JANUARY 1	<u>3,542</u>	<u>4,202</u>	<u>1,285,617</u>	<u>-</u>	<u>5,418,424</u>
FUND BALANCES, DECEMBER 31	<u>\$ 26,920</u>	<u>\$ 11,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,190,243</u>

CITY OF WEST ST. PAUL, MINNESOTA
TIF DISTRICTS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	450 TIF 1-1	451 TIF 1-2	452 TIF 1-3	453 TIF 1-4	Total
ASSETS					
Cash and temporary investments	\$ -	\$ 287,784	\$ 1,528	\$ 37,720	\$ 327,032
Receivables					
Accounts	-	-	10,183	-	10,183
Accrued interest	-	239	87	42	368
Due from other governments	-	-	3,983	30,213	34,196
TOTAL ASSETS	\$ -	\$ 288,023	\$ 15,781	\$ 67,975	\$ 371,779
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 878	\$ -	\$ 878
Due to other governments	-	5,288	741	-	6,029
Deposits payable	-	10,000	-	-	10,000
Due to other funds	-	-	1,268,055	-	1,268,055
TOTAL LIABILITIES	-	15,288	1,269,674	-	1,284,962
FUND BALANCES					
Restricted	-	272,735	-	67,975	340,710
Unassigned	-	-	(1,253,893)	-	(1,253,893)
TOTAL FUND BALANCES	-	272,735	(1,253,893)	67,975	(913,183)
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 288,023	\$ 15,781	\$ 67,975	\$ 371,779

CITY OF WEST ST. PAUL, MINNESOTA
TIF DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	450 TIF 1-1	451 TIF 1-2	452 TIF 1-3	453 TIF 1-4	Total
REVENUES					
Tax increment	\$ 99,368	\$ 202,323	\$ 48,970	\$ 30,213	\$ 380,874
Interest on investments	30,810	6,080	(136)	2,184	38,938
Miscellaneous	-	-	70,000	-	70,000
TOTAL REVENUES	<u>130,178</u>	<u>208,403</u>	<u>118,834</u>	<u>32,397</u>	<u>489,812</u>
EXPENDITURES					
Current					
Economic development	<u>1,734</u>	<u>92,706</u>	<u>55,064</u>	<u>1,732</u>	<u>151,236</u>
EXCESS OF REVENUES OVER EXPENDITURES	128,444	115,697	63,770	30,665	338,576
OTHER FINANCING USES					
Transfers out	<u>(1,128,358)</u>	<u>(107,438)</u>	<u>-</u>	<u>-</u>	<u>(1,235,796)</u>
NET CHANGE IN FUND BALANCES	(999,914)	8,259	63,770	30,665	(897,220)
FUND BALANCES, JANUARY 1	<u>999,914</u>	<u>264,476</u>	<u>(1,317,663)</u>	<u>37,310</u>	<u>(15,963)</u>
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ 272,735</u>	<u>\$ (1,253,893)</u>	<u>\$ 67,975</u>	<u>\$ (913,183)</u>

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2016

	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
ASSETS					
CURRENT ASSETS					
Cash and temporary investments	\$ 27,664	\$ 137,872	\$ -	\$ 1,178,183	\$ 1,343,719
Receivables					
Accrued interest	78	173	-	1,081	1,332
Accounts	-	109,935	-	2,731	112,666
Inventory	590	-	-	-	590
	<u>28,332</u>	<u>247,980</u>	<u>-</u>	<u>1,181,995</u>	<u>1,458,307</u>
TOTAL CURRENT ASSETS					
NONCURRENT ASSETS					
Capital assets					
Land	1,070,302	32,296	30,625	-	1,133,223
Buildings	276,975	3,753,646	1,719,949	7,194,013	12,944,583
Machinery and equipment	247,505	150,435	-	77,866	475,806
Less accumulated depreciation	<u>(426,259)</u>	<u>(1,569,742)</u>	<u>(834,844)</u>	<u>(841,324)</u>	<u>(3,672,169)</u>
	<u>1,168,523</u>	<u>2,366,635</u>	<u>915,730</u>	<u>6,430,555</u>	<u>10,881,443</u>
NET CAPITAL ASSETS					
	<u>1,196,855</u>	<u>2,614,615</u>	<u>915,730</u>	<u>7,612,550</u>	<u>12,339,750</u>
TOTAL ASSETS					
DEFERRED INFLOWS OF RESOURCES					
Deferred pension resources	<u>19,043</u>	<u>37,956</u>	<u>-</u>	<u>-</u>	<u>56,999</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	281	12,539	575	80,476	93,871
Accrued salaries payable	-	4,592	-	-	4,592
Due to other governments	2,523	400	-	272	3,195
Accrued interest payable	834	-	-	44,864	45,698
Unearned revenue	-	-	-	71,598	71,598
Compensated absences payable - current	-	5,641	-	-	5,641
Bonds payable - current	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>205,000</u>	<u>250,000</u>
	<u>48,638</u>	<u>23,172</u>	<u>575</u>	<u>402,210</u>	<u>474,595</u>
TOTAL CURRENT LIABILITIES					

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF NET POSITION - CONTINUED
DECEMBER 31, 2016

	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
NONCURRENT LIABILITIES					
Other postemployment benefits	\$ 2,856	\$ 8,179	\$ 2,103	\$ -	\$ 13,138
Compensated absences payable	-	4,616	-	-	4,616
Pension liability	52,303	104,454	-	-	156,757
Bonds payable	245,000	-	-	4,484,035	4,729,035
TOTAL NONCURRENT LIABILITIES	<u>300,159</u>	<u>117,249</u>	<u>2,103</u>	<u>4,484,035</u>	<u>4,903,546</u>
TOTAL LIABILITIES	<u>348,797</u>	<u>140,421</u>	<u>2,678</u>	<u>4,886,245</u>	<u>5,378,141</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred pension resources	4,688	9,382	-	-	14,070
NET POSITION					
Net investment in capital assets	878,523	2,366,635	915,730	1,741,520	5,902,408
Unrestricted	(16,110)	136,133	(2,678)	984,785	1,102,130
TOTAL NET POSITION	<u>\$ 862,413</u>	<u>\$ 2,502,768</u>	<u>\$ 913,052</u>	<u>\$ 2,726,305</u>	<u>\$ 7,004,538</u>

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CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
OPERATING REVENUES					
Charges for services	\$ 149,220	\$ 236,191	\$ -	\$ 725,606	\$ 1,111,017
OPERATING EXPENSES					
Personal services	100,326	133,656	-	-	233,982
Supplies	12,346	11,950	8,938	14,747	47,981
Professional services	22,279	22,007	5,648	133,641	183,575
Insurance	2,865	5,031	3,897	6,400	18,193
Utilities	7,026	74,764	13,671	130,596	226,057
Repairs and maintenance	1,528	6,908	-	158,798	167,234
Depreciation	18,720	118,945	48,970	245,850	432,485
TOTAL OPERATING EXPENSES	165,090	373,261	81,124	690,032	1,309,507
OPERATING INCOME (LOSS)	(15,870)	(137,070)	(81,124)	35,574	(198,490)
NONOPERATING REVENUES (EXPENSES)					
Property taxes	56,560	-	-	329,299	385,859
Interest income	225	4,765	-	18,433	23,423
Miscellaneous	204	2,417	-	1,694	4,315
Interest expense	(11,598)	-	-	(107,571)	(119,169)
TOTAL NONOPERATING REVENUES (EXPENSES)	45,391	7,182	-	241,855	294,428
INCOME (LOSS) BEFORE TRANSFERS	29,521	(129,888)	(81,124)	277,429	95,938
TRANSFERS IN	-	-	31,212	-	31,212
TRANSFERS OUT	-	-	-	(50,000)	(50,000)
CHANGE IN NET POSITION	29,521	(129,888)	(49,912)	227,429	77,150
NET POSITION, JANUARY 1	832,892	2,632,656	962,964	2,498,876	6,927,388
NET POSITION, DECEMBER 31	\$ 862,413	\$ 2,502,768	\$ 913,052	\$ 2,726,305	\$ 7,004,538

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 149,514	\$ 219,013	\$ 786	\$ 741,910	\$ 1,111,223
Payments to suppliers	(43,098)	(195,947)	(31,998)	(429,042)	(700,085)
Payments to employees	(78,734)	(128,267)	-	-	(207,001)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>27,682</u>	<u>(105,201)</u>	<u>(31,212)</u>	<u>312,868</u>	<u>204,137</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes	56,560	-	-	329,299	385,859
Transfers from other funds	-	-	31,212	-	31,212
Transfers to other funds	-	-	-	(50,000)	(50,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>56,560</u>	<u>-</u>	<u>31,212</u>	<u>279,299</u>	<u>367,071</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition of capital assets	-	(12,938)	-	(12,573)	(25,511)
Interest paid on bonds	(11,725)	-	-	(110,669)	(122,394)
Principal paid on bonds	(45,000)	-	-	(205,000)	(250,000)
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	<u>(56,725)</u>	<u>(12,938)</u>	<u>-</u>	<u>(328,242)</u>	<u>(397,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	147	5,134	-	19,516	24,797
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,664	(113,005)	-	283,441	198,100
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>250,877</u>	<u>-</u>	<u>894,742</u>	<u>1,145,619</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 27,664</u>	<u>\$ 137,872</u>	<u>\$ -</u>	<u>\$ 1,178,183</u>	<u>\$ 1,343,719</u>

CITY OF WEST ST. PAUL, MINNESOTA
RECREATION FUND
COMBINING SCHEDULE OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	
RECONCILIATION OF OPERATING LOSS					
TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (15,870)	\$ (137,070)	\$ (81,124)	\$ 35,574	\$ (198,490)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	18,720	118,945	48,970	245,850	432,485
Other income related to operations	204	2,417	-	1,694	4,315
(Increase) decrease in assets					
Accounts receivable	90	(19,595)	786	1,190	(17,529)
Inventories	525	-	-	-	525
(Increase) decrease in deferred outflows of resources					
Deferred pension resource	(17,245)	(29,622)	-	-	(46,867)
Increase (decrease) in liabilities					
Accounts payable	(89)	(75,051)	156	15,206	(59,778)
Accrued salaries payable	-	1,006	-	-	1,006
Due to other governments	2,510	(236)	-	(66)	2,208
Unearned revenue	-	-	-	13,420	13,420
Other postemployment benefits	-	432	-	-	432
Compensated absences payable	-	3,884	-	-	3,884
Pension liability	36,626	31,787	-	-	68,413
Increase (decrease) in deferred inflows of resources					
Deferred pension resource	2,211	(2,098)	-	-	113
	<u>2,211</u>	<u>(2,098)</u>	<u>-</u>	<u>-</u>	<u>113</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 27,682</u>	<u>\$ (105,201)</u>	<u>\$ (31,212)</u>	<u>\$ 312,868</u>	<u>\$ 204,137</u>
NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES					
Amortization of deferred charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,404</u>	<u>\$ 1,404</u>

CITY OF WEST ST. PAUL, MINNESOTA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>12/31/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
South Metro Fire Fund				
Assets				
Cash and temporary investments	<u>\$ -</u>	<u>\$ 163,080</u>	<u>\$ (163,080)</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 163,080</u>	<u>\$ (163,080)</u>	<u>\$ -</u>

CITY OF WEST ST. PAUL, MINNESOTA
SUMMARY FINANCIAL REPORT
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Total		Percent Increase (Decrease)
	2016	2015	
REVENUES			
Taxes	\$ 13,033,762	\$ 12,392,595	5.17 %
Licenses and permits	547,130	637,216	(14.14)
Intergovernmental	9,276,992	14,606,633	(36.49)
Charges for services	681,171	753,646	(9.62)
Fines and forfeits	175,941	136,400	28.99
Special assessments	335,038	503,657	(33.48)
Interest on investments	386,434	417,937	(7.54)
Miscellaneous	736,614	658,282	11.90
	<u>\$ 25,173,082</u>	<u>\$ 30,106,366</u>	(16.39) %
TOTAL REVENUES	<u>\$ 25,173,082</u>	<u>\$ 30,106,366</u>	(16.39) %
Per Capita	\$ 1,210	\$ 1,521	(20.41) %
EXPENDITURES			
Current			
General government	\$ 3,402,485	\$ 2,874,300	18.38 %
Public safety	7,110,041	6,871,961	3.46
Public works	2,620,991	1,954,618	34.09
Parks and recreation	874,301	793,358	10.20
Economic development	883,134	1,671,032	(47.15)
Capital outlay			
General government	164,881	200,139	(17.62)
Public safety	178,561	182,811	(2.32)
Public works	17,388,033	19,491,759	(10.79)
Parks and recreation	104,590	3,572,438	(97.07)
Debt service			
Principal	3,130,000	10,125,000	(69.09)
Bond issuance costs	45,849	146,521	(68.71)
Interest and other charges	736,513	943,923	(21.97)
	<u>\$ 36,639,379</u>	<u>\$ 48,827,860</u>	(24.96) %
TOTAL EXPENDITURES	<u>\$ 36,639,379</u>	<u>\$ 48,827,860</u>	(24.96) %
Per Capita	\$ 1,762	\$ 2,466	(28.57) %
Total Long-term Indebtedness	\$ 28,810,000	\$ 27,115,000	6.25 %
Per Capita	1,385	1,369	1.14
General Fund Balance - December 31	\$ 9,344,690	\$ 9,253,781	0.98 %
Per Capita	449	467	(3.87)

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STATISTICAL SECTION (UNAUDITED)

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

FOR THE YEAR ENDED
DECEMBER 31, 2016

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STATISTICAL SECTION (UNAUDITED)

This part of the City of West St. Pauls' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 28,849,102	\$ 28,259,027	\$ 30,796,241	\$ 31,069,506
Restricted	7,041,256	7,390,280	12,968,106	5,065,984
Unrestricted	13,668,115	14,788,580	9,846,265	18,126,311
Total governmental activities net position	<u>\$ 49,558,473</u>	<u>\$ 50,437,887</u>	<u>\$ 53,610,612</u>	<u>\$ 54,261,801</u>
Business-type activities				
Net investment in capital assets	\$ 5,736,609	\$ 5,744,038	\$ 5,657,805	\$ 4,078,198
Restricted	-	-	-	257,135
Unrestricted	2,283,949	2,291,545	887,385	2,174,747
Total business-type activities net position	<u>\$ 8,020,558</u>	<u>\$ 8,035,583</u>	<u>\$ 6,545,190</u>	<u>\$ 6,510,080</u>
Primary government				
Net investment in capital assets	\$ 34,585,711	\$ 34,003,065	\$ 36,454,046	\$ 35,147,704
Restricted	7,041,256	7,390,280	12,968,106	5,323,119
Unrestricted	15,952,064	17,080,125	10,733,650	20,301,058
Total primary government net position	<u>\$ 57,579,031</u>	<u>\$ 58,473,470</u>	<u>\$ 60,155,802</u>	<u>\$ 60,771,881</u>

Table 1

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 33,835,227	\$ 33,876,690	\$ 32,092,175	\$ 25,948,421	\$ 30,272,393	\$ 25,581,953
5,223,837	4,686,286	3,399,206	7,208,765	4,697,697	3,631,128
17,264,839	16,559,404	13,698,514	13,721,487	2,484,651	733,497
<u>\$ 56,323,903</u>	<u>\$ 55,122,380</u>	<u>\$ 49,189,895</u>	<u>\$ 46,878,673</u>	<u>\$ 37,454,741</u>	<u>\$ 29,946,578</u>
\$ 4,219,590	\$ 5,299,774	\$ 10,277,693	\$ 10,719,869	\$ 13,490,986	\$ 11,877,211
-	-	-	-	-	-
2,707,322	4,255,228	3,709,389	4,182,686	2,494,754	3,410,467
<u>\$ 6,926,912</u>	<u>\$ 9,555,002</u>	<u>\$ 13,987,082</u>	<u>\$ 14,902,555</u>	<u>\$ 15,985,740</u>	<u>\$ 15,287,678</u>
\$ 38,054,817	\$ 39,176,464	\$ 42,369,868	\$ 36,668,290	\$ 43,763,379	\$ 37,459,164
5,223,837	4,686,286	3,399,206	7,208,765	4,697,697	3,631,128
19,972,161	20,814,632	17,407,903	17,904,173	4,979,405	4,143,964
<u>\$ 63,250,815</u>	<u>\$ 64,677,382</u>	<u>\$ 63,176,977</u>	<u>\$ 61,781,228</u>	<u>\$ 53,440,481</u>	<u>\$ 45,234,256</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 CHANGES IN NET POSITION - CONTINUED ON THE FOLLOWING PAGES
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities				
General government	\$ 2,586,165	\$ 2,796,893	\$ 3,360,035	\$ 3,302,702
Public safety	6,072,424	5,927,420	5,890,526	6,049,004
Public works	3,165,152	3,867,676	3,435,137	3,213,509
Parks and recreation	808,763	912,410	838,059	860,994
Economic development (1)	-	-	-	-
Interest on long-term debt	573,403	556,157	397,208	824,286
Total governmental activities expenses	<u>13,205,907</u>	<u>14,060,556</u>	<u>13,920,965</u>	<u>14,250,495</u>
Business-type activities				
Public utilities (2)	1,884,927	2,361,447	3,824,046	2,139,272
Storm Sewer (2)	-	-	-	-
Sewer (2)	-	-	-	-
Recreation	692,598	686,534	655,524	584,478
Total business-type activities expenses	<u>2,577,525</u>	<u>3,047,981</u>	<u>4,479,570</u>	<u>2,723,750</u>
Total primary government expenses	<u>\$ 15,783,432</u>	<u>\$ 17,108,537</u>	<u>\$ 18,400,535</u>	<u>\$ 16,974,245</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 699,460	\$ 515,872	\$ 617,830	\$ 747,044
Public safety	414,528	274,322	297,953	393,749
Public works	182,852	217,132	297,969	219,053
Parks and recreation	63,526	78,598	64,684	67,479
Economic development (1)	-	-	-	-
Operating grants and contributions	562,144	748,435	1,401,375	808,067
Capital grants and contributions	2,007,373	530,873	581,053	797,237
Total governmental activities program revenues	<u>3,929,883</u>	<u>2,365,232</u>	<u>3,260,864</u>	<u>3,032,629</u>
Business-type activities				
Charges for services				
Public utilities	2,492,158	2,787,280	2,965,137	2,772,372
Storm Sewer (2)	-	-	-	-
Sewer (2)	-	-	-	-
Recreation	469,462	435,019	444,752	373,644
Operating grants and contributions	-	-	-	-
Capital grants and contributions	105	158,345	-	-
Total business-type activities program revenues	<u>2,961,725</u>	<u>3,380,644</u>	<u>3,409,889</u>	<u>3,146,016</u>
Total primary government program revenues	<u>\$ 6,891,608</u>	<u>\$ 5,745,876</u>	<u>\$ 6,670,753</u>	<u>\$ 6,178,645</u>

Table 2

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	3,437,501	\$	3,642,850	\$	3,389,974	\$	4,161,997	\$	3,098,841	\$	4,406,578
	6,167,218		6,285,568		6,303,232		6,638,595		7,002,514		8,533,267
	3,143,689		4,053,264		6,306,335		7,591,595		20,866,152		20,833,032
	849,591		755,629		789,544		862,074		917,884		998,392
	-		-		-		-		1,671,352		893,626
	795,508		746,047		945,296		816,561		984,888		730,418
	<u>14,393,507</u>		<u>15,483,358</u>		<u>17,734,381</u>		<u>20,070,822</u>		<u>34,541,631</u>		<u>36,395,313</u>
	2,146,608		2,341,621		2,462,051		2,543,165		-		-
	-		-		-		-		290,394		336,468
	-		-		-		-		2,780,700		3,007,180
	516,700		809,898		1,118,008		1,250,548		1,370,687		1,428,676
	<u>2,663,308</u>		<u>3,151,519</u>		<u>3,580,059</u>		<u>3,793,713</u>		<u>4,441,781</u>		<u>4,772,324</u>
\$	<u>17,056,815</u>	\$	<u>18,634,877</u>	\$	<u>21,314,440</u>	\$	<u>23,864,535</u>	\$	<u>38,983,412</u>	\$	<u>41,167,637</u>
\$	868,587	\$	721,933	\$	712,530	\$	813,207	\$	852,522	\$	740,765
	354,840		362,190		392,902		435,572		598,370		576,352
	223,280		248,158		120,755		5,188		16,787		28,275
	63,568		69,121		73,920		64,131		61,604		62,336
	-		-		-		-		1,749		-
	582,445		843,318		568,633		918,514		936,983		3,574,024
	880,307		576,047		733,961		1,091,846		14,091,333		8,887,491
	<u>2,973,027</u>		<u>2,820,767</u>		<u>2,602,701</u>		<u>3,328,458</u>		<u>16,559,348</u>		<u>13,869,243</u>
	3,111,202		3,361,552		3,420,865		3,346,691		-		-
	-		-		-		-		445,611		461,890
	-		-		-		-		3,046,818		3,049,436
	332,450		503,440		1,110,429		1,040,691		1,003,773		1,111,017
	-		-		7,902		10,224		781,119		136,111
	117,060		58,017		5,999		50,431		1,111,430		-
	<u>3,560,712</u>		<u>3,923,009</u>		<u>4,545,195</u>		<u>4,448,037</u>		<u>6,388,751</u>		<u>4,758,454</u>
\$	<u>6,533,739</u>	\$	<u>6,743,776</u>	\$	<u>7,147,896</u>	\$	<u>7,776,495</u>	\$	<u>22,948,099</u>	\$	<u>18,627,697</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 CHANGES IN NET POSITION - CONTINUED
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Net revenues (expenses)				
Governmental activities	\$ (9,276,024)	\$ (11,695,324)	\$ (10,660,101)	\$ (11,217,866)
Business-type activities	384,200	332,663	(1,069,681)	422,266
Total primary government net (expenses) revenues	<u>\$ (8,891,824)</u>	<u>\$ (11,362,661)</u>	<u>\$ (11,729,782)</u>	<u>\$ (10,795,600)</u>
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes	\$ 7,588,912	\$ 8,114,780	\$ 9,230,584	\$ 8,593,238
Tax increments	736,055	885,302	1,001,532	1,017,676
Franchise and other taxes	775,255	784,951	778,465	727,378
Grants and contributions not restricted to specific programs	962,269	1,439,729	1,780,315	899,359
Gain on sale of capital assets	1,166,186	789,661	493,389	259,595
Unrestricted investment earnings	40,596	45,165	5,774	6,523
Miscellaneous revenues	48,531	-	-	84,894
Transfers - capital assets	-	-	-	-
Transfers	(321,950)	515,150	542,768	736,390
Total governmental activities	<u>10,995,854</u>	<u>12,574,738</u>	<u>13,832,827</u>	<u>12,325,053</u>
Business-type activities				
Property taxes	90,211	100,036	100,112	264,946
Grants and contributions not restricted to specific programs	-	5,192	5,245	3,866
Unrestricted investment earnings	132,134	92,284	16,699	14,432
Gain on sale of capital assets	800	-	-	-
Miscellaneous revenues	-	-	-	-
Transfers - capital assets	435	-	-	-
Transfers	321,950	(515,150)	(542,768)	(736,390)
Total business-type activities	<u>545,530</u>	<u>(317,638)</u>	<u>(420,712)</u>	<u>(453,146)</u>
Total primary government	<u>\$ 11,541,384</u>	<u>\$ 12,257,100</u>	<u>\$ 13,412,115</u>	<u>\$ 11,871,907</u>
Change in net position				
Governmental activities	\$ 1,719,830	\$ 879,414	\$ 3,172,726	\$ 1,107,187
Business-type activities	929,730	15,025	(1,490,393)	(30,880)
Total primary government	<u>\$ 2,649,560</u>	<u>\$ 894,439</u>	<u>\$ 1,682,333</u>	<u>\$ 1,076,307</u>

(1) Prior to 2015, economic development activity was combined with the general government function.

(2) Prior to 2015, the Storm Sewer and Sewer funds were aggregated into the Public Utilities fund.

Table 2

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (11,420,480)	\$ (12,662,591)	\$ (15,131,680)	\$ (16,742,364)	\$ (17,982,283)	\$ (22,526,070)
897,404	771,490	965,136	654,324	1,946,970	(13,870)
<u>\$ (10,523,076)</u>	<u>\$ (11,891,101)</u>	<u>\$ (14,166,544)</u>	<u>\$ (16,088,040)</u>	<u>\$ (16,035,313)</u>	<u>\$ (22,539,940)</u>
\$ 9,304,895	\$ 10,112,316	\$ 10,525,106	\$ 10,571,093	\$ 11,233,695	\$ 11,710,599
898,424	886,540	870,109	853,759	255,830	380,874
854,084	829,627	915,396	930,176	893,817	942,289
917,984	788,847	788,259	1,168,041	472,840	288,957
710,644	396,479	(177,976)	574,401	12,203	7,069
8,418	11,908	-	-	417,937	386,434
125,488	155,250	130,619	109,389	156,211	176,256
-	-	-	-	(311,065)	(229,359)
662,645	(1,719,899)	224,106	224,280	1,335,594	1,354,788
<u>13,482,582</u>	<u>11,461,068</u>	<u>13,275,619</u>	<u>14,431,139</u>	<u>14,467,062</u>	<u>15,017,907</u>
45,403	54,118	102,797	387,054	386,730	385,859
658	-	-	-	-	-
45,269	82,583	(37,571)	98,378	56,989	51,884
-	-	-	-	-	-
-	-	-	-	-	3,494
-	-	-	-	311,065	229,359
(662,645)	1,719,899	(224,106)	(224,280)	(1,335,594)	(1,354,788)
<u>(571,315)</u>	<u>1,856,600</u>	<u>(158,880)</u>	<u>261,152</u>	<u>(580,810)</u>	<u>(684,192)</u>
<u>\$ 12,911,267</u>	<u>\$ 13,317,668</u>	<u>\$ 13,116,739</u>	<u>\$ 14,692,291</u>	<u>\$ 13,886,252</u>	<u>\$ 14,333,715</u>
\$ 2,062,102	\$ (1,201,523)	\$ (1,856,061)	\$ (2,311,225)	\$ (3,515,221)	\$ (7,508,163)
326,089	2,628,090	806,256	915,476	1,366,160	(698,062)
<u>\$ 2,388,191</u>	<u>\$ 1,426,567</u>	<u>\$ (1,049,805)</u>	<u>\$ (1,395,749)</u>	<u>\$ (2,149,061)</u>	<u>\$ (8,206,225)</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
General fund				
Reserved	\$ -	\$ -	\$ -	\$ 278
Unreserved	-	-	-	-
Designated for working capital	4,152,541	4,096,047	5,274,336	5,374,535
Designated for contingencies	980,223	980,223	468,023	527,811
Designated for police forfeitures	22,223	22,223	5,304	8,929
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General fund	<u>\$ 5,154,987</u>	<u>\$ 5,098,493</u>	<u>\$ 5,747,663</u>	<u>\$ 5,911,553</u>
All other governmental funds				
Reserved	\$ 4,140,803	\$ 4,366,569	\$ 10,016,943	\$ 5,327,248
Unreserved, reported in				
Special revenue funds	1,000,000	1,000,000	1,737,298	3,074,627
Capital project funds	3,964,170	3,887,555	7,253,715	9,291,114
Undesignated	5,801,188	7,135,022	2,086,109	574,511
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 14,906,161</u>	<u>\$ 16,389,146</u>	<u>\$ 21,094,065</u>	<u>\$ 18,267,500</u>

Note: The implemented GASB 54 in fiscal year 2011, resulting in significant reclassification of the components of fund balance. Years prior to 2011 have not been restated.

Table 3

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	107,632	159,886
782	560	110,133	330,465	1,615	-
-	809	809	4,231	-	-
29,004	-	648,763	-	-	-
7,114,327	7,411,647	7,847,235	8,679,813	9,144,534	9,184,804
<u>\$ 7,144,113</u>	<u>\$ 7,413,016</u>	<u>\$ 8,606,940</u>	<u>\$ 9,014,509</u>	<u>\$ 9,253,781</u>	<u>\$ 9,344,690</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,003,349	1,588,890	-	-	-	-
5,917,882	5,519,879	4,108,357	8,126,495	6,951,008	4,702,048
2,454,012	2,853,349	4,058,819	3,533,479	3,484,820	4,115,670
7,363,458	6,789,739	3,806,759	5,028,547	3,024,937	2,392,043
(1,276,852)	(1,302,110)	(2,401,880)	(1,517,156)	(6,423,702)	(9,475,090)
<u>\$ 16,461,849</u>	<u>\$ 15,449,747</u>	<u>\$ 9,572,055</u>	<u>\$ 15,171,365</u>	<u>\$ 7,037,063</u>	<u>\$ 1,734,671</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes				
General property tax	\$ 7,589,626	\$ 8,026,104	\$ 8,198,676	\$ 8,595,194
Tax increments	737,231	890,559	1,038,990	939,241
Franchise and other taxes	770,594	775,702	766,070	777,432
Licenses and permits	725,347	470,559	515,595	539,594
Intergovernmental	2,144,118	2,039,715	3,003,528	1,727,742
Charges for services	615,954	572,455	681,621	695,683
Fines and forfeitures	117,986	119,783	132,957	124,744
Special assessments	470,834	526,298	557,691	990,289
Investment income	1,151,057	789,661	493,389	250,374
Miscellaneous	444,912	94,268	146,371	192,541
Insurance policy dividends	16,872	17,160	9,190	4,310
Total revenues	<u>14,784,531</u>	<u>14,322,264</u>	<u>15,544,078</u>	<u>14,837,144</u>
Expenditures				
Current				
General government	2,467,715	2,903,076	2,970,876	2,764,914
Public safety	5,908,111	5,738,646	5,727,556	5,868,395
Public works	1,711,250	1,645,992	1,512,683	1,415,267
Parks and recreation	725,223	800,658	744,114	771,283
Economic development (1)	-	-	-	-
Unallocated general expenditures	112,637	158,914	113,079	123,535
Capital outlay	1,887,240	2,614,096	3,355,188	8,148,622
Debt service				
Principal	1,640,579	1,497,996	5,054,428	1,402,900
Bond issuance costs	-	64,703	-	46,808
Interest and other charges	590,245	510,674	647,703	674,433
Miscellaneous	1,130	904	40,819	1,113
Total expenditures	<u>15,044,130</u>	<u>15,935,659</u>	<u>20,166,446</u>	<u>21,217,270</u>
Excess (deficiency) or revenues over (under) expenditures	<u>(259,599)</u>	<u>(1,613,395)</u>	<u>(4,622,368)</u>	<u>(6,380,126)</u>
Other financing sources (uses)				
Transfers in	834,908	693,134	1,919,527	1,445,484
Sale of capital assets	35,102	45,165	5,774	21,103
Bond premium	-	-	-	71,453
Refunding bonds issued	190,000	2,600,000	9,427,915	2,940,000
Issuance of debt	-	-	-	-
Bond discount	-	(28,440)	-	-
Insurance recoveries	-	-	-	4,853
Transfers out	(334,758)	(177,984)	(1,376,759)	(709,094)
Total other financing sources (uses)	<u>725,252</u>	<u>3,131,875</u>	<u>9,976,457</u>	<u>3,773,799</u>
Net change in fund balance	<u>\$ 465,653</u>	<u>\$ 1,518,480</u>	<u>\$ 5,354,089</u>	<u>\$ (2,606,327)</u>
Debt service as a percentage of noncapital expenditures	<u>17.0 %</u>	<u>15.1 %</u>	<u>33.9 %</u>	<u>15.9 %</u>

(1) Prior to 2015, economic development activity was combined with the general government program.

Table 4

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 9,306,243	\$ 10,073,778	\$ 10,554,349	\$ 10,615,462	\$ 11,263,846	\$ 11,735,485
958,223	859,384	915,051	845,540	255,830	380,874
851,778	827,713	913,228	928,850	872,919	917,403
548,118	498,897	481,658	499,336	637,216	547,130
1,679,334	1,646,494	1,736,590	2,811,083	14,606,633	9,276,992
793,786	763,861	636,274	614,256	753,646	681,171
95,600	88,062	140,612	168,869	136,400	175,941
562,175	440,000	398,142	416,748	503,657	335,038
710,644	396,479	(177,976)	574,402	417,937	386,434
416,228	237,398	179,864	212,596	658,282	736,614
-	-	-	-	-	-
<u>15,922,129</u>	<u>15,832,066</u>	<u>15,777,792</u>	<u>17,687,142</u>	<u>30,106,366</u>	<u>25,173,082</u>
2,850,517	3,354,742	3,036,157	3,612,770	2,874,300	3,402,485
6,031,175	6,101,857	6,143,197	6,460,699	6,871,961	7,110,041
1,440,843	1,451,514	3,315,490	1,872,708	1,954,618	2,620,991
724,218	660,754	681,584	767,457	793,358	874,301
-	-	-	-	1,671,032	883,134
120,957	103,940	61,258	81,160	-	-
2,902,851	5,332,713	6,687,137	8,360,197	23,447,147	17,836,065
2,327,900	1,479,700	1,880,000	1,530,000	10,125,000	3,130,000
-	63,058	53,096	196,441	146,521	45,849
770,469	746,145	696,797	700,007	943,923	736,513
3,813	3,658	2,342	5,580	-	-
<u>17,172,743</u>	<u>19,298,081</u>	<u>22,557,058</u>	<u>23,587,019</u>	<u>48,827,860</u>	<u>36,639,379</u>
<u>(1,250,614)</u>	<u>(3,466,015)</u>	<u>(6,779,266)</u>	<u>(5,899,877)</u>	<u>(18,721,494)</u>	<u>(11,466,297)</u>
701,065	766,652	586,013	555,000	1,592,693	2,699,796
8,418	18,940	10,644	1,350,398	12,203	7,069
-	-	31,498	234,063	232,667	67,957
-	690,000	-	-	9,195,000	4,825,000
-	3,105,000	1,530,000	9,775,000	-	-
-	-	-	-	-	-
6,460	14,164	5,643	-	-	-
<u>(38,420)</u>	<u>(1,872,000)</u>	<u>(68,300)</u>	<u>(7,705)</u>	<u>(257,099)</u>	<u>(1,345,008)</u>
<u>677,523</u>	<u>2,722,756</u>	<u>2,095,498</u>	<u>11,906,756</u>	<u>10,775,464</u>	<u>6,254,814</u>
<u>\$ (573,091)</u>	<u>\$ (743,259)</u>	<u>\$ (4,683,768)</u>	<u>\$ 6,006,879</u>	<u>\$ (7,946,030)</u>	<u>\$ (5,211,483)</u>
<u>21.7 %</u>	<u>15.9 %</u>	<u>15.0 %</u>	<u>11.6 %</u>	<u>25.9 %</u>	<u>11.1 %</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Shown by year of tax collectability)

Fiscal Year Ended December 31,	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Less Fiscal Disparity Contribution	Adjusted Tax Capacity Value
2007	\$ 12,330,829	\$ 4,865,981	\$ 2,419,777	\$ 19,616,587	\$ 1,487,932	\$ 18,128,655
2008	12,573,491	5,234,351	2,489,211	20,297,053	1,855,711	18,441,342
2009	12,188,009	5,568,526	2,418,915	20,175,450	2,001,404	18,174,046
2010	11,048,101	5,569,775	2,596,131	19,214,007	3,271,505	15,942,502
2011	10,240,464	5,279,185	2,429,209	17,948,858	3,271,375	14,677,483
2012	8,821,628	5,182,698	2,443,500	16,447,826	2,023,373	14,424,453
2013	7,651,552	5,115,816	2,473,126	15,240,494	1,986,284	13,254,210
2014	7,498,805	5,018,719	2,652,624	15,170,148	1,962,727	13,207,421
2015	8,152,865	4,946,031	2,719,760	15,818,656	1,927,294	13,891,362
2016	8,944,793	4,910,545	2,791,840	16,647,178	1,876,417	14,770,761

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.

Table 5

<u>Total Direct Tax Rate</u>	<u>Estimated Market Value</u>	<u>Tax Capacity as a Percent of EMV</u>
42.082	\$ 1,687,050,300	1.02%
43.706	1,734,621,300	1.03%
44.608	1,707,579,700	1.04%
50.873	1,594,050,200	1.00%
56.078	1,485,245,000	0.99%
62.205	1,339,567,341	1.08%
69.447	1,342,545,100	0.99%
71.249	1,336,402,600	0.99%
70.640	1,398,637,900	0.99%
69.795	1,474,190,900	1.00%

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PROPERTY TAX CAPACITY RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS

Table 6

Fiscal Year	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2007	8.28 %	33.80 %	42.082 %	19.838 %	4.416 %	25.127 %	91.463 %
2008	10.09	33.62	43.706	18.914	4.393	25.184	92.197
2009	10.03	34.58	44.608	18.051	4.328	25.821	92.808
2010	11.04	39.84	50.873	18.850	4.421	27.269	101.413
2011	11.06	45.02	56.078	19.692	4.644	29.149	109.563
2012	13.12	49.08	62.205	21.857	5.021	31.426	120.509
2013	12.66	56.79	69.447	24.429	7.115	33.421	134.412
2014	15.50	55.75	71.249	23.863	6.242	31.827	133.181
2015	18.96	51.68	70.642	24.063	5.831	29.633	130.169
2016	15.10	54.69	69.795	22.170	6.398	28.570	126.933

Source: Dakota County website www.dakotacounty.us

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

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

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2016			2007		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Robert Street 2008 LLC	\$ 315,108	1	1.89 %	\$ -		- %
Target Corp.	258,496	2	1.55	147,872	7	0.75
Signal Hills Company LLC	244,048	3	1.47	254,974	1	1.30
Menards Inc.	243,564	4	1.46	-		-
Xcel Energy	242,092	5	1.45	187,464	4	0.96
Lowes Home Centers Inc.	198,040	6	1.19	-		-
Wal-Mart	187,008	7	1.12	207,982	2	1.06
Mailand Properties LP	178,068	8	1.07	182,500	5	0.93
Westview Park Apartments	164,761	9	0.99	172,502	6	0.88
Sascon Investments LLP	160,488	10	0.96	-		-
Bradley Operating Ltd.	-		-	205,688	3	1.05
Walker Senior Housing Corp.	-		-	147,500	8	0.75
Holiday Acres Limited	-		-	128,750	9	0.66
Timberland Partners XXXIV LLP	-		-	125,000	10	0.64
Total	<u>\$ 2,191,673</u>		<u>13.17 %</u>	<u>\$ 1,760,232</u>		<u>8.97 %</u>
Total All Property	<u>\$ 16,647,178</u>			<u>\$ 19,616,587</u>		

Source: 2016 information from Ehlers Annual Disclosure.
 2007 from City's 2007 CAFR.

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CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 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
2007	\$ 8,094,100	\$ 7,969,034	98.45%	\$ 123,936	\$ 8,092,970	99.99%
2008	8,522,075	8,409,350	98.68%	113,108	8,522,458	100.00%
2009	8,745,974	8,629,734	98.67%	114,942	8,744,676	99.99%
2010*	9,265,888	8,844,367	95.45%	102,396	8,946,763	96.56%
2011*	9,760,512	9,212,265	94.38%	101,223	9,313,488	95.42%
2012	9,954,113	9,814,866	98.60%	95,092	9,909,958	99.56%
2013	10,339,245	10,105,751	97.74%	52,183	10,157,934	98.25%
2014	10,696,145	10,580,150	98.92%	52,336	10,632,486	99.40%
2015	11,610,896	11,465,520	98.75%	47,739	11,513,259	99.16%
2016	12,164,861	12,010,377	98.73%	N/A	12,010,377	98.73%

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

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

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	Capital Leases		
2007	\$ 766,000	\$ 9,615,000	\$ 1,605,000	\$ 192,447	\$ 12,178,447	62.08%
2008	746,000	10,985,000	1,580,000	39,450	13,350,450	65.78%
2009	7,160,500	9,105,000	1,555,000	-	17,820,500	88.33%
2010	6,907,600	11,730,000	1,525,000	-	20,162,600	101.22%
2011	6,609,700	9,730,000	1,495,000	-	17,834,700	99.36%
2012	6,239,233	12,530,995	1,443,412	-	20,213,640	122.90%
2013	6,083,359	12,400,635	1,404,435	-	19,888,429	130.50%
2014	15,916,872	11,075,466	1,365,457	-	28,357,795	186.93%
2015	15,664,710	9,329,421	2,655,000	-	27,649,131	174.79%
2016	19,932,993	8,101,105	1,335,036	-	29,369,134	176.42%

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

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

Table 9

Business-Type Activities					Total Business-Type Activities	Total Primary Government	Percentage of County-Wide Personal Income ^(a)	Per Capita ^(a)
Storm Sewer Bonds	Sewer Bonds	Sports Dome Bonds	Term Loan Payable					
\$ -	\$ 1,375,000	\$ -	\$ 1,740,000	\$ 3,115,000	\$ 15,293,447	0.09%	\$ 809	
-	1,300,000	-	1,635,000	2,935,000	16,285,450	0.09%	857	
-	2,755,000	-	1,365,000	4,120,000	21,940,500	0.13%	1,158	
-	2,660,000	-	525,000	3,185,000	23,347,600	0.13%	1,195	
-	2,430,000	-	490,000	2,920,000	20,754,700	0.11%	1,059	
-	2,230,101	5,099,650	455,000	7,784,751	27,998,391	0.14%	1,417	
-	1,960,703	5,098,246	415,000	7,473,949	27,362,378	0.13%	1,393	
-	1,702,746	5,096,843	375,000	7,174,589	35,532,384	0.17%	1,795	
-	1,439,788	4,895,439	335,000	6,670,227	34,319,358	0.15%	1,697	
1,063,391	5,420,395	4,689,035	290,000	11,462,821	40,831,955	N/A	1,963	

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Table 10

Fiscal Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percentage of Est. Actual Taxable Value of Property ^(a)	Per Capita ^(b)
2007	\$ 15,101,000	\$ 120,243	\$ 14,980,757	0.89%	\$ 792
2008	16,246,000	152,363	16,093,637	0.93%	847
2009	21,940,500	199,241	21,741,259	1.27%	1,147
2010	23,347,600	214,880	23,132,720	1.45%	1,184
2011	20,754,700	303,451	20,451,249	1.38%	1,043
2012	27,998,391	346,611	27,651,780	2.06%	1,400
2013	27,362,378	337,619	27,024,759	2.01%	1,375
2014	35,532,384	750,054	34,782,330	2.60%	1,757
2015	34,319,358	1,316,032	33,003,326	2.36%	1,632
2016	40,831,955	805,362	40,026,593	2.72%	1,924

(a) See Table 5 for property value data.

(b) See Table 14 for population data.

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2016

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Dakota County	\$ 27,050,000	3.500%	\$ 946,681
School Districts			
ISD No. 197	43,450,000	25.149%	10,927,368
Metropolitan Council	187,745,000	0.408%	765,480
Subtotal - overlapping debt			12,639,529
City direct debt			29,369,134
Total direct and overlapping debt			<u>\$ 42,008,663</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
 STATISTICAL SECTION (UNAUDITED)
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Estimated Market Value of Taxable Property	\$ 1,687,050,300	\$ 1,734,621,300	\$ 1,707,579,700	\$ 1,594,050,200
Statutory percentage	<u>2.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
Statutory debt limit	33,741,006	52,038,639	51,227,391	47,821,506
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 33,741,006</u>	<u>\$ 52,038,639</u>	<u>\$ 51,227,391</u>	<u>\$ 47,821,506</u>

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

Table 12

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 1,485,245,000	\$ 1,339,567,341	\$ 1,342,545,100	\$ 1,336,402,600	\$ 1,398,637,900	\$ 1,474,190,900
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
44,557,350	40,187,020	40,276,353	40,092,078	41,959,137	44,225,727
-	-	-	-	-	-
<u>\$ 44,557,350</u>	<u>\$ 40,187,020</u>	<u>\$ 40,276,353</u>	<u>\$ 40,092,078</u>	<u>\$ 41,959,137</u>	<u>\$ 44,225,727</u>

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated Market Value of Taxable Property	\$ 1,474,190,900
Statutory percentage	<u>3.0%</u>
Statutory debt limit	<u>\$ 44,225,727</u>
Debt applicable to limit	<u>\$ 19,932,993</u>
Legal debt margin	<u>\$ 24,292,734</u>

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PLEDGED - REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Sewer Revenue Bonds					Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2007	\$ 2,445,899	\$ 1,956,727	\$ 489,172	\$ 75,000	\$ 71,320	3.34
2008	2,747,281	2,121,595	625,686	80,000	67,945	4.23
2009	2,940,335	3,636,003	(695,668)	95,000	45,616	(4.95)
2010	2,757,291	1,895,475	861,816	135,012	47,227	4.73
2011	2,704,849	1,890,974	813,875	230,000	73,413	2.68
2012	2,950,106	2,088,407	861,699	240,000	67,094	2.81
2013	2,998,953	2,170,321	828,632	250,000	63,388	2.64
2014	2,920,817	2,271,989	648,828	255,000	57,626	2.08
2015	3,046,818	2,558,481	488,337	260,000	50,537	1.57
2016	3,049,436	2,662,008	387,428	270,000	42,663	1.24

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

Table 13

Improvement Bonds				Tax Increment Bonds			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 109,947	\$ 1,175,000	\$ 411,260	0.07	\$ 69,025	\$ -	\$ 69,025	1.00
77,718	1,000,000	373,735	0.06	93,556	25,000	68,556	1.00
102,651	1,090,000	424,397	0.07	92,619	25,000	67,619	1.00
233,585	1,190,000	340,929	0.15	96,587	30,000	66,587	1.00
254,479	2,000,000	331,910	0.11	95,463	30,000	65,463	1.00
188,232	1,055,000	331,910	0.14	99,200	35,000	64,200	1.00
225,526	1,685,000	294,513	0.11	102,700	40,000	62,700	1.00
226,234	1,330,000	273,298	0.14	101,100	40,000	61,100	1.00
260,426	1,300,000	257,583	0.17	104,400	45,000	59,400	1.00
417,789	1,320,000	373,029	0.25	207,089	50,000	29,250	2.61

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

Table 14

Fiscal Year	Population *	County-Wide Personal Income **	Per Capita Personal Income **	Unemployment Rate ***
2007	18,914	\$ 17,814,402,000	\$ 45,588	4.00%
2008	19,002	18,299,519,000	46,457	6.90%
2009	18,947	17,496,051,000	44,081	7.50%
2010	19,540	17,907,280,000	44,863	7.30%
2011	19,605	19,521,455,000	48,557	6.20%
2012	19,756	20,407,330,000	50,396	5.60%
2013	19,648	20,488,967,000	50,116	4.70%
2014	19,800	21,524,339,000	52,177	3.90%
2015	20,222	22,272,614,000	53,710	3.70%
2016	20,800	N/A	N/A	3.60%

* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census.
 Data for 2016 is estimated.

** Source of data: Bureau of Economic Analysis. Updated data is not available for 2016.

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

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 15

Employer	2016			2007		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
I.S.D. No. 197	1,000	1	12.62%	651	1	7.95%
Dakota County	582	2	7.34%	577	2	7.05%
Super Target	375	3	4.73%	400	3	4.89%
Southview Acres Health Center	340	4	4.29%	310	4	3.79%
YMCA	310	5	3.91%	248	5	3.03%
Wal-Mart	240	6	3.03%	200	7	2.44%
Darts Vehicle Maintenance Services	160	7	2.02%	170	8	2.08%
Cub Foods	150	8	1.89%	150	9	1.83%
Menards	150	9	1.89%	-		0.00%
Lowe's Home Improvement	140	10	1.77%	-		0.00%
TapeMark Company	-		-	205	6	2.50%
City of West St Paul	-		-	140	10	1.71%
Total	3,447			3,051		

Sources: Ehlers and Associates, Inc. and Metropolitan Council

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees as of December 31,			
	2007	2008	2009	2010
General government				
Administration	5.0	5.0	4.0	4.0
Finance	5.0	5.0	5.0	5.0
Community Development	5.0	5.0	4.0	3.8
Building inspections	1.5	1.5	1.5	1.5
MIS	1.0	1.0	1.0	1.0
Police				
Officers	30.0	30.0	30.0	30.0
Civilians	6.0	6.0	5.8	5.6
Fire				
Firefighters and officers	20.0	-	-	-
Civilians	0.5	-	-	-
Public works				
Engineering	2.0	2.0	2.0	2.0
Streets	11.0	11.0	11.0	11.0
Sewer	3.0	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0	2.0
Parks and recreation	7.0	7.0	7.0	7.0
Golf course manager	1.0	1.0	1.0	0
Ice arena / pool manager	1.0	1.0	1.0	1.0
Total	99.0	78.5	76.8	75.4

Source: City Budget Books

Notes: 1. The numbers above represent full-time and permanent part-time budgeted positions. Seasonal employees are not included.

Table 16

Full-Time Equivalent Employees as of December 31,					
2011	2012	2013	2014	2015	2016
4.0	4.0	5.5	6.0	6.0	7.0
5.0	4.0	3.0	3.0	4.0	3.0
3.8	2.8	3.6	3.6	3.6	4.0
1.0	2.0	3.0	3.0	3.0	4.0
2.0	2.0	2.0	2.0	3.0	3.0
29.0	29.0	30.0	30.0	30.0	30.0
5.6	5.6	3.0	4.5	5.0	6.0
-	-	-	-	-	-
-	-	-	-	-	-
2.0	2.0	2.5	3.0	3.0	3.0
11.0	12.0	11.0	11.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0
7.0	7.0	6.0	7.0	7.0	7.0
0	0	0	0	0	0
1.0	1.0	1.5	1.0	1.0	1.5
<u>75.4</u>	<u>75.4</u>	<u>75.1</u>	<u>78.1</u>	<u>80.6</u>	<u>84.5</u>

CITY OF WEST ST. PAUL, MINNESOTA
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Police				
Part 1 Crimes reports	1,080	1,047	1,265	1,007
Part 2 Crimes reports	1,182	989	1,045	1,042
Total arrests	1,153	827	1,117	801
Part 1 arrests	451	341	525	334
Cases investigated	535	608	628	643
Building inspection				
Permits issued				
Residential	1,023	623	790	744
Commercial/Other	156	83	55	886
Public works				
Streets/Alleys patched (person hrs)	2,195	3,035	3,409	2,900
Parks and recreation				
Recreation programs offered	160	167	170	60
Ice Arena annual admissions	65,425	65,700	65,750	65,750
Golf course				
Rounds played	12,487	12,348	14,713	14,837
Golf cars rented	566	608	1,086	1,176
Sports Dome				
Field hours rented				
Wastewater				
Average sewer lines cleaned (miles)	38	31	43	30

Sources: Various City departments.

Table 17

Fiscal Year					
2011	2012	2013	2014	2015	2016
713	997	1,049	1,118	1,274	1,083
720	742	716	936	945	853
395	677	870	1,110	1,292	981
185	345	445	509	630	487
417	390	310	598	388	471
689	874	349	1,260	1,357	1,256
967	768	1,475	323	336	293
2,889	3,082	3,667	4,023	4,938	3,008
59	61	65	70	115	110
65,750	65,800	65,800	65,700	64,000	65,500
10,263	12,539	10,542	9,689	11,941	12,320
1,110	1,387	1,460	1,556	1,798	1,825
		6,280	6,075	5,736	5,798
31	33	33	31	31	30

CITY OF WEST ST. PAUL, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Police				
Stations	1	1	1	1
Police Vehicles				
Marked	10	11	11	11
Unmarked	8	8	8	8
Gun Range	1	1	1	1
Holding cells	3	3	3	3
Fire				
Stations	1	1	1	1
Engines	3	N/A	N/A	N/A
Ladder	1	N/A	N/A	N/A
Ambulances	2	N/A	N/A	N/A
Rescue truck	1	N/A	N/A	N/A
Vehicles	2	N/A	N/A	N/A
SCBA	20	N/A	N/A	N/A
Public works				
Streets (miles)	71.16	71.16	71.20	71.20
Alley (miles)	5	5	5	5
Streetlights	240	240	243	253
Parks and recreation				
Acreage	152.0	152.0	155.0	155.0
Parks and playgrounds	17	17	17	17
Baseball/softball diamonds	9	9	9	9
Soccer/football fields	3	3	3	3
Community (senior) centers	1	1	1	1
Outdoor skating rinks	12	12	12	12
Executive golf course (par 29)	1	1	1	1
Public sports dome	-	-	-	-
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.

Table 18

Fiscal Year					
2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
11	11	11	11	11	12
9	9	8	8	8	8
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
71.20	71.20	71.20	71.20	71.20	71.20
5	5	5	5	5	5
256	256	256	256	256	256
155.0	155.0	155.0	155.0	155.0	155.0
17	17	17.0	17.0	17.0	17.0
9	9	9.0	9.0	9.0	9.0
3	3	3	3	2	2
1	1	1	1	1	1
12	12	12	12	12	12
1	1	1	1	1	1
-	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
63	63	63	63	63	63
35	35	35	35	35	35