



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2018

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

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

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

**Char Stark
Director of Finance**

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

FOR THE YEAR ENDED
DECEMBER 31, 2018

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CITY OF
WEST ST. PAUL

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June 17, 2019

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, 2018, 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, 2018, 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, 2018 are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to 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 51 and 53.

ECONOMIC CONDITION AND OUTLOOK

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

New businesses that opened for operations in 2018 include: Denny's Restaurant, Jersey Mikes

Business expansions completed include: SuperMex market, Pam's Hair Design, Realty Executives, Burlington, Just Paws Pet Salon and KFC.

Building Permits Issued: 1,697 for an increase in new market value of \$47,160,257. Of these permits 4 were for new single family homes.

MAJOR INITIATIVES

During 2018, 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. Bonds were issued in 2018 to reimburse the city for the additional work being done on the Streetscape Phase. This street project is near completion and should be finalized in early 2019.

Street Reconstruction Program 2018 program consisted of road improvements for the following streets:

Bernard Street Stryker Avenue to Oakdale Ave
Charlton Street Marie Avenue to Annapolis Street
Rehnberg Place Oakdale Avenue to Christensen Avenue
Felix Street Emerson Avenue to Christensen Avenue

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 2018, the City presented its tenth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least ten years in advance. The 2018-2027 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 60% 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, 2017. 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 2017 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.

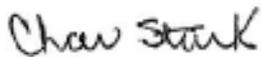
BOND RATING

In June of 2018, 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

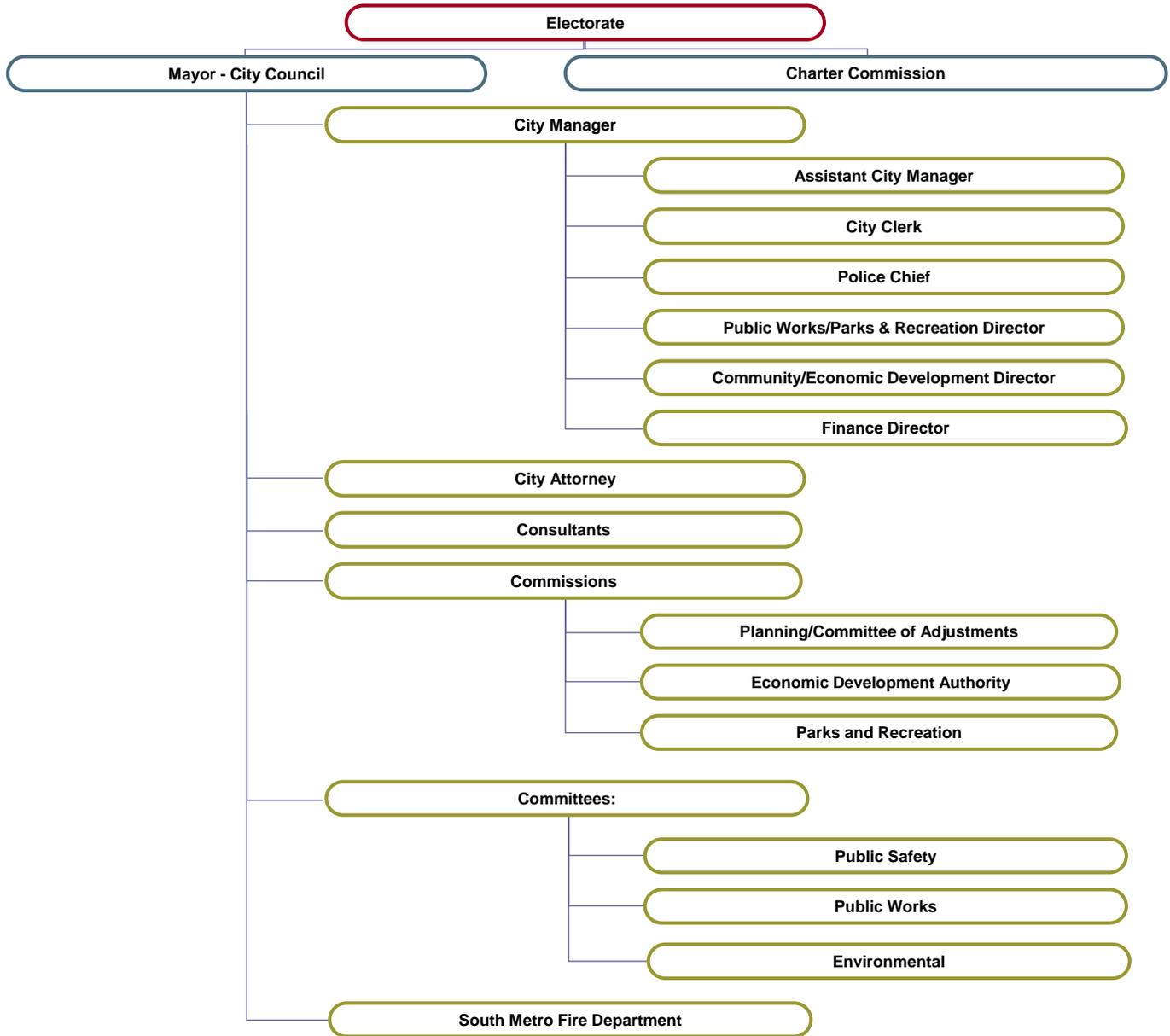
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of West St. Paul and the City's Finance Department. Special thanks also go to the staff of Abdo, Eick & Meyers, LLP, Ltd. for their advice and counsel in the preparation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

Respectfully submitted,



Char Stark
Finance Director

City of West Saint Paul



City of West St. Paul, Minnesota
 Elected and Appointed Officials
 For the Year Ended December 31, 2018

ELECTED

Name	Title	Term Expires
Dave Napier	Mayor	12/31/20
Wendy Berry	Council Member	12/31/22
Lisa Eng-Sarne	Council Member	12/31/22
Anthony Fernandez	Council Member	12/31/20
John Justen	Council Member	12/31/22
Bob Pace	Council Member	12/31/20
Dick Vitelli	Council Member	12/31/22

APPOINTED

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



Government Finance Officers Association

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

Presented to

**City of West St. Paul
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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

FOR THE YEAR ENDED
DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West St. 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 St. Paul, Minnesota (the City), as of and for the year ended December 31, 2018, 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. 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund and the Economic Development Authority fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Change in Accounting Standards

As described in Note 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the year ended December 31, 2018. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

Other Matters

Required Supplementary Information

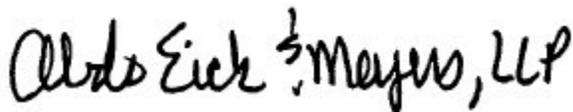
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 25 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employers Contributions, the related note disclosures, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in the City's Other Postemployment Benefits Liability and Related Ratios starting on page 98 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 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.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 17, 2019

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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, 2018.

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 \$41,168,022 (net position). Of this amount, \$7,275,716 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$225,020. Of the total, governmental activities decreased \$1,522,757 and business-type activities increased \$1,297,737. The decrease in the governmental activities was due to expenses exceeding revenues and transfers of capital assets to the business type activities of \$1,423,266. The increase in business-type activities was due to the capital asset transfer from the governmental activities and a surplus of operating revenues over expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,303,886.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$8,605,933, or 64.5 percent of total 2018 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

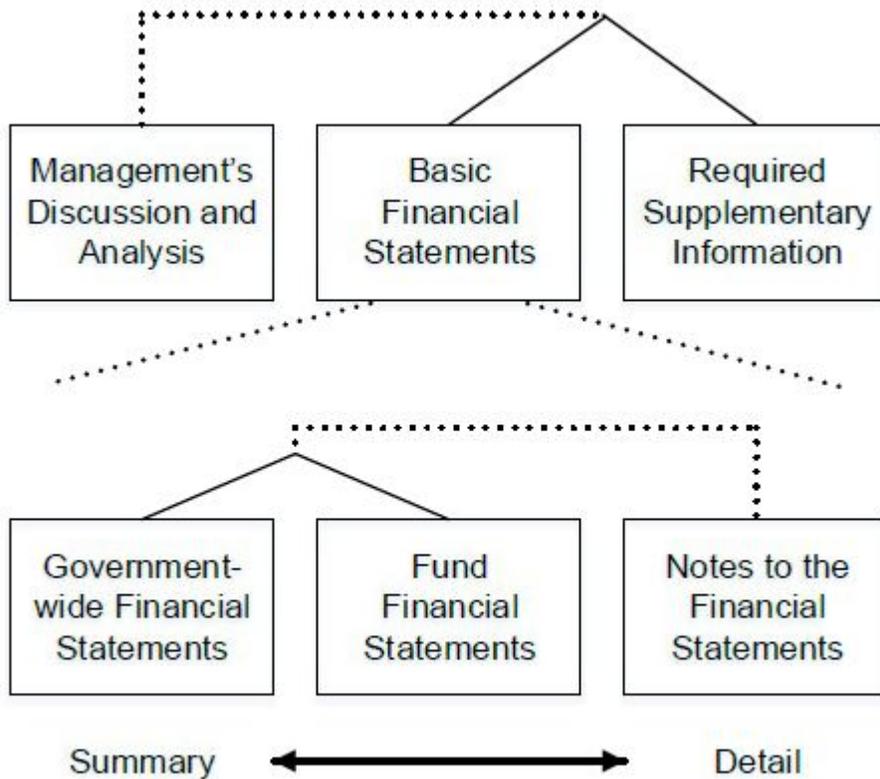


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the 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 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 39 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 several individual governmental funds, fourteen 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 nine 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 44 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 54 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 61 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 98 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 104 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 \$41,168,022 at the close of the most recent fiscal year.

The largest portion of the City's net position (68.3 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 St. Paul's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Assets						
Current and other assets	\$ 24,073,736	\$ 18,020,400	\$ 6,053,336	\$ 6,173,434	\$ 6,168,640	\$ 4,794
Capital assets	58,324,895	58,324,091	804	21,451,817	20,911,174	540,643
Total Assets	<u>82,398,631</u>	<u>76,344,491</u>	<u>6,054,140</u>	<u>27,625,251</u>	<u>27,079,814</u>	<u>545,437</u>
Deferred Outflows of Resources						
Deferred pension resources	4,729,721	6,151,929	(1,422,208)	82,591	122,412	(39,821)
Deferred other postemployment benefits	133,074	-	133,074	10,980	-	10,980
Total Deferred Outflows of Resources	<u>4,862,795</u>	<u>6,151,929</u>	<u>(1,289,134)</u>	<u>93,571</u>	<u>122,412</u>	<u>(28,841)</u>
Liabilities						
Noncurrent liabilities outstanding	54,268,270	46,409,448	7,858,822	10,727,662	11,453,808	(726,146)
Other liabilities	1,907,342	1,668,468	238,874	608,398	587,934	20,464
Total Liabilities	<u>56,175,612</u>	<u>48,077,916</u>	<u>8,097,696</u>	<u>11,336,060</u>	<u>12,041,742</u>	<u>(705,682)</u>
Deferred Inflows of Resources						
Deferred pension resources	<u>6,201,898</u>	<u>6,979,969</u>	<u>(778,071)</u>	<u>98,656</u>	<u>94,564</u>	<u>4,092</u>
Net Position						
Net investment in capital assets	14,637,278	21,553,165	(6,915,887)	13,484,035	12,222,536	1,261,499
Restricted	5,770,993	4,714,357	1,056,636	-	-	-
Unrestricted	<u>4,475,645</u>	<u>1,171,013</u>	<u>3,304,632</u>	<u>2,800,071</u>	<u>2,843,384</u>	<u>(43,313)</u>
Total Net Position	<u>\$ 24,883,916</u>	<u>\$ 27,438,535</u>	<u>\$ (2,554,619)</u>	<u>\$ 16,284,106</u>	<u>\$ 15,065,920</u>	<u>\$ 1,218,186</u>

An additional portion of the City's net position (\$5,770,993) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,275,716) 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.

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

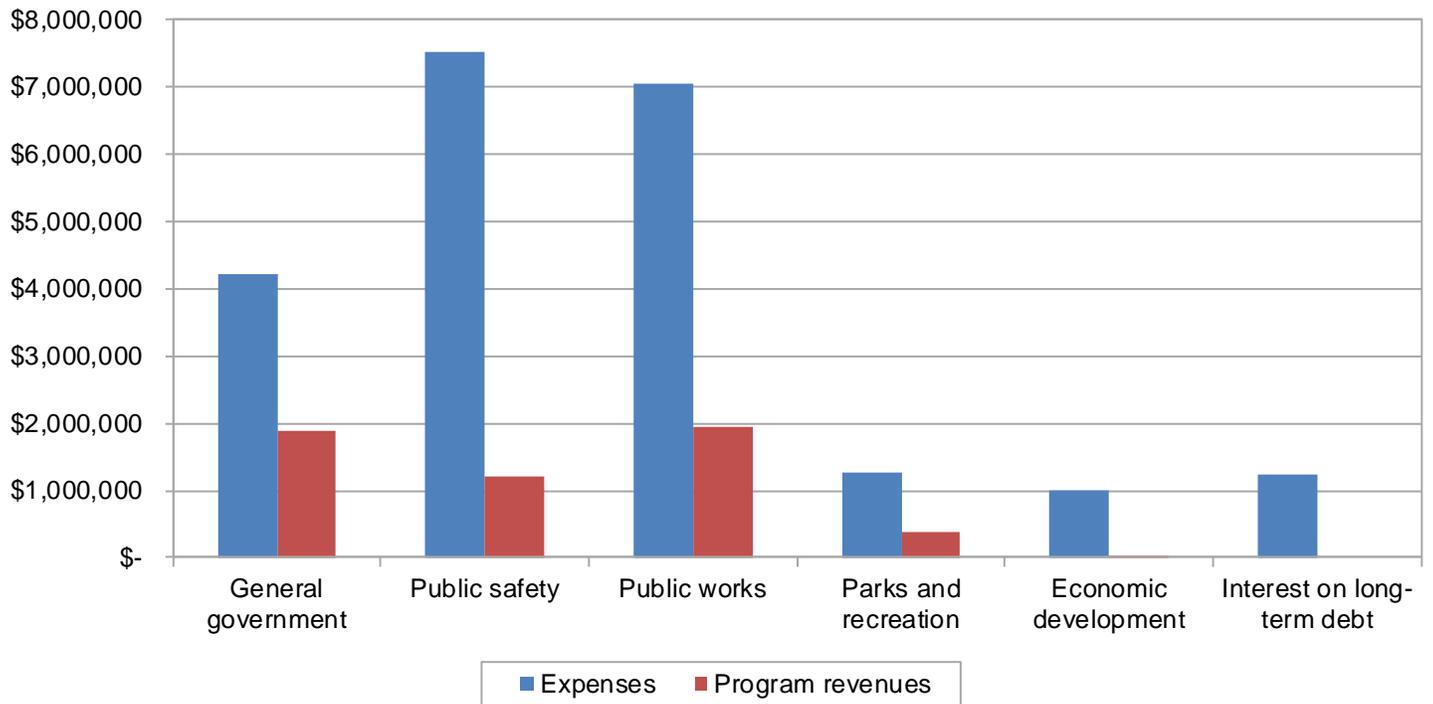
Governmental Activities. Governmental activities decreased the City's net position by \$1,522,757. The main reason for the decrease was due to expenses exceeding revenues and transfers of capital assets to the business type activities of \$1,423,266. Other key elements of the changes are as follows:

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 1,716,568	\$ 1,735,099	\$ (18,531)	\$ 5,439,570	\$ 5,029,242	\$ 410,328
Operating grants and contributions	1,985,896	2,091,719	(105,823)	72,420	11,199	61,221
Capital grants and contributions	1,743,167	2,057,115	(313,948)	65,212	97,818	(32,606)
General revenues						
Taxes						
Property taxes	13,830,174	12,711,291	1,118,883	584,708	335,394	249,314
Tax increment	261,993	257,640	4,353	-	-	-
Franchise and other	1,085,443	948,583	136,860	-	-	-
Grants and contributions not restricted to specific programs	111,861	14,361	97,500	-	-	-
Unrestricted investment earnings	182,238	129,363	52,875	29,179	21,669	7,510
Gain on sale of capital assets	28,004	13,574	14,430	-	-	-
Miscellaneous	28,485	98,972	(70,487)	18,727	1,029	17,698
Total Revenues	20,973,829	20,057,717	916,112	6,209,816	5,496,351	713,465
Expenses						
General government	4,222,701	3,887,143	335,558	-	-	-
Public safety	7,513,679	8,142,584	(628,905)	-	-	-
Public works	7,043,080	8,449,894	(1,406,814)	-	-	-
Parks and recreation	1,257,105	1,204,868	52,237	-	-	-
Miscellaneous	999,115	542,105	457,010	-	-	-
Interest on long-term debt	1,226,640	946,484	280,156	-	-	-
Storm sewer	-	-	-	432,327	380,216	52,111
Sanitary sewer	-	-	-	3,459,654	3,246,607	213,047
Golf course	-	-	-	18,548	131,289	(112,741)
Civic center arena	-	-	-	402,459	395,566	6,893
Swimming pool	-	-	-	80,738	92,261	(11,523)
Regional athletic center	-	-	-	752,619	864,852	(112,233)
Total Expenses	22,262,320	23,173,078	(910,758)	5,146,345	5,110,791	35,554
Increase (Decrease) in Net Position						
Before Transfers	(1,288,491)	(3,115,361)	1,826,870	1,063,471	385,560	677,911
Transfers - Capital Assets	(1,423,266)	-	(1,423,266)	1,423,266	-	1,423,266
Transfers (Net)	1,189,000	607,318	581,682	(1,189,000)	(607,318)	(581,682)
Change in Net Position	(1,522,757)	(2,508,043)	985,286	1,297,737	(221,758)	1,519,495
Net Position, January 1 as Restated restated (note 10)*	26,406,673	29,946,578	(3,539,905)	14,986,369	15,287,678	(301,309)
Net Position, December 31	\$ 24,883,916	\$ 27,438,535	\$ (2,554,619)	\$ 16,284,106	\$ 15,065,920	\$ 1,218,186

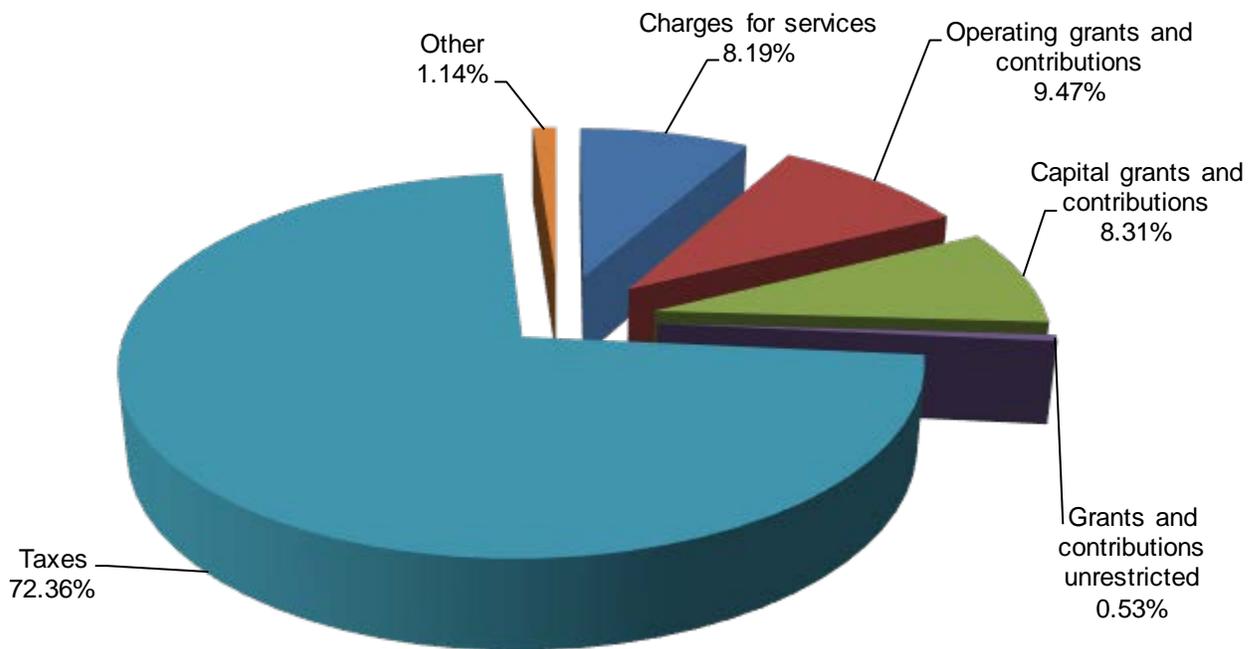
*GASB Statement No. 75 was implemented for the year ended December 31, 2018 and a required \$1,111,413 restatement of beginning net position was recorded. Prior year amounts were not restated causing a variance in ending net position at December 31, 2017 and beginning net position on January 1, 2018. See Note 10.

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

Expenses and Program Revenue - Governmental Activities

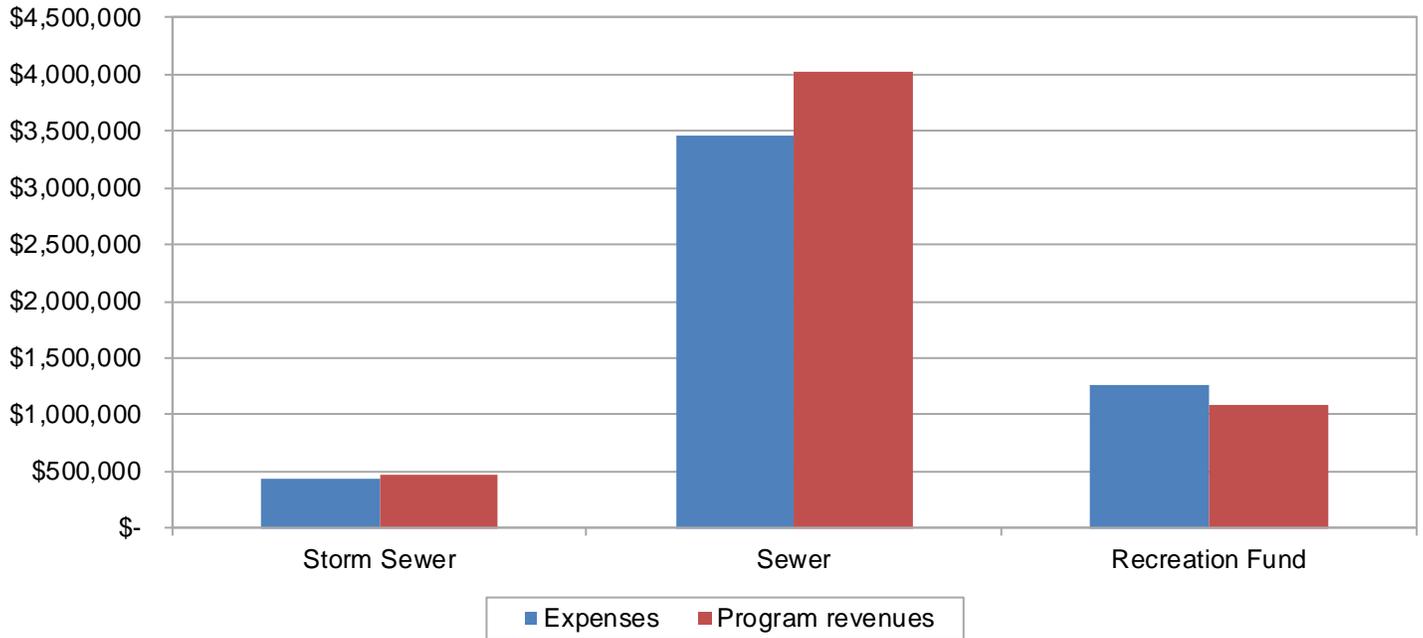


Revenue by Source - Governmental Activities

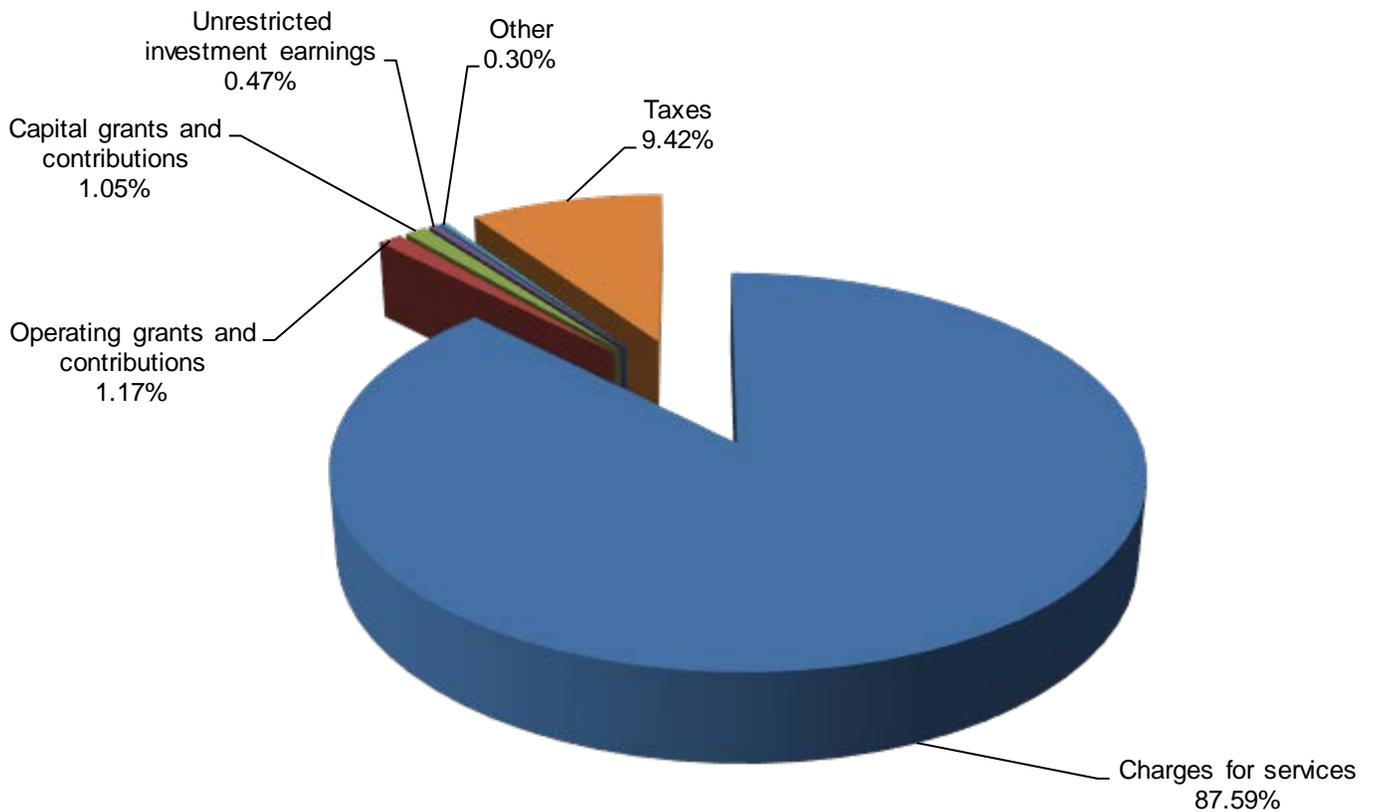


Business-type Activities. Business-type activities increased the City's net position by \$1,297,737. The main reason of this increase was due to operating revenue over operating expenses and a capital asset transfer from the governmental activities. Other key elements of the changes are as follows:

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 \$21,303,886. Approximately 35.0 percent of this total amount, (\$7,447,404) constitutes unassigned fund balance, which is available for spending at the City's discretion. The City also has nonspendable balance of \$239,987, restricted balance of \$7,463,904, committed balance of \$3,247,769 and assigned balance of \$2,904,822.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2018	2017	
General	\$ 8,845,920	\$ 9,705,489	\$ (859,569)

The General fund is the chief operating fund of the City. The General fund had a decrease in fund balance of \$859,569 from 2017. The decrease in fund balance is mainly due to an excess of expenditures over revenues of \$147,246 and transfers to other funds of \$1,435,564.

Economic Development Authority	\$ 3,104,171	\$ 3,582,617	\$ (478,446)
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The Economic Development Authority fund had a decrease in fund balance of \$478,446 from 2017. The decrease in fund balance is mainly due to cost incurred related to land held for resale, in which the market value of the property obtained was less than costs incurred. The total loss was \$513,634.

Debt Service	\$ 6,227,778	\$ 5,131,459	\$ 1,096,319
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The Debt Service fund has a total fund balance of \$6,227,779 and increased \$1,096,319 from 2017. The increase is mainly due to transfers in from the general fund of \$502,447, unspent bond proceeds and revenues collected in excess of bond payments.

Permanent Improvement Revolving Fund	\$ 1,049,738	\$ (4,764,675)	\$ 5,814,413
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The Permanent Improvement Revolving fund had an increase in fund balance of \$5,814,413 from 2017. The increase in fund balance is mainly due to funding from the 2018A bond issuance, grants and transfers from other funds.

TIF Districts	\$ (771,681)	\$ (808,870)	\$ 37,189
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The TIF Districts fund had an increase in fund balance of \$37,189 from 2017. The increase in fund balance is due to tax increment revenue exceeding economic development expenditures.

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 \$2,800,071. The change in net position for the funds was an increase of \$1,297,737. 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. Actual revenues were over budget by \$146,060, this was mostly due to a positive budget variance in licenses and permits of \$160,353. Expenditures in total were under budget by \$439,514. The largest positive expenditure variances were in public safety, general government and parks and recreation, of \$229,665, \$147,395, and \$82,620, 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, 2018 amounts to \$79,776,712 (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:

- Completion of the 2017 Street Reconstruction project.
- Additional work was done on the 2018 Street Reconstruction project.
- The 2019 Street Reconstruction project was started.
- Additional work was done on the Sports Center facility project
- The City Hall Roof project was completed during 2018.
- The City Hall HVAC project was completed during 2018.
- Several public safety and public works equipment and vehicles were purchased.

Additional information on the City's capital assets can be found in Note 3B starting on page 75 of this report.

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

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Land	\$ 5,043,391	\$ 5,043,391	\$ -	\$ 1,144,168	\$ 1,144,168	\$ -
Construction in Progress	3,444,990	6,928,775	(3,483,785)	132,052	57,670	74,382
Buildings	7,835,808	7,662,054	173,754	9,982,030	10,459,595	(477,565)
Improvements Other Than Buildings	7,729,912	7,217,553	512,359	-	-	-
Vehicles, Machinery and Equipment	1,696,275	1,781,049	(84,774)	426,568	504,224	(77,656)
Software	25,189	61,375	(36,186)	-	-	-
Infrastructure	32,549,330	29,629,894	2,919,436	9,766,999	8,745,517	1,021,482
Total	\$ 58,324,895	\$ 58,324,091	\$ 804	\$ 21,451,817	\$ 20,911,174	\$ 540,643

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$55,883,282. 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 St. Paul's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
G.O. Bonds	\$ 35,340,000	\$ 29,010,000	\$ 6,330,000	\$ -	\$ -	\$ -
G.O. Improvement Bonds	7,740,000	6,495,000	1,245,000	-	-	-
G.O. Tax Increment Bonds	1,195,000	1,260,000	(65,000)	-	-	-
G.O. Revenue Bonds	-	-	-	9,930,000	10,705,000	(775,000)
Bond Premium	1,482,728	1,251,964	230,764	199,664	220,353	(20,689)
Bond Discount	-	-	-	(4,110)	(6,164)	2,054
Total	<u>\$ 45,757,728</u>	<u>\$ 38,016,964</u>	<u>\$ 7,740,764</u>	<u>\$ 10,125,554</u>	<u>\$ 10,919,189</u>	<u>\$ (793,635)</u>

The City's total debt increased \$6,947,129 during the current fiscal year. The increase in outstanding debt can be attributed to the issuance of the 2018A bonds net of regularly scheduled debt payments.

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 78 of this report.

Economic Factors and Next Year's Budgets and Rates

- The county unemployment rate for 2018 was 2.2 percent which is slightly below the statewide rate for the period.
- Property values increased on average 14 percent from 2017 and are projected to increase another 5.65 percent in 2018 for tax pay year 2019.
- The tax base continues to grow; 2018 resulted in a 2.133 million dollar increase in the tax base from new construction.
- Tax rates for 2018 is 69.287 percent which is down from the 2017 tax rate of 71.412 percent.
- 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, 2018

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City of West St. Paul, Minnesota

Statement of Net Position

December 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 18,695,980	\$ 4,260,901	\$ 22,956,881
Receivables			
Accrued interest	61,091	20,132	81,223
Property taxes	129,388	-	129,388
Notes	96,900	-	96,900
Accounts	817,320	133,614	950,934
Special assessments	1,260,737	830,262	2,090,999
Due from other governments	1,599,498	928,525	2,528,023
Prepaid items	126,222	-	126,222
Assets held for resale	1,286,600	-	1,286,600
Capital assets			
Land and construction in progress	8,488,381	1,276,220	9,764,601
Depreciable assets (net of accumulated depreciation)	49,836,514	20,175,597	70,012,111
Total Assets	<u>82,398,631</u>	<u>27,625,251</u>	<u>110,023,882</u>
Deferred Outflows of Resources			
Deferred pension resources	4,729,721	82,591	4,812,312
Deferred other postemployment benefits	133,074	10,980	144,054
Total Deferred Outflows of Resources	<u>4,862,795</u>	<u>93,571</u>	<u>4,956,366</u>
Liabilities			
Accounts and contracts payable	590,736	89,601	680,337
Accrued salaries payable	327,415	25,149	352,564
Due to other governments	193,516	307,266	500,782
Accrued interest payable	592,904	95,306	688,210
Deposits payable	201,067	-	201,067
Unearned revenue	1,704	91,076	92,780
Noncurrent liabilities			
Due within one year	3,085,585	867,079	3,952,664
Due in more than one year	51,182,685	9,860,583	61,043,268
Total Liabilities	<u>56,175,612</u>	<u>11,336,060</u>	<u>67,511,672</u>
Deferred Inflows of Resources			
Deferred pension resources	6,201,898	98,656	6,300,554
Net Position			
Net investment in capital assets	14,637,278	13,484,035	28,121,313
Restricted for			
Debt service	5,422,866	-	5,422,866
Economic development	342,240	-	342,240
Police purposes	5,887	-	5,887
Unrestricted	4,475,645	2,800,071	7,275,716
Total Net Position	<u>\$ 24,883,916</u>	<u>\$ 16,284,106</u>	<u>\$ 41,168,022</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, 2018

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 4,222,701	\$ 935,046	\$ 955,922	\$ -
Public safety	7,513,679	678,084	471,252	65,000
Public works	7,043,080	31,652	291,576	1,623,834
Parks and recreation	1,257,105	71,786	267,000	54,333
Economic development	999,115	-	146	-
Interest on long-term debt	1,226,640	-	-	-
Total Governmental Activities	<u>22,262,320</u>	<u>1,716,568</u>	<u>1,985,896</u>	<u>1,743,167</u>
Business-type Activities				
Storm sewer	432,327	465,700	337	-
Sanitary sewer	3,459,654	3,959,106	61,618	-
Golf course	18,548	-	83	-
Civic center arena	402,459	257,373	2,106	65,212
Swimming pool	80,738	1,920	176	-
Regional athletic center	752,619	755,471	8,100	-
Total Business-type Activities	<u>5,146,345</u>	<u>5,439,570</u>	<u>72,420</u>	<u>65,212</u>
Total	<u>\$ 27,408,665</u>	<u>\$ 7,156,138</u>	<u>\$ 2,058,316</u>	<u>\$ 1,808,379</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 as Restated (Note 10)

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
\$ (2,331,733)	\$ -	\$ (2,331,733)
(6,299,343)	-	(6,299,343)
(5,096,018)	-	(5,096,018)
(863,986)	-	(863,986)
(998,969)	-	(998,969)
(1,226,640)	-	(1,226,640)
<u>(16,816,689)</u>	<u>-</u>	<u>(16,816,689)</u>
-	33,710	33,710
-	561,070	561,070
-	(18,465)	(18,465)
-	(77,768)	(77,768)
-	(78,642)	(78,642)
-	10,952	10,952
<u>-</u>	<u>430,857</u>	<u>430,857</u>
<u>(16,816,689)</u>	<u>430,857</u>	<u>(16,385,832)</u>
11,153,198	584,708	11,737,906
2,676,976	-	2,676,976
261,993	-	261,993
1,085,443	-	1,085,443
111,861	-	111,861
28,004	-	28,004
182,238	29,179	211,417
28,485	18,727	47,212
(1,423,266)	1,423,266	-
1,189,000	(1,189,000)	-
<u>15,293,932</u>	<u>866,880</u>	<u>16,160,812</u>
(1,522,757)	1,297,737	(225,020)
<u>26,406,673</u>	<u>14,986,369</u>	<u>41,393,042</u>
<u>\$ 24,883,916</u>	<u>\$ 16,284,106</u>	<u>\$ 41,168,022</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, 2018

City of West St. Paul, Minnesota

Balance Sheet

Governmental Funds

December 31, 2018

	101	209	300's
	General	Economic Development Authority	Debt Service
Assets			
Cash and temporary investments	\$ 7,139,987	\$ 646,596	\$ 6,200,624
Receivables			
Accounts	684,448	-	-
Property taxes	129,388	-	-
Accrued interest	15,692	2,217	19,251
Notes	69,900	27,000	-
Special assessments	221,483	-	970,104
Due from other governments	1,491,813	-	7,903
Advances to other funds	43,865	1,159,676	-
Prepaid items	126,222	-	-
Assets held for resale	-	1,286,600	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,922,798</u>	<u>\$ 3,122,089</u>	<u>\$ 7,197,882</u>
Liabilities			
Accounts payable	\$ 127,928	\$ 4,744	\$ -
Accrued salaries payable	316,487	6,215	-
Due to other governments	56,035	6,959	-
Deposits payable	160,269	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>660,719</u>	<u>17,918</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues - property and franchise taxes	194,676	-	-
Unavailable revenues - special assessments	221,483	-	970,104
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>416,159</u>	<u>-</u>	<u>970,104</u>
Fund Balances			
Nonspendable	239,987	-	-
Restricted	-	-	6,227,778
Committed	-	3,104,171	-
Assigned	-	-	-
Unassigned	8,605,933	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>8,845,920</u>	<u>3,104,171</u>	<u>6,227,778</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,922,798</u>	<u>\$ 3,122,089</u>	<u>\$ 7,197,882</u>

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

402	450's	Other	Total
Permanent Improvement Revolving Fund	TIF Districts	Governmental Funds	Governmental Funds
\$ 1,369,492	\$ 441,216	\$ 2,898,065	\$ 18,695,980
10,000	-	122,872	817,320
-	-	-	129,388
9,667	2,919	11,345	61,091
-	-	-	96,900
69,150	-	-	1,260,737
83,973	8,892	6,917	1,599,498
-	-	-	1,203,541
-	-	-	126,222
-	-	-	1,286,600
<u>\$ 1,542,282</u>	<u>\$ 453,027</u>	<u>\$ 3,039,199</u>	<u>\$ 25,277,277</u>
\$ 418,682	\$ 24,234	\$ 15,148	\$ 590,736
4,713	-	-	327,415
-	-	130,522	193,516
-	40,798	-	201,067
-	-	1,704	1,704
-	1,159,676	43,865	1,203,541
<u>423,395</u>	<u>1,224,708</u>	<u>191,239</u>	<u>2,517,979</u>
-	-	-	194,676
69,149	-	-	1,260,736
<u>69,149</u>	<u>-</u>	<u>-</u>	<u>1,455,412</u>
-	-	-	239,987
887,999	342,240	5,887	7,463,904
-	-	143,598	3,247,769
161,739	-	2,743,083	2,904,822
-	(1,113,921)	(44,608)	7,447,404
<u>1,049,738</u>	<u>(771,681)</u>	<u>2,847,960</u>	<u>21,303,886</u>
<u>\$ 1,542,282</u>	<u>\$ 453,027</u>	<u>\$ 3,039,199</u>	<u>\$ 25,277,277</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, 2018

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

Total Fund Balances - Governmental	\$ 21,303,886
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	99,204,942
Less: accumulated depreciation	(40,880,047)
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	(44,275,000)
Plus: premiums on bonds issued	(1,482,728)
Other postemployment benefits payable	(1,943,909)
Compensated absences payable	(882,882)
Pension liability	(5,683,751)
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	194,676
Special assessments receivable	1,260,736
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	4,729,721
Deferred inflows of pension resources	(6,201,898)
Deferred outflows of other postemployment benefits	133,074
Governmental funds do not report a liability for accrued interest until due and payable.	(592,904)
Total Net Position - Governmental Activities	\$ 24,883,916

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, 2018

	101	209	300's
	General	Economic Development Authority	Debt Service
Revenues			
Taxes	\$ 10,909,962	\$ 338,172	\$ 3,036,368
Licenses and permits	693,853	-	-
Intergovernmental	466,212	-	-
Charges for services	802,452	-	-
Fines and forfeitures	158,754	-	-
Special assessments	66,644	-	332,837
Interest on investments	43,187	49,988	40,293
Miscellaneous	55,203	146	-
Total Revenues	13,196,267	388,306	3,409,498
Expenditures			
Current			
General government	3,163,726	-	-
Public safety	7,614,178	-	-
Public works	1,683,323	-	-
Parks and recreation	882,466	-	-
Economic development	-	866,752	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Debt service			
Principal	-	-	2,040,000
Interest and other charges	-	-	1,068,269
Bond issuance costs	-	-	-
Total Expenditures	13,343,693	866,752	3,108,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(147,426)	(478,446)	301,229
Other Financing Sources (Uses)			
Transfers in	695,417	-	596,970
Sale of capital assets	28,004	-	-
Premium on bonds	-	-	-
Bonds issued	-	-	198,120
Transfers out	(1,435,564)	-	-
Total Other Financing Sources (Uses)	(712,143)	-	795,090
Net Change in Fund Balances	(859,569)	(478,446)	1,096,319
Fund Balances, January 1	9,705,489	3,582,617	5,131,459
Fund Balances, December 31	\$ 8,845,920	\$ 3,104,171	\$ 6,227,778

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

402	450's		
Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Total Governmental Funds
\$ 50,000	\$ 261,993	\$ 580,550	\$ 15,177,045
-	-	-	693,853
1,028,694	-	1,341,723	2,836,629
-	-	37,509	839,961
-	-	-	158,754
256,690	-	-	656,171
27,840	5,028	15,902	182,238
28,000	-	154,704	238,053
<u>1,391,224</u>	<u>267,021</u>	<u>2,130,388</u>	<u>20,782,704</u>
-	-	195,038	3,358,764
-	-	207,068	7,821,246
1,001,158	-	126,196	2,810,677
-	-	67,276	949,742
-	135,309	-	1,002,061
-	-	1,196,743	1,196,743
-	-	7,583	7,583
4,877,814	-	353,134	5,230,948
-	-	438,948	438,948
-	-	-	2,040,000
-	-	-	1,068,269
153,175	-	-	153,175
<u>6,032,147</u>	<u>135,309</u>	<u>2,591,986</u>	<u>26,078,156</u>
<u>(4,640,923)</u>	<u>131,712</u>	<u>(461,598)</u>	<u>(5,295,452)</u>
754,335	-	717,782	2,764,504
-	-	-	28,004
349,121	-	-	349,121
9,351,880	-	-	9,550,000
-	(94,523)	(45,417)	(1,575,504)
<u>10,455,336</u>	<u>(94,523)</u>	<u>672,365</u>	<u>11,116,125</u>
5,814,413	37,189	210,767	5,820,673
<u>(4,764,675)</u>	<u>(808,870)</u>	<u>2,637,193</u>	<u>15,483,213</u>
<u>\$ 1,049,738</u>	<u>\$ (771,681)</u>	<u>\$ 2,847,960</u>	<u>\$ 21,303,886</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, 2018

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

Total Net Change in Fund Balances - Governmental Funds	\$ 5,820,673
<p>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.</p>	
Capital outlays	4,237,440
Depreciation expense	(2,502,580)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	
Capital contributions to enterprise funds	(1,423,266)
<p>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.</p>	
	(310,790)
<p>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.</p>	
Principal repayments	2,040,000
Bonds issued	(9,550,000)
Premium on bonds issued	(349,121)
Current year amortization of bond premium	118,357
<p>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.</p>	
	(123,553)
<p>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.</p>	
Special assessments	113,043
Property taxes	4,300
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	395,590
Pension revenue from State contributions	45,778
<p>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.</p>	
Other post employment benefits	43,363
Compensated absences	(81,991)
Change in Net Position - Governmental Activities	\$ (1,522,757)

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 10,952,644	\$ 10,952,644	\$ 10,909,962	\$ (42,682)
Licenses and permits	533,500	533,500	693,853	160,353
Intergovernmental	495,000	495,000	466,212	(28,788)
Charges for services	724,509	724,509	802,452	77,943
Fines and forfeitures	163,000	163,000	158,754	(4,246)
Special assessments	38,000	38,000	66,644	28,644
Interest on investments	100,000	100,000	43,187	(56,813)
Miscellaneous	43,554	43,554	55,203	11,649
Total Revenues	<u>13,050,207</u>	<u>13,050,207</u>	<u>13,196,267</u>	<u>146,060</u>
Expenditures				
Current				
General government	3,311,121	3,311,121	3,163,726	147,395
Public safety	7,843,843	7,843,843	7,614,178	229,665
Public works	1,663,157	1,663,157	1,683,323	(20,166)
Parks and recreation	965,086	965,086	882,466	82,620
Total Expenditures	<u>13,783,207</u>	<u>13,783,207</u>	<u>13,343,693</u>	<u>439,514</u>
Deficiency of Revenues Under Expenditures	<u>(733,000)</u>	<u>(733,000)</u>	<u>(147,426)</u>	<u>585,574</u>
Other Financing Sources (Uses)				
Transfers in	725,000	725,000	695,417	(29,583)
Sale of capital assets	8,000	8,000	28,004	20,004
Transfers out	-	-	(1,435,564)	(1,435,564)
Total Other Financing Sources (Uses)	<u>733,000</u>	<u>733,000</u>	<u>(712,143)</u>	<u>(1,445,143)</u>
Net Change in Fund Balances	-	-	(859,569)	(859,569)
Fund Balances, January 1	<u>9,705,489</u>	<u>9,705,489</u>	<u>9,705,489</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 9,705,489</u>	<u>\$ 9,705,489</u>	<u>\$ 8,845,920</u>	<u>\$ (859,569)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 338,172	\$ 338,172	\$ 338,172	\$ -
Interest on investments	55,000	55,000	49,988	(5,012)
Miscellaneous revenue	10,000	10,000	146	(9,854)
Total Revenues	<u>403,172</u>	<u>403,172</u>	<u>388,306</u>	<u>(14,866)</u>
Expenditures				
Current				
Economic development	<u>403,172</u>	<u>403,172</u>	<u>866,752</u>	<u>(463,580)</u>
Net Change in Fund Balances	-	-	(478,446)	(478,446)
Fund Balances, January 1	<u>3,582,617</u>	<u>3,582,617</u>	<u>3,582,617</u>	-
Fund Balances, December 31	<u><u>\$ 3,582,617</u></u>	<u><u>\$ 3,582,617</u></u>	<u><u>\$ 3,104,171</u></u>	<u><u>\$ (478,446)</u></u>

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, 2018

Business-type Activities - Enterprise Funds

	600	602		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
Assets				
Current Assets				
Cash and temporary investments	\$ 1,500,791	\$ 821,291	\$ 1,938,819	\$ 4,260,901
Receivables				
Accrued interest	8,423	4,262	7,447	20,132
Accounts	-	13,150	120,464	133,614
Special assessments	-	216,315	-	216,315
Due from other governments	100,960	827,565	-	928,525
Total Current Assets	1,610,174	1,882,583	2,066,730	5,559,487
Noncurrent Assets				
Special assessments	-	613,947	-	613,947
Capital assets				
Land	-	10,945	1,133,223	1,144,168
Construction in progress	-	132,052	-	132,052
Buildings	-	-	13,144,056	13,144,056
Machinery and equipment	183,179	680,011	475,806	1,338,996
Infrastructure	8,907,756	11,594,102	-	20,501,858
Less accumulated depreciation	(4,976,266)	(5,288,368)	(4,544,679)	(14,809,313)
Net Capital Assets	4,114,669	7,128,742	10,208,406	21,451,817
Total Noncurrent Assets	4,114,669	7,742,689	10,208,406	22,065,764
Total Assets	5,724,843	9,625,272	12,275,136	27,625,251
Deferred Outflows of Resources				
Deferred pension resources	9,143	54,105	19,343	82,591
Deferred other postemployment benefits	1,317	6,982	2,681	10,980
Total Deferred outflows of Resources	10,460	61,087	22,024	93,571

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, 2018

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Liabilities				
Current Liabilities				
Accounts payable	\$ -	\$ 49,598	\$ 40,003	\$ 89,601
Accrued salaries payable	2,389	15,996	6,764	25,149
Due to other governments	965	305,279	1,022	307,266
Accrued interest payable	9,557	43,737	42,012	95,306
Unearned revenue	-	-	91,076	91,076
Compensated absences payable - current	-	13,430	8,649	22,079
Bonds payable - current	58,000	527,000	260,000	845,000
Total Current Liabilities	<u>70,911</u>	<u>955,040</u>	<u>449,526</u>	<u>1,475,477</u>
Noncurrent Liabilities				
Other postemployment benefits	19,236	101,997	39,159	160,392
Compensated absences payable	-	10,988	7,076	18,064
Pension liability	44,444	263,121	94,008	401,573
Bonds payable	943,682	4,080,644	4,256,228	9,280,554
Total Noncurrent Liabilities	<u>1,007,362</u>	<u>4,456,750</u>	<u>4,396,471</u>	<u>9,860,583</u>
Total Liabilities	<u>1,078,273</u>	<u>5,411,790</u>	<u>4,845,997</u>	<u>11,336,060</u>
Deferred Inflows of Resources				
Deferred pension resources	10,914	64,673	23,069	98,656
Net Position				
Net investment in capital assets	3,112,987	4,678,870	5,692,178	13,484,035
Unrestricted	1,533,129	(468,974)	1,735,916	2,800,071
Total Net Position	<u>\$ 4,646,116</u>	<u>\$ 4,209,896</u>	<u>\$ 7,428,094</u>	<u>\$ 16,284,106</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, 2018

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Operating Revenues				
Charges for services	\$ 465,700	\$ 3,959,106	\$ 1,014,764	\$ 5,439,570
Operating Expenses				
Personal services	85,021	439,085	149,199	673,305
Supplies	7,902	34,755	37,326	79,983
Professional services	70,204	2,533,372	94,726	2,698,302
Insurance	781	23,457	21,868	46,106
Utilities	-	-	243,484	243,484
Repairs and maintenance	-	1,652	173,048	174,700
Depreciation	179,363	324,272	435,562	939,197
Total Operating Expenses	<u>343,271</u>	<u>3,356,593</u>	<u>1,155,213</u>	<u>4,855,077</u>
Operating Income (Loss)	<u>122,429</u>	<u>602,513</u>	<u>(140,449)</u>	<u>584,493</u>
Nonoperating Revenues (Expenses)				
Property taxes	-	-	483,230	483,230
Interest income	12,093	5,232	11,854	29,179
Miscellaneous	337	74,289	117,999	192,625
Loss on disposal of capital assets	(68,625)	-	-	(68,625)
Interest expense	(20,431)	(103,061)	(99,151)	(222,643)
Total Nonoperating Revenues (Expenses)	<u>(76,626)</u>	<u>(23,540)</u>	<u>513,932</u>	<u>413,766</u>
Income Before Transfers and Capital Contributions	45,803	578,973	373,483	998,259
Capital Contributions - Intergovernmental	-	-	65,212	65,212
Capital Contributions From Other Funds	600,132	823,134	-	1,423,266
Transfers Out	(376,380)	(762,620)	(50,000)	(1,189,000)
Change in Net Position	269,555	639,487	388,695	1,297,737
Net Position, January 1 as Restated (Note 10)	<u>4,376,561</u>	<u>3,570,409</u>	<u>7,039,399</u>	<u>14,986,369</u>
Net Position, December 31	<u>\$ 4,646,116</u>	<u>\$ 4,209,896</u>	<u>\$ 7,428,094</u>	<u>\$ 16,284,106</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, 2018

	Business-type Activities - Enterprise Funds			Totals
	600 Storm Sewer	602 Sanitary Sewer	Recreation	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 465,069	\$ 3,856,694	\$ 1,007,844	\$ 5,329,607
Payments to suppliers	(93,597)	(2,308,416)	(631,267)	(3,033,280)
Payments to employees	(74,583)	(429,320)	(152,201)	(656,104)
Net Cash Provided by Operating Activities	<u>296,889</u>	<u>1,118,958</u>	<u>224,376</u>	<u>1,640,223</u>
Cash Flows from Noncapital Financing Activities				
Property taxes received	-	-	483,230	483,230
Transfers to other funds	(376,380)	(762,620)	(50,000)	(1,189,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(376,380)</u>	<u>(762,620)</u>	<u>433,230</u>	<u>(705,770)</u>
Cash Flows from Capital Financing Activities				
Acquisition of capital assets	-	(195,785)	-	(195,785)
Intergovernmental receipts	-	-	65,212	65,212
Interest paid on bonds	(23,980)	(122,554)	(102,419)	(248,953)
Principal paid on bonds	(56,000)	(509,000)	(210,000)	(775,000)
Net Cash Used by Capital Financing Activities	<u>(79,980)</u>	<u>(827,339)</u>	<u>(247,207)</u>	<u>(1,154,526)</u>
Cash Flows from Investing Activities				
Interest received on investments	<u>6,669</u>	<u>3,165</u>	<u>7,396</u>	<u>17,230</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(152,802)	(467,836)	417,795	(202,843)
Cash and Cash Equivalents, January 1	<u>1,653,593</u>	<u>1,289,127</u>	<u>1,521,024</u>	<u>4,463,744</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 1,500,791</u></u>	<u><u>\$ 821,291</u></u>	<u><u>\$ 1,938,819</u></u>	<u><u>\$ 4,260,901</u></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, 2018

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 122,429	\$ 602,513	\$ (140,449)	\$ 584,493
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	179,363	324,272	435,562	939,197
Other income related to operations	337	74,289	117,999	192,625
(Increase) decrease in assets				
Receivables				
Accounts	-	(9,271)	(18,609)	(27,880)
Special assessments	-	(102,925)	-	(102,925)
Due from other governments	(968)	(64,505)	-	(65,473)
Inventories	-	-	590	590
Decrease in deferred outflows of resources				
Deferred pension resources	5,369	23,571	10,881	39,821
Deferred other post employment benefit resources	(1,317)	(6,982)	(2,681)	(10,980)
Increase (decrease) in liabilities				
Accounts payable	(440)	(4,840)	(59,240)	(64,520)
Accrued salaries payable	(2,823)	(2,962)	2,115	(3,670)
Due to other governments	(14,270)	289,660	(2,165)	273,225
Unearned revenue	-	-	(106,310)	(106,310)
Other postemployment benefits	17,662	15,016	1,286	33,964
Compensated absences payable	-	(5,100)	1,234	(3,866)
Pension liability	(8,158)	(18,433)	(15,569)	(42,160)
Increase in deferred inflows of resources				
Deferred pension resources	(295)	4,655	(268)	4,092
 Net Cash Provided by Operating Activities	 <u>\$ 296,889</u>	 <u>\$ 1,118,958</u>	 <u>\$ 224,376</u>	 <u>\$ 1,640,223</u>
 Noncash Capital Financing and Investing Activities				
Amortization of deferred charges	<u>\$ 2,855</u>	<u>\$ 14,376</u>	<u>\$ 1,404</u>	<u>\$ 18,635</u>
Loss on disposal of capital assets	<u>\$ 68,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,625</u>
Capital contributions from other funds	<u>\$ 600,132</u>	<u>\$ 823,134</u>	<u>\$ -</u>	<u>\$ 1,423,266</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, 2018

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of West St. 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.

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, 2018

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, storm sewer and sanitary 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.

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.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. 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 73.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

The City has the following recurring fair value measurements as of December 31, 2018:

- Government Agency Securities of \$3,283,683 are valued using quoted market prices (Level 1 inputs)
- Municipal Bonds and Certificates of Deposit of \$13,810,441 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 cost, 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 con trusted. Donated capital assets are recorded at acquisition value at the date of donation.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2018, 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 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 two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions and other postemployment benefits contributions made subsequent to the measurement date.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERF, PEPFF and PEDCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Total All Plans
	GERF	PEPFF	PEDCP	
	Pension Expense	\$243,025	\$128,042	

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.

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 two 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 two sources: property taxes and special assessments. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at January 1, 2018. 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. Bond issuance costs are reported as an expense in the period incurred.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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".

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. 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 2018.

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 projects funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Budgeted appropriations for expenditures are controlled at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services and benefits; materials, supplies, services, capital outlay) within each activity.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2018 expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Major Special Revenue Fund			
Economic Development Authority	\$ 403,172	\$ 866,752	\$ 463,580
Nonmajor Governmental			
Insurance Fund	436,050	551,132	115,082

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

C. Deficit Fund Equity

The following funds had deficits at December 31, 2018:

<u>Fund</u>	<u>Amount</u>
Major Governmental	
TIF District	\$ 771,681
Nonmajor Governmental	
Community Events	10,613
Public Works Facility	22,101
River to River Trail	11,894

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

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 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.

At year end, the City's carrying amount of deposits was \$1,285,650 and the bank balance was \$1,551,284. The bank balance was covered by federal depository insurance totaling \$454,510. The remaining balance was covered by collateral held by the City's agent in the City's name.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2018, 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	\$ 7,571			
Broker Money Market Funds	N/A	less than 6 months	4,318,718			
Municipal Bonds (3)	N/A	more than 3 years	250,818			
Non-pooled Investments at Fair Value						
US Government Securities	Aaa	1 to 3 years	973,990	\$ 973,990	\$ -	\$ -
US Government Securities	Aaa	more than 3 years	2,309,693	2,309,693	-	-
Taxable Municipal Bonds	Aa1	more than 3 years	711,714	-	711,714	-
Taxable Municipal Bonds	Aa2	more than 3 years	1,138,061	-	1,138,061	-
Brokered Certificates of Deposit	N/A	less than 6 months	4,429,746	-	4,429,746	-
Brokered Certificates of Deposit	N/A	6 months to 1 year	1,120,119	-	1,120,119	-
Brokered Certificates of Deposit	N/A	1 to 3 years	1,634,558	-	1,634,558	-
Brokered Certificates of Deposit	N/A	more than 3 years	4,776,243	-	4,776,243	-
Total Investments			\$ 21,671,231	\$ 3,283,683	\$ 13,810,441	\$ -

- (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.

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	\$ 1,285,650
Investments	<u>21,671,231</u>
Total	<u><u>\$ 22,956,881</u></u>
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	<u><u>\$ 22,956,881</u></u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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, 2018, the following issuer exceeded 5 percent of the City's total investments: FHLMC (6.11 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, 2018

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 5,043,391	\$ -	\$ -	\$ 5,043,391
Construction in progress	6,928,775	3,263,666	(6,747,451)	3,444,990
Total Capital Assets not Being Depreciated	<u>11,972,166</u>	<u>3,263,666</u>	<u>(6,747,451)</u>	<u>8,488,381</u>
Capital Assets Being Depreciated				
Buildings	11,421,220	559,197	-	11,980,417
Improvements other than buildings	8,187,642	575,519	-	8,763,161
Vehicles, machinery and equipment	4,273,001	415,609	(286,090)	4,402,520
Software	360,634	-	-	360,634
Infrastructure	61,863,447	4,695,770	(1,349,388)	65,209,829
Total Capital Assets Being Depreciated	<u>86,105,944</u>	<u>6,246,095</u>	<u>(1,635,478)</u>	<u>90,716,561</u>
Less Accumulated Depreciation for				
Buildings	(3,759,166)	(385,443)	-	(4,144,609)
Improvements other than buildings	(970,089)	(63,160)	-	(1,033,249)
Machinery and equipment	(2,491,952)	(471,976)	257,683	(2,706,245)
Software	(299,259)	(36,186)	-	(335,445)
Infrastructure	(32,233,553)	(1,545,815)	1,118,869	(32,660,499)
Total Accumulated Depreciation	<u>(39,754,019)</u>	<u>(2,502,580)</u>	<u>1,376,552</u>	<u>(40,880,047)</u>
Total Capital Assets Being Depreciated, Net	<u>46,351,925</u>	<u>3,743,515</u>	<u>(258,926)</u>	<u>49,836,514</u>
Governmental Activities Capital Assets, Net	<u>\$ 58,324,091</u>	<u>\$ 7,007,181</u>	<u>\$ (7,006,377)</u>	<u>\$ 58,324,895</u>

The decrease in construction in progress is greater than the increase in capital assets due to assets contributed to proprietary funds.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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	57,670	74,382	-	132,052
Total Capital Assets not Being Depreciated	<u>1,201,838</u>	<u>74,382</u>	<u>-</u>	<u>1,276,220</u>
Capital Assets Being Depreciated				
Buildings and improvements	15,368,996	-	-	15,368,996
Distribution and collection systems	17,056,004	1,423,267	(202,353)	18,276,918
Machinery and equipment	1,288,180	50,816	-	1,338,996
Total Capital Assets Being Depreciated	<u>33,713,180</u>	<u>1,474,083</u>	<u>(202,353)</u>	<u>34,984,910</u>
Less Accumulated Depreciation for				
Buildings and improvements	(4,909,401)	(477,565)	-	(5,386,966)
Distribution and collection systems	(8,310,487)	(333,160)	133,728	(8,509,919)
Machinery and equipment	(783,956)	(128,472)	-	(912,428)
Total Accumulated Depreciation	<u>(14,003,844)</u>	<u>(939,197)</u>	<u>133,728</u>	<u>(14,809,313)</u>
Total Capital Assets Being Depreciated, Net	<u>19,709,336</u>	<u>534,886</u>	<u>(68,625)</u>	<u>20,175,597</u>
Business-type Activities Capital Assets, Net	<u>\$ 20,911,174</u>	<u>\$ 609,268</u>	<u>\$ (68,625)</u>	<u>\$ 21,451,817</u>

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

Governmental Activities

General government	\$ 346,317
Public safety	118,261
Public works	1,831,366
Parks and recreation	206,636
Total Depreciation Expense - Governmental Activities	<u>\$ 2,502,580</u>

Business-type Activities

Storm sewer	\$ 179,363
Sanitary sewer	324,272
Recreation	435,562
Total Depreciation Expense - Business-type Activities	<u>\$ 939,197</u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City had the following outstanding construction commitments at December 31, 2018:

Project	Spent to Date	Remaining Commitment
2018 Street Improvements	\$ 2,430,532	\$ 575,449

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Economic Development Authority	TIF Districts	To fund tax increment projects	\$ 1,159,676
General	Nonmajor Governmental Funds	To provide cash flows	22,101
General	Nonmajor Governmental Funds	To provide cash flows	11,151
General	Nonmajor Governmental Funds	To provide cash flows	10,613
Total			<u>\$ 1,203,541</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 2018 as shown and described below:

Fund	Transfer In				Total
	General	Debt Service	Permanent Improvement Revolving Fund	Nonmajor Governmental	
Transfer Out					
General	\$ -	\$ 502,447	\$ 215,335	\$ 717,782	\$ 1,435,564
TIF Districts	-	94,523	-	-	94,523
Nonmajor governmental	45,417	-	-	-	45,417
Storm Sewer	150,000	-	226,380	-	376,380
Sanitary Sewer	450,000	-	312,620	-	762,620
Recreation	50,000	-	-	-	50,000
Total	<u>\$ 695,417</u>	<u>\$ 596,970</u>	<u>\$ 754,335</u>	<u>\$ 717,782</u>	<u>\$ 2,764,504</u>

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, 2018, the City made the following one-time transfers:

- The General fund transferred excess balances of \$1,435,564 in order to satisfy General fund policy and keep the General fund at 60 percent of the 2018 expenditure budget. Excess balance was transferred to the following funds: Debt Service fund, Permanent Improvement fund, and Nonmajor Governmental funds, which included the Vehicle Replacement and City Hall Replacement funds.
- The Storm Sewer and Sanitary Sewer funds transferred \$226,380 and \$312,620, respectively, to the Permanent Improvement Revolving Fund for the 2018 Street Improvement project.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

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, 2018, the Authority has made one scheduled payment 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	\$ 4,245,000
G.O. Street Reconstruction Bonds, Series 2014B	4,930,000	2.00 - 3.25	6/24/2014	2/1/2030	4,080,000
G.O. Refunding Bonds, Series 2015A	5,685,000	2.90 - 3.00	6/24/2015	2/1/2035	5,185,000
G.O. Street Reconstruction Bonds, Series 2016B	4,825,000	2.00 - 2.75	11/28/2016	2/1/2032	4,570,000
G.O. Improvement Bonds Series 2017A	4,825,000	3.00 - 4.00	5/22/2017	2/1/2033	4,825,000
G.O. Street Reconstruction Bonds, Series 2017B	5,175,000	3.00 - 4.00	5/22/2017	2/1/2033	5,175,000
G.O. Improvement Bonds Series 2018A	7,260,000	3.00 - 4.00	6/26/2018	2/1/2034	<u>7,260,000</u>
Total G.O. Bonds					<u><u>\$ 35,340,000</u></u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,500,000	\$ 1,095,721	\$ 2,595,721
2020	1,910,000	1,021,983	2,931,983
2021	1,965,000	962,583	2,927,583
2022	2,020,000	899,783	2,919,783
2023	2,090,000	833,083	2,923,083
2024 - 2028	11,740,000	2,850,961	14,590,961
2029 - 2033	12,075,000	1,170,474	13,245,474
2034 - 2035	<u>2,040,000</u>	<u>55,486</u>	<u>2,095,486</u>
Total	<u><u>\$ 35,340,000</u></u>	<u><u>\$ 8,890,074</u></u>	<u><u>\$ 44,230,074</u></u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

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.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement and Refunding Bonds, Series 2010A	\$ 2,940,000	3.00 - 3.75 %	12/29/2010	2/1/2026	\$ 1,455,000
G.O. Improvement and Refunding Bonds, Series 2012C	3,795,000	0.40 - 1.45	12/27/2012	2/1/2023	1,660,000
G.O. Improvement and Refunding Bonds, Series 2013A	1,530,000	2.00 - 2.30	5/13/2013	2/1/2024	940,000
G.O. Improvement and Refunding Bonds, Series 2015A	1,195,000	2.90 - 3.00	6/24/2015	2/1/2022	800,000
G.O. Improvement and Refunding Bonds, Series 2015B	995,000	2.00	12/1/2015	12/1/2023	595,000
G.O. Improvement Bonds, Series 2018A	2,290,000	3.00 - 4.00	6/26/2018	2/1/2034	<u>2,290,000</u>
Total G.O. Improvement Bonds					<u><u>\$ 7,740,000</u></u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,030,000	\$ 203,934	\$ 1,233,934
2020	1,065,000	174,740	1,239,740
2021	1,085,000	149,621	1,234,621
2022	1,120,000	123,088	1,243,088
2023	925,000	97,970	1,022,970
2024 - 2028	1,500,000	262,472	1,762,472
2029 - 2033	835,000	99,663	934,663
2034	<u>180,000</u>	<u>3,150</u>	<u>183,150</u>
Total	<u><u>\$ 7,740,000</u></u>	<u><u>\$ 1,114,638</u></u>	<u><u>\$ 8,854,638</u></u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

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.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. TIF Refunding Bonds, Series 201	\$ 1,320,000	1.50 - 3.00 %	12/1/2015	2/1/2031	<u>\$ 1,195,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 70,000	\$ 28,060	\$ 98,060
2020	75,000	26,954	101,954
2021	80,000	25,753	105,753
2022	75,000	24,458	99,458
2023	80,000	23,063	103,063
2024 - 2028	475,000	84,436	559,436
2029 - 2031	340,000	15,600	355,600
Total	<u>\$ 1,195,000</u>	<u>\$ 228,324</u>	<u>\$ 1,423,324</u>

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:

	Storm Sewer	Sanitary Sewer	Recreation (Regional Athletic Center)
Net Operating Revenues	\$ 465,700	\$ 3,959,106	\$ 755,471
Principal and Interest	79,980	631,554	312,419
Percentage of Revenues	17 %	16 %	41 %

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

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	12/1/2022	\$ 245,000
G.O. Sewer Refunding Bonds Series 2009A	1,315,000	2.50 - 4.60	3/18/2009	2/1/2018	250,000
G.O. Sewer Revenue Bonds, Series 2009A	1,545,000	2.00 - 3.50	11/18/2009	2/1/2020	345,000
G.O. Tax Abatement Bonds, Series 2012A	2,520,000	2.00 - 2.75	8/14/2012	2/1/2026	1,700,000
G.O. Tax Abatement Bonds, Series 2012B	2,560,000	2.13 - 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>4,830,000</u>
 Total G.O. Revenue Bonds					 <u><u>\$ 9,930,000</u></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
2019	\$ 845,000	\$ 233,839	\$ 1,078,839
2020	870,000	209,176	1,079,176
2021	580,000	186,464	766,464
2022	640,000	170,914	810,914
2023	560,000	154,495	714,495
2024 - 2028	3,045,000	559,175	3,604,175
2029 - 2033	3,060,000	207,929	3,267,929
2034	<u>330,000</u>	<u>4,538</u>	<u>334,538</u>
Total	<u><u>\$ 9,930,000</u></u>	<u><u>\$ 1,726,530</u></u>	<u><u>\$ 11,656,530</u></u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. bonds	\$ 29,010,000	\$ 7,260,000	\$ (930,000)	\$ 35,340,000	\$ 1,500,000
G.O. improvement bonds	6,495,000	2,290,000	(1,045,000)	7,740,000	1,030,000
G.O. tax increment bonds	1,260,000	-	(65,000)	1,195,000	70,000
Bond premium	1,251,964	349,121	(118,357)	1,482,728	-
Total Bonds Payable	<u>38,016,964</u>	<u>9,899,121</u>	<u>(2,158,357)</u>	<u>45,757,728</u>	<u>2,600,000</u>
Pension Liability					
GERF	3,258,949	-	(404,088)	2,854,861	-
PEPFF	3,510,308	-	(681,418)	2,828,890	-
Compensated Absences Payable	800,891	697,225	(615,234)	882,882	485,585
Other Postemployment Benefits Payable	<u>822,336</u>	<u>1,231,003</u>	<u>(109,430)</u>	<u>1,943,909</u>	<u>-</u>
Governmental Activity Long-term Liabilities	<u><u>\$ 46,409,448</u></u>	<u><u>\$ 11,827,349</u></u>	<u><u>\$ (3,968,527)</u></u>	<u><u>\$ 54,268,270</u></u>	<u><u>\$ 3,085,585</u></u>
Business-type Activities					
Bonds Payable					
G.O. revenue bonds	\$ 10,705,000	\$ -	\$ (775,000)	\$ 9,930,000	\$ 845,000
Bond premium	220,353	-	(20,689)	199,664	-
Bond discount	(6,164)	-	2,054	(4,110)	-
Total Bonds Payable	<u>10,919,189</u>	<u>-</u>	<u>(793,635)</u>	<u>10,125,554</u>	<u>845,000</u>
Pension Liability					
GERF	443,733	-	(42,160)	401,573	-
Compensated Absences Payable	44,009	35,421	(39,287)	40,143	22,079
Other Postemployment Benefits Payable	<u>46,877</u>	<u>115,982</u>	<u>(2,467)</u>	<u>160,392</u>	<u>-</u>
Business-type Activity Long-term Liabilities	<u><u>\$ 11,453,808</u></u>	<u><u>\$ 151,403</u></u>	<u><u>\$ (877,549)</u></u>	<u><u>\$ 10,727,662</u></u>	<u><u>\$ 867,079</u></u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

F. Fund Balance Classification

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving	TIF Districts	Other Governmental Funds	Total
Nonspendable							
Notes receivable	\$ 69,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,900
Advances to other funds	43,865	-	-	-	-	-	43,865
Prepaid items	126,222	-	-	-	-	-	126,222
Total Nonspendable	\$ 239,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,987
Restricted for							
Debt service	\$ -	\$ -	\$ 6,227,778	\$ -	\$ -	\$ -	\$ 6,227,778
Capital Improvements	-	-	-	887,999	-	-	887,999
Economic development	-	-	-	-	342,240	-	342,240
Police	-	-	-	-	-	5,672	5,672
Fire	-	-	-	-	-	215	215
Total Restricted	\$ -	\$ -	\$ 6,227,778	\$ 887,999	\$ 342,240	\$ 5,887	\$ 7,463,904
Committed to							
Economic development	\$ -	\$ 3,104,171	\$ -	\$ -	\$ -	\$ -	\$ 3,104,171
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	143,598	143,598
Total committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,598	\$ 3,247,769
Assigned to							
Street maintenance	\$ -	\$ -	\$ -	\$ 161,739	\$ -	\$ -	\$ 161,739
Equipment acquisition	-	-	-	-	-	1,379,193	1,379,193
Technology replacement	-	-	-	-	-	158,171	158,171
Park improvements	-	-	-	-	-	741,431	741,431
Capital facilities	-	-	-	-	-	464,288	464,288
Total Assigned	\$ -	\$ -	\$ -	\$ 161,739	\$ -	\$ 2,743,083	\$ 2,904,822

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 the Coordinated Plan. Coordinated Plan members are covered by Social Security.

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.

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. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years 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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

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. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

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

Plan members were required to contribute 6.50 percent of their annual covered salary and the City was required to contribute 7.50 percent of pay for Coordinated Plan members in fiscal year 2018. The City's contributions to the GERF for the years ending December 31, 2018, 2017 and 2016 were \$294,604, \$292,968 and \$269,660, respectively. The City's contributions were equal to the required contributions for each year as set by Minnesota statute.

PEPFF Contributions

Plan members were required to contribute 10.80 percent of their annual covered salary and the City was required to contribute 16.20 percent of pay for members in fiscal year 2018. The City's contributions to the PEPFF for the years ending December 31, 2018, 2017 and 2016 were \$463,200, \$443,980 and \$411,042, 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, 2018, the City reported a liability of \$3,256,435 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 \$16 million to the fund in 2018. 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 \$106,948. The net pension liability was measured as of June 30, 2018, 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 proportionate share 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, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.0587 percent which was an increase of 0.0007 percent from its proportion measured as of June 30, 2017.

City's Proportionate Share of the Net Pension Liability	\$ 3,256,435
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	106,948
	106,948
Total	\$ 3,363,383

For the year ended December 31, 2018, the City recognized pension expense of \$218,085 for its proportionate share of GERF's pension expense. In addition, the City recognized \$24,940 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2018, the City reported its proportionate share of GERS'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	\$ 86,411	\$ 101,725
Changes in Actuarial Assumptions	313,760	365,897
Net Difference Between Projected and Actual Earnings on Plan Investments	-	335,795
Changes in Proportion	121,660	2
Contributions to GERS Subsequent to the Measurement Date	147,607	-
Total	\$ 669,438	\$ 803,419

Deferred outflows of resources totaling \$147,607 related to pensions resulting from the City's contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to GERS pensions will be recognized in pension expense as follows:

2019	\$ 161,575
2020	(125,370)
2021	(249,815)
2022	(67,978)

PEPFF Pension Costs

At December 31, 2018, the City reported a liability of \$2,828,891 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.2654 percent which was an increase of 0.0054 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$104,156 for its proportionate share of PEPFF's pension expense. The City also recognized \$23,886 for the year ended December 31, 2018 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, 2018

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2018, 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	\$ 114,781	\$ 697,247
Changes in Actuarial Assumptions	3,664,269	4,164,494
Net Difference Between Projected and Actual Earnings on Plan Investments	-	583,193
Changes in Proportion	131,810	52,201
Contributions to PEPFF Subsequent to the Measurement Date	232,014	-
Total	\$ 4,142,874	\$ 5,497,135

Deferred outflows of resources totaling \$232,014 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to PEPFF pensions will be recognized in pension expense as follows:

2019	\$ 97,951
2020	(179,919)
2021	(410,246)
2022	(1,101,273)
2023	7,212

E. Actuarial Assumptions

The total pension liability in the June 30, 2018 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 disabilitants were based on RP-2014 tables for all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for GERF and 1.0 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the GERF plan was completed in 2015. The most recent four-year experience study for PEPFF was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following changes in actuarial assumptions occurred in 2018:

GERF

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

PEPFF

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

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	36.0 %	5.10 %
International Stocks	17.0	5.30
Bonds (Fixed Income)	20.0	0.75
Alternative Assets (Private Markets)	25.0	5.90
Cash	<u>2.0</u>	-
Total	<u><u>100.0 %</u></u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.5 percent. 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 and PEPFF were 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, 2018

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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	\$ 5,292,124	\$ 3,256,434
PEPFF	6,065,319	2,828,890	152,499

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.

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 (0.25 percent) 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 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,518	\$ 1,518	5.00%	5.00%	5.00%

The City's contributions to the PEDCP for the years ended December 31, 2018, 2017 and 2016 were \$1,518, \$1,518 and \$2,333, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 6: Postemployment Benefits Other Than Pensions

A. Plan Description

In addition to providing the pension benefits described in Note 5, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B. Benefits Provided

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

All health care benefits are provided through the City's group health insurance plans. The retiree pays 100 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

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	14
Active Plan Members	79
	<hr/>
Total Plan Members	93
	<hr/> <hr/>

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. For the year ended December 31, 2018, the City's average contribution rate was 30.14 percent of covered-employee payroll. For the year 2018, the City directly contributed \$60,902 to the Plan, while implicit contributions totaled \$83,152.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 6: Postemployment Benefits Other Than Pensions (Continued)

E. Actuarial Methods and Assumptions

The City's total OPEB liability of \$2,104,301 was measured as of December 31, 2017, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2017. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.31%
20-Year Municipal Bond Yield	3.31%
Inflation Rate	2.75%
Medical Trend Rate	6.80% in 2017 gradually decreasing to 4.40% over several deca

The discount rate used to measure the total OPEB liability was 3.31 percent.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

Health care cost trend rate was 6.80 percent for FY 2017, gradually decreasing over several decades to an ultimate rate of 4.40% in FY 2074 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.35 percent beginning calendar year 2022 for plans other than Medicare plans.

The actuarial assumptions used in the January 1, 2017 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

F. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
	<u> </u>
Balances at December 31, 2017	\$ 1,980,626
Changes for the Year:	
Service cost	70,152
Interset	76,384
Changes in benefit terms	69,036
Benefit payments	(91,897)
Net Changes	<u>123,675</u>
Balances at December 31, 2018	<u>\$ 2,104,301</u>

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 6: Postemployment Benefits Other Than Pensions (Continued)

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.81% to 3.31%.
- The index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination changed from 3.81% to 3.31%.
- The health care trend rates were changed to better anticipate short term and long term medical increases.
- Rates from base RP-2014 headcount-weighted table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.

Since the prior measurement date there have been no changes to the benefit terms.

G. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.31 percent) or 1-percentage-point higher (4.31 percent) than the current discount rate:

1 Percent Decrease (2.31%)	Current (3.31%)	1 Percent Increase (4.31%)
\$ 2,250,586	\$ 2,104,301	\$ 1,968,924

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.8 percent decreasing to 3.4 percent) or 1-percentage-point higher (7.8 percent increasing to 5.4 percent) than the current trend rate:

1 Percent Decrease (5.8% Decreasing to 3.4%)	Healthcare Cost Trend Rates (6.8% Decreasing to 4.4%)	1 Percent Increase (7.8% Decreasing to 5.4%)
\$ 1,925,981	\$ 2,104,301	\$ 2,307,741

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized negative OPEB expense of \$20,380. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to OPEB Subsequent to the Measurement Date	\$ 144,054	\$ -

Deferred outflows of resources totaling \$144,054 related to pension resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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.

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 2018 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

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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.

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, 2018, there was one series of Housing Revenue Bonds outstanding as follows:

Description	Amount Issued	Balance at Year End
2017 Walker Methodist Refinancing Bond	<u>\$ 29,240,000</u>	<u>\$ 28,020,000</u>

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.

City of West St. Paul, Minnesota
Notes to the Financial Statements
December 31, 2018

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: Change in Accounting Principle

During fiscal year 2018, the City implemented a new accounting pronouncement issued by the Government Accounting Standards Board (GASB), Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2018 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 1.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2017 balances to the December 31, 2018 financial statements:

Fund	Net Position January 1, 2018 as Previously Reported	Prior Period Restatement	Net Position January 1, 2018 as Restated
Governmental Activities	\$ 27,438,535	\$ (1,031,862)	\$ 26,406,673
Business-type Activities	\$ 15,065,920	\$ (79,551)	\$ 14,986,369
Business-type Activities			
Storm Sewer	\$ 4,378,135	\$ (1,574)	\$ 4,376,561
Sanitary Sewer	3,624,053	(53,644)	3,570,409
Recreation	7,063,732	(24,333)	7,039,399
Total Business-type Activities	\$ 15,065,920	\$ (79,551)	\$ 14,986,369

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REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED
DECEMBER 31, 2018

City of West St. Paul, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2018

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement Fund

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
06/30/18	0.0587 %	\$ 3,256,434	\$ 106,948	\$ 3,363,382	\$3,935,338	85.5 %	79.5 %
06/30/17	0.0580	3,702,682	46,570	3,749,252	3,737,414	100.3	75.9
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

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)
12/31/18	\$ 294,604	\$ 294,604	\$ -	\$ 3,928,058	7.5 %
12/31/17	292,968	292,968	-	3,906,241	7.5
12/31/16	269,660	269,660	-	3,595,467	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, 2018

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - 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.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of West St. Paul, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2018

Schedule of Employer's Share of PERA Net Pension Liability - Public Employees Police and Fire Fund

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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/18	0.2654 %	\$ 2,828,890	\$ -	\$ 2,828,890	\$ 2,797,151	101.1 %	88.8 %
06/30/17	0.2600	3,510,308	-	3,510,308	2,665,352	131.7	85.4
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

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)
12/31/18	\$ 463,200	\$ 463,200	\$ -	\$ 2,859,258	16.2 %
12/31/17	443,980	443,980	-	2,740,619	16.2
12/31/16	411,042	411,042	-	2,537,297	16.2
12/31/15	408,245	408,245	-	2,524,529	16.2

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, 2018

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - 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.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of West St. Paul, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2018

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service cost	\$ 70,152
Interest	76,384
Changes in assumptions	69,036
Benefit payments	(91,897)
Net Change in Total OPEB Liability	123,675
Total OPEB Liability - Beginning	1,980,626
Total OPEB Liability - Ending	\$ 2,104,301
Covered - Payroll	\$ 6,980,780
City's Total OPEB Liability as a Percentage of Covered Payroll	30.14 %

Benefit Changes:

In 2018, there were no changes to the benefit terms.

Changes in Assumptions:

In 2018, the following assumptions changes:

The health care trend rates were changed to better anticipate short term and long term medical increases.

Rates from base RP-2014 headcount-weighted table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.

The index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination changed from 3.81% to 3.31%.

The discount rate was changed from 3.81% to 3.31%.

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

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

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

FOR THE YEAR ENDED
DECEMBER 31, 2018

City of West St. Paul, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2018

	Special Revenue	Capital Projects	Total
Assets			
Cash and temporary investments	\$ 138,494	\$ 2,759,571	\$ 2,898,065
Receivables			
Accounts	8,372	114,500	122,872
Accrued interest	64	11,281	11,345
Due from other governments	6,917	-	6,917
Total Assets	\$ 153,847	\$ 2,885,352	\$ 3,039,199
Liabilities			
Accounts payable	\$ 2,109	\$ 13,039	\$ 15,148
Due to other governments	8,140	122,382	130,522
Unearned revenue	-	1,704	1,704
Advances from other funds	10,613	33,252	43,865
Total Liabilities	20,862	170,377	191,239
Fund Balances			
Restricted	-	5,887	5,887
Committed	143,598	-	143,598
Assigned	-	2,743,083	2,743,083
Unassigned	(10,613)	(33,995)	(44,608)
Total Fund Balances	132,985	2,714,975	2,847,960
Total Liabilities and Fund Balances	\$ 153,847	\$ 2,885,352	\$ 3,039,199

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, 2018

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 393,550	\$ 187,000	\$ 580,550
Intergovernmental	-	1,341,723	1,341,723
Charges for services	-	37,509	37,509
Interest on investments	(719)	16,621	15,902
Miscellaneous			
Insurance dividends	84,435	-	84,435
Other	13,436	56,833	70,269
Total Revenues	490,702	1,639,686	2,130,388
Expenditures			
Current			
General government	191,456	3,582	195,038
Public safety	207,068	-	207,068
Public works	119,291	6,905	126,196
Parks and recreation	56,916	10,360	67,276
Capital outlay			
General government	-	1,196,743	1,196,743
Public safety	-	7,583	7,583
Public works	-	353,134	353,134
Parks and recreation	-	438,948	438,948
Total Expenditures	574,731	2,017,255	2,591,986
Deficiency of Revenues			
Under Expenditures	(84,029)	(377,569)	(461,598)
Other Financing Sources (Uses)			
Transfers in	-	717,782	717,782
Transfers out	-	(45,417)	(45,417)
Total Other Financing Sources (Uses)	-	672,365	672,365
Net Change in Fund Balances	(84,029)	294,796	210,767
Fund Balances, January 1	217,014	2,420,179	2,637,193
Fund Balances, December 31	\$ 132,985	\$ 2,714,975	\$ 2,847,960

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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 - 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, 2018

	201	212	
	Community Events	Insurance	Total
Assets			
Cash and temporary investments	\$ -	\$ 138,494	\$ 138,494
Receivables			
Accounts	-	8,372	8,372
Accrued interest	-	64	64
Due from other governments	-	6,917	6,917
 Total Assets	 \$ -	 \$ 153,847	 \$ 153,847
Liabilities			
Accounts payable	\$ -	\$ 2,109	\$ 2,109
Due to other governments	-	8,140	8,140
Due to other funds	10,613	-	10,613
Total Liabilities	10,613	10,249	20,862
 Fund Balances			
Committed	-	143,598	143,598
Unassigned	(10,613)	-	(10,613)
Total Fund Balances	(10,613)	143,598	132,985
 Total Liabilities and Fund Balances	 \$ -	 \$ 153,847	 \$ 153,847

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, 2018

	201	212	
	Community Events	Insurance	Total
Revenues			
Taxes	\$ -	\$ 393,550	\$ 393,550
Interest on investments	12	(731)	(719)
Miscellaneous			
Insurance dividends	-	84,435	84,435
Other	13,436	-	13,436
Total Revenues	<u>13,448</u>	<u>477,254</u>	<u>490,702</u>
Expenditures			
Current			
General government	23,599	167,857	191,456
Public safety	-	207,068	207,068
Public works	-	119,291	119,291
Parks and recreation	-	56,916	56,916
Total Expenditures	<u>23,599</u>	<u>551,132</u>	<u>574,731</u>
Net Change in Fund Balances	(10,151)	(73,878)	(84,029)
Fund Balances, January 1	<u>(462)</u>	<u>217,476</u>	<u>217,014</u>
Fund Balances, December 31	<u>\$ (10,613)</u>	<u>\$ 143,598</u>	<u>\$ 132,985</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 393,550	\$ 393,550	\$ 393,550	\$ -
Interest on investments	3,000	3,000	(731)	(3,731)
Miscellaneous				
Insurance dividends	39,500	39,500	84,435	44,935
Total Revenues	<u>436,050</u>	<u>436,050</u>	<u>477,254</u>	<u>41,204</u>
Expenditures				
Current				
General government	31,400	31,400	42,103	(10,703)
Public safety	172,000	172,000	207,068	(35,068)
Public works	94,100	94,100	119,291	(25,191)
Parks and recreation	59,500	59,500	56,916	2,584
Unallocated	79,050	79,050	125,754	(46,704)
Total Expenditures	<u>436,050</u>	<u>436,050</u>	<u>551,132</u>	<u>(115,082)</u>
Net Change in Fund Balances	-	-	(73,878)	(73,878)
Fund Balances, January 1	<u>217,476</u>	<u>217,476</u>	<u>217,476</u>	-
Fund Balances, December 31	<u>\$ 217,476</u>	<u>\$ 217,476</u>	<u>\$ 143,598</u>	<u>\$ (73,878)</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 - 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.

Public Works Facility - used to account for costs associated with construction and capital costs relating to public works facility. Funding is provided through a combination of bond proceeds and transfers from other funds.

River to River Trail - used to account for costs associated with constructions and capital costs relating to the River to River trail. Funding is provided through miscellaneous revenues and transfers from other funds.

City of West St. Paul, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2018

	401	409	411	413
	<u>Vehicle and Equipment</u>	<u>Police and Fire PERA</u>	<u>Technology Replacement</u>	<u>Parks Improvement</u>
Assets				
Cash and temporary investments	\$ 1,387,997	\$ 5,665	\$ 159,469	\$ 744,695
Receivable				
Accounts	112,000	-	-	-
Accrued interest	<u>6,135</u>	<u>222</u>	<u>669</u>	<u>3,599</u>
 Total Assets	 <u><u>\$ 1,506,132</u></u>	 <u><u>\$ 5,887</u></u>	 <u><u>\$ 160,138</u></u>	 <u><u>\$ 748,294</u></u>
Liabilities				
Accounts payable	\$ 4,557	\$ -	\$ 1,967	\$ 5,159
Due to other governments	122,382	-	-	-
Unearned revenue	-	-	-	1,704
Advances from other funds	-	-	-	-
Total Liabilities	<u>126,939</u>	<u>-</u>	<u>1,967</u>	<u>6,863</u>
Fund Balances				
Restricted	-	5,887	-	-
Assigned	1,379,193	-	158,171	741,431
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,379,193</u>	<u>5,887</u>	<u>158,171</u>	<u>741,431</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 1,506,132</u></u>	 <u><u>\$ 5,887</u></u>	 <u><u>\$ 160,138</u></u>	 <u><u>\$ 748,294</u></u>

415 Government Facilities	420 Public Works Facility	421 River to River Trail	Total
\$ 461,745	\$ -	\$ -	\$ 2,759,571
2,500	-	-	114,500
656	-	-	11,281
<u>\$ 464,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885,352</u>
\$ 613	\$ -	\$ 743	\$ 13,039
-	-	-	122,382
-	-	-	1,704
-	22,101	11,151	33,252
<u>613</u>	<u>22,101</u>	<u>11,894</u>	<u>170,377</u>
-	-	-	5,887
464,288	-	-	2,743,083
-	(22,101)	(11,894)	(33,995)
<u>464,288</u>	<u>(22,101)</u>	<u>(11,894)</u>	<u>2,714,975</u>
<u>\$ 464,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885,352</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, 2018

	401	409	411	413
	Vehicle and Equipment	Police and Fire PERA	Technology Replacement	Parks Improvement
Revenues				
Taxes				
Property taxes	\$ 75,000	\$ -	\$ -	\$ -
Franchise tax	112,000	-	-	-
Intergovernmental	65,000	-	97,500	267,000
Charges for services	-	-	-	37,509
Interest on investments	7,957	(10)	1,007	5,468
Miscellaneous	-	-	-	54,333
Total Revenues	259,957	(10)	98,507	364,310
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay				
General government	113,721	-	61,920	-
Public safety	-	7,583	-	-
Public works	351,243	-	1,891	-
Parks and recreation	97,210	-	6,200	335,538
Total Expenditures	562,174	7,583	70,011	335,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	(302,217)	(7,593)	28,496	28,772
Other Financing Sources (Uses)				
Transfers in	358,891	-	-	-
Transfers out	-	(45,417)	-	-
Total Other Financing Sources (Uses)	358,891	(45,417)	-	-
Net Change in Fund Balances	56,674	(53,010)	28,496	28,772
Fund Balances, January 1	1,322,519	58,897	129,675	712,659
Fund Balances, December 31	\$ 1,379,193	\$ 5,887	\$ 158,171	\$ 741,431

415 Government Facilities	420 Public Works Facility	421 River to River Trail	Total
\$ -	\$ -	\$ -	\$ 75,000
-	-	-	112,000
912,223	-	-	1,341,723
-	-	-	37,509
2,199	-	-	16,621
2,500	-	-	56,833
<u>916,922</u>	<u>-</u>	<u>-</u>	<u>1,639,686</u>
3,582	-	-	3,582
-	6,905	-	6,905
-	-	10,360	10,360
1,021,102	-	-	1,196,743
-	-	-	7,583
-	-	-	353,134
-	-	-	438,948
<u>1,024,684</u>	<u>6,905</u>	<u>10,360</u>	<u>2,017,255</u>
<u>(107,762)</u>	<u>(6,905)</u>	<u>(10,360)</u>	<u>(377,569)</u>
358,891	-	-	717,782
-	-	-	(45,417)
<u>358,891</u>	<u>-</u>	<u>-</u>	<u>672,365</u>
251,129	(6,905)	(10,360)	294,796
<u>213,159</u>	<u>(15,196)</u>	<u>(1,534)</u>	<u>2,420,179</u>
<u>\$ 464,288</u>	<u>\$ (22,101)</u>	<u>\$ (11,894)</u>	<u>\$ 2,714,975</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, 2018

(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 10,023,644	\$ 10,023,644	\$ 9,936,519	\$ (87,125)	\$ 9,545,967
Franchise taxes	905,000	905,000	946,214	41,214	922,750
Water surcharge	24,000	24,000	27,229	3,229	25,833
Total taxes	<u>10,952,644</u>	<u>10,952,644</u>	<u>10,909,962</u>	<u>(42,682)</u>	<u>10,494,550</u>
Licenses and permits					
Licenses	213,500	213,500	217,246	3,746	228,667
Permits	320,000	320,000	476,607	156,607	367,541
Total licenses and permits	<u>533,500</u>	<u>533,500</u>	<u>693,853</u>	<u>160,353</u>	<u>596,208</u>
Intergovernmental					
Federal					
Other	120,000	120,000	37,111	(82,889)	77,295
State					
PERA aid	14,361	14,361	14,361	-	14,361
Police and fire aid	268,000	268,000	324,283	56,283	271,110
Municipal State Aid	40,000	40,000	40,000	-	40,000
Other	26,639	26,639	20,194	(6,445)	26,771
County	26,000	26,000	30,263	4,263	26,000
Total intergovernmental	<u>495,000</u>	<u>495,000</u>	<u>466,212</u>	<u>(28,788)</u>	<u>455,537</u>
Charges for services					
General government	292,812	292,812	302,946	10,134	270,754
Public safety	351,697	351,697	396,419	44,722	390,082
Public works	2,000	2,000	7,652	5,652	2,400
Parks and recreation	70,000	70,000	71,874	1,874	62,076
Community development	8,000	8,000	23,561	15,561	26,323
Other	-	-	-	-	3,000
Total charges for services	<u>724,509</u>	<u>724,509</u>	<u>802,452</u>	<u>77,943</u>	<u>754,635</u>
Fines and forfeitures	<u>163,000</u>	<u>163,000</u>	<u>158,754</u>	<u>(4,246)</u>	<u>239,325</u>
Special assessments	<u>38,000</u>	<u>38,000</u>	<u>66,644</u>	<u>28,644</u>	<u>92,076</u>
Interest on investments	<u>100,000</u>	<u>100,000</u>	<u>43,187</u>	<u>(56,813)</u>	<u>35,975</u>
Miscellaneous					
Refunds and reimbursements	10,000	10,000	2,864	(7,136)	23,007
Contributions and donations	20,000	20,000	10,279	(9,721)	17,600
Other	13,554	13,554	42,060	28,506	49,396
Total miscellaneous	<u>43,554</u>	<u>43,554</u>	<u>55,203</u>	<u>11,649</u>	<u>90,003</u>
Total Revenues	<u>13,050,207</u>	<u>13,050,207</u>	<u>13,196,267</u>	<u>146,060</u>	<u>12,758,309</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 55,540	\$ 55,540	\$ 55,409	\$ 131	\$ 55,409
Supplies	600	600	-	600	15
Other services and charges	89,551	89,551	78,215	11,336	94,535
Total mayor and city council	<u>145,691</u>	<u>145,691</u>	<u>133,624</u>	<u>12,067</u>	<u>149,959</u>
Management and administration					
Personal services	671,697	671,697	647,017	24,680	822,810
Supplies	8,650	8,650	4,965	3,685	6,557
Other services and charges	13,465	13,465	6,326	7,139	6,735
Total management and administration	<u>693,812</u>	<u>693,812</u>	<u>658,308</u>	<u>35,504</u>	<u>836,102</u>
Finance					
Personal services	303,559	303,559	298,433	5,126	299,613
Supplies	2,200	2,200	2,611	(411)	673
Other services and charges	20,045	20,045	18,685	1,360	31,938
Total finance	<u>325,804</u>	<u>325,804</u>	<u>319,729</u>	<u>6,075</u>	<u>332,224</u>
Marketing and communications					
Personal services	99,464	99,464	99,294	170	82,963
Supplies	35,100	35,100	19,620	15,480	21,172
Other services and charges	13,202	13,202	2,956	10,246	12,385
Total marketing and communications	<u>147,766</u>	<u>147,766</u>	<u>121,870</u>	<u>25,896</u>	<u>116,520</u>
Human relations					
Personal services	92,700	92,700	88,950	3,750	68,195
Supplies	1,800	1,800	-	1,800	-
Other services and charges	30,648	30,648	13,770	16,878	25,595
Total human relations	<u>125,148</u>	<u>125,148</u>	<u>102,720</u>	<u>22,428</u>	<u>93,790</u>
Elections					
Personal services	1,500	1,500	6,292	(4,792)	-
Supplies	2,000	2,000	477	1,523	-
Other services and charges	34,265	34,265	29,584	4,681	3,753
Total elections	<u>37,765</u>	<u>37,765</u>	<u>36,353</u>	<u>1,412</u>	<u>3,753</u>
City attorney					
Other services and charges	<u>330,000</u>	<u>330,000</u>	<u>342,936</u>	<u>(12,936)</u>	<u>345,730</u>
Charter commission					
Other services and charges	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,404</u>
General governmental buildings					
Personal services	79,946	79,946	79,325	621	74,174
Supplies	22,800	22,800	13,936	8,864	12,717
Other services and charges	105,120	105,120	111,466	(6,346)	121,250
Total general governmental buildings	<u>207,866</u>	<u>207,866</u>	<u>204,727</u>	<u>3,139</u>	<u>208,141</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Planning and zoning					
Personal services	\$ 379,749	\$ 379,749	\$ 376,572	\$ 3,177	\$ 293,569
Supplies	2,600	2,600	2,653	(53)	2,460
Other services and charges	32,230	32,230	34,566	(2,336)	52,856
Total planning and zoning	<u>414,579</u>	<u>414,579</u>	<u>413,791</u>	<u>788</u>	<u>348,885</u>
Recycling					
Personal services	45,825	45,825	45,739	86	24,803
Supplies	1,175	1,175	12,370	(11,195)	9,335
Other services and charges	11,595	11,595	4,668	6,927	2,774
Total recycling	<u>58,595</u>	<u>58,595</u>	<u>62,777</u>	<u>(4,182)</u>	<u>36,912</u>
Building inspection					
Personal services	291,132	291,132	290,169	963	334,211
Supplies	4,600	4,600	3,184	1,416	3,778
Other services and charges	62,030	62,030	42,515	19,515	43,897
Total building inspection	<u>357,762</u>	<u>357,762</u>	<u>335,868</u>	<u>21,894</u>	<u>381,886</u>
Management information systems					
Personal services	283,226	283,226	225,519	57,707	221,035
Supplies	3,500	3,500	2,389	1,111	3,195
Other services and charges	178,107	178,107	174,653	3,454	153,107
Total management information systems	<u>464,833</u>	<u>464,833</u>	<u>402,561</u>	<u>62,272</u>	<u>377,337</u>
Innovations					
Other services and charges	-	-	28,462	(28,462)	-
Total general government	<u>3,311,121</u>	<u>3,311,121</u>	<u>3,163,726</u>	<u>147,395</u>	<u>3,232,643</u>
Public safety					
Police					
Personal services	4,441,817	4,441,817	4,274,370	167,447	4,157,200
Supplies	146,000	146,000	119,983	26,017	124,016
Other services and charges	868,520	868,520	884,198	(15,678)	238,986
Total police	<u>5,456,337</u>	<u>5,456,337</u>	<u>5,278,551</u>	<u>177,786</u>	<u>4,520,202</u>
Fire					
Other services and charges	<u>2,371,791</u>	<u>2,371,791</u>	<u>2,320,454</u>	<u>51,337</u>	<u>2,290,089</u>
Dispatching					
Other services and charges	-	-	-	-	659,127

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Civil defense					
Supplies	\$ 3,000	\$ 3,000	\$ 2,575	\$ 425	\$ 3,204
Other services and charges	12,715	12,715	12,598	117	12,371
Total civil defense	<u>15,715</u>	<u>15,715</u>	<u>15,173</u>	<u>542</u>	<u>15,575</u>
Animal control					
Other services and charges	-	-	-	-	203
Total public safety	<u>7,843,843</u>	<u>7,843,843</u>	<u>7,614,178</u>	<u>229,665</u>	<u>7,485,196</u>
Public works					
Streets and highways					
Personal services	954,776	954,776	1,001,543	(46,767)	933,010
Supplies	232,725	232,725	236,166	(3,441)	183,402
Other services and charges	58,208	58,208	59,657	(1,449)	63,921
Total streets and highways	<u>1,245,709</u>	<u>1,245,709</u>	<u>1,297,366</u>	<u>(51,657)</u>	<u>1,180,333</u>
Engineering					
Personal services	190,836	190,836	174,297	16,539	171,995
Supplies	3,000	3,000	2,354	646	3,102
Other services and charges	11,330	11,330	9,530	1,800	11,245
Total engineering	<u>205,166</u>	<u>205,166</u>	<u>186,181</u>	<u>18,985</u>	<u>186,342</u>
Facility					
Supplies	4,700	4,700	4,056	644	3,648
Other services and charges	65,557	65,557	65,869	(312)	67,781
Total facility	<u>70,257</u>	<u>70,257</u>	<u>69,925</u>	<u>332</u>	<u>71,429</u>
Street lighting					
Supplies	6,025	6,025	4,802	1,223	2,964
Other services and charges	136,000	136,000	125,049	10,951	110,854
Total street lighting	<u>142,025</u>	<u>142,025</u>	<u>129,851</u>	<u>12,174</u>	<u>113,818</u>
Total public works	<u>1,663,157</u>	<u>1,663,157</u>	<u>1,683,323</u>	<u>(20,166)</u>	<u>1,551,922</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	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	\$ 690,445	\$ 690,445	\$ 643,439	\$ 47,006	\$ 629,859
Supplies	76,000	76,000	72,677	3,323	61,355
Other services and charges	198,641	198,641	166,350	32,291	162,640
Total parks and recreation	<u>965,086</u>	<u>965,086</u>	<u>882,466</u>	<u>82,620</u>	<u>853,854</u>
Total current	<u>13,783,207</u>	<u>13,783,207</u>	<u>13,343,693</u>	<u>439,514</u>	<u>13,123,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(733,000)</u>	<u>(733,000)</u>	<u>(147,426)</u>	<u>585,574</u>	<u>(365,306)</u>
Other Financing Sources (Uses)					
Transfers in	725,000	725,000	695,417	(29,583)	720,213
Sale of capital assets	8,000	8,000	28,004	20,004	13,574
Transfers out	-	-	(1,435,564)	(1,435,564)	(7,682)
Total Other Financing Sources (Uses)	<u>733,000</u>	<u>733,000</u>	<u>(712,143)</u>	<u>(1,445,143)</u>	<u>726,105</u>
Net Change in Fund Balances	-	-	(859,569)	(859,569)	360,799
Fund Balances, January 1	<u>9,705,489</u>	<u>9,705,489</u>	<u>9,705,489</u>	<u>-</u>	<u>9,344,690</u>
Fund Balances, December 31	<u>\$ 9,705,489</u>	<u>\$ 9,705,489</u>	<u>\$ 8,845,920</u>	<u>\$ (859,569)</u>	<u>\$ 9,705,489</u>

City of West St. Paul, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2018

	300	325	328	329
	Debt Retirement	2009 G.O. Refunding Bonds	2010 G.O. Improvement Bonds	2012 G.O. Improvement Bonds
Assets				
Cash and temporary investments	\$ 1,827,684	\$ -	\$ 168,168	\$ 813,208
Receivables				
Accrued interest	1,481	-	3,823	3,193
Special assessments	-	-	34,456	127,955
Due from other governments	-	-	269	3,860
	<u>1,829,165</u>	<u>-</u>	<u>206,716</u>	<u>948,216</u>
Total Assets	<u>\$ 1,829,165</u>	<u>\$ -</u>	<u>\$ 206,716</u>	<u>\$ 948,216</u>
 Deferred Inflows of Resources				
Unavailable revenues - special assessments	\$ -	\$ -	\$ 34,456	\$ 127,955
 Fund Balances				
Restricted for debt service	<u>1,829,165</u>	<u>-</u>	<u>172,260</u>	<u>820,261</u>
	<u>1,829,165</u>	<u>-</u>	<u>206,716</u>	<u>948,216</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,829,165</u>	<u>\$ -</u>	<u>\$ 206,716</u>	<u>\$ 948,216</u>

330 2013 G.O. Improvement Bonds	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds	334 2015B G.O. Refunding Bonds	335 2015C G.O. Tax Increment Refunding Bonds	336 2016B G.O. Improvement Bonds
\$ 105,279	\$ 331,876	\$ 432,541	\$ 417,148	\$ 22,688	\$ 10,660	\$ 378,647
90	689	1,266	3,111	244	-	679
48,692	-	29,994	38	457	-	-
-	-	-	-	397	-	-
<u>\$ 154,061</u>	<u>\$ 332,565</u>	<u>\$ 463,801</u>	<u>\$ 420,297</u>	<u>\$ 23,786</u>	<u>\$ 10,660</u>	<u>\$ 379,326</u>
\$ 48,692	\$ -	\$ 29,994	\$ 38	\$ 457	\$ -	\$ -
<u>105,369</u>	<u>332,565</u>	<u>433,807</u>	<u>420,259</u>	<u>23,329</u>	<u>10,660</u>	<u>379,326</u>
<u>\$ 154,061</u>	<u>\$ 332,565</u>	<u>\$ 463,801</u>	<u>\$ 420,297</u>	<u>\$ 23,786</u>	<u>\$ 10,660</u>	<u>\$ 379,326</u>

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City of West St. Paul, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2018

	337 2017A G.O Improvement Bonds	338 2017B G.O Improvement Bonds	339 2018A G.O Improvement Bonds	Total
Assets				
Cash and temporary investments	\$ 919,993	\$ 573,311	\$ 199,421	\$ 6,200,624
Receivables				
Accrued interest	3,289	1,110	276	19,251
Special assessments	463,831	264,681	-	970,104
Due from other governments	3,377	-	-	7,903
	<u>3,377</u>	<u>-</u>	<u>-</u>	<u>7,903</u>
 Total Assets	 <u>\$ 1,390,490</u>	 <u>\$ 839,102</u>	 <u>\$ 199,697</u>	 <u>\$ 7,197,882</u>
 Deferred Inflows of Resources				
Unavailable revenues - special assessments	\$ 463,831	\$ 264,681	\$ -	\$ 970,104
 Fund Balances				
Restricted for debt service	<u>926,659</u>	<u>574,421</u>	<u>199,697</u>	<u>6,227,778</u>
 Total Deferred Inflows of Resources and Fund Balance	 <u>\$ 1,390,490</u>	 <u>\$ 839,102</u>	 <u>\$ 199,697</u>	 <u>\$ 7,197,882</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, 2018

	300	325	328	329
	Debt Retirement	2009 G.O. Refunding Bonds	2010 G.O. Improvement Bonds	2012 G.O. Improvement Bonds
Revenues				
Taxes	\$ -	\$ -	\$ 125,396	\$ 288,444
Special assessments	-	1,886	37,564	55,372
Interest on investments	7,667	(371)	4,023	5,878
Total Revenues	<u>7,667</u>	<u>1,515</u>	<u>166,983</u>	<u>349,694</u>
Expenditures				
Debt service				
Principal	-	-	160,000	425,000
Interest and other charges	999	14	53,407	23,141
Total Expenditures	<u>999</u>	<u>14</u>	<u>213,407</u>	<u>448,141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,668</u>	<u>1,501</u>	<u>(46,424)</u>	<u>(98,447)</u>
Other Financing Sources (Uses)				
Transfers in	1,822,497	-	-	-
Bonds issued	-	-	-	-
Transfers out	-	(37,050)	(750,000)	-
Total Other Financing Sources (Uses)	<u>1,822,497</u>	<u>(37,050)</u>	<u>(750,000)</u>	<u>-</u>
Net Change in Fund Balances	1,829,165	(35,549)	(796,424)	(98,447)
Fund Balances, January 1	<u>-</u>	<u>35,549</u>	<u>968,684</u>	<u>918,708</u>
Fund Balances, December 31	<u>\$ 1,829,165</u>	<u>\$ -</u>	<u>\$ 172,260</u>	<u>\$ 820,261</u>

330 2013 G.O. Improvement Bonds	331 2014A Tax Abatement Bonds	332 2014B G.O. Improvement Bonds	333 2015A Refunding Bonds	334 2015B G.O. Refunding Bonds	335 2015C G.O. Tax Increment Refunding Bonds	336 2016B G.O. Improvement Bonds
\$ 150,000	\$ 340,784	\$ 312,246	\$ 478,478	\$ 127,996	\$ -	\$ 409,392
23,171	-	6,854	766	2,326	-	-
366	1,961	2,523	4,299	622	(20)	2,317
<u>173,537</u>	<u>342,745</u>	<u>321,623</u>	<u>483,543</u>	<u>130,944</u>	<u>(20)</u>	<u>411,709</u>
150,000	200,000	290,000	380,000	115,000	65,000	255,000
21,927	122,006	118,728	182,080	14,797	29,548	107,921
<u>171,927</u>	<u>322,006</u>	<u>408,728</u>	<u>562,080</u>	<u>129,797</u>	<u>94,548</u>	<u>362,921</u>
<u>1,610</u>	<u>20,739</u>	<u>(87,105)</u>	<u>(78,537)</u>	<u>1,147</u>	<u>(94,568)</u>	<u>48,788</u>
-	-	-	-	-	94,523	-
-	-	-	-	-	-	-
-	-	-	(533,000)	-	-	-
-	-	-	(533,000)	-	94,523	-
1,610	20,739	(87,105)	(611,537)	1,147	(45)	48,788
<u>103,759</u>	<u>311,826</u>	<u>520,912</u>	<u>1,031,796</u>	<u>22,182</u>	<u>10,705</u>	<u>330,538</u>
<u>\$ 105,369</u>	<u>\$ 332,565</u>	<u>\$ 433,807</u>	<u>\$ 420,259</u>	<u>\$ 23,329</u>	<u>\$ 10,660</u>	<u>\$ 379,326</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, 2018

	337 2017A G.O Improvement Bonds	338 2017B G.O Improvement Bonds	339 2018A G.O Improvement Bonds	Total
Revenues				
Taxes	\$ 336,958	\$ 466,674	\$ -	\$ 3,036,368
Special assessments	114,004	90,894	-	332,837
Interest on investments	6,348	3,103	1,577	40,293
Total Revenues	<u>457,310</u>	<u>560,671</u>	<u>1,577</u>	<u>3,409,498</u>
Expenditures				
Debt service				
Principal	-	-	-	2,040,000
Interest and other charges	190,871	202,830	-	1,068,269
Total Expenditures	<u>190,871</u>	<u>202,830</u>	<u>-</u>	<u>3,108,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>266,439</u>	<u>357,841</u>	<u>1,577</u>	<u>301,229</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,917,020
Bonds issued	-	-	198,120	198,120
Transfers out	-	-	-	(1,320,050)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>198,120</u>	<u>795,090</u>
Net Change in Fund Balances	266,439	357,841	199,697	1,096,319
Fund Balances, January 1	<u>660,220</u>	<u>216,580</u>	<u>-</u>	<u>5,131,459</u>
Fund Balances, December 31	<u>\$ 926,659</u>	<u>\$ 574,421</u>	<u>\$ 199,697</u>	<u>\$ 6,227,778</u>

City of West St. Paul, Minnesota

TIF Districts

Combining Balance Sheet

December 31, 2018

	451 TIF 1-2	452 TIF 1-3	453 TIF 1-4	Total
Assets				
Cash and temporary investments	\$ 337,213	\$ 67,099	\$ 36,904	\$ 441,216
Receivables				
Accrued interest	2,172	562	185	2,919
Due from other governments	-	8,892	-	8,892
	<u>-</u>	<u>8,892</u>	<u>-</u>	<u>8,892</u>
Total Assets	<u>\$ 339,385</u>	<u>\$ 76,553</u>	<u>\$ 37,089</u>	<u>\$ 453,027</u>
Liabilities				
Accounts payable	\$ 24,234	\$ -	\$ -	\$ 24,234
Deposits payable	10,000	30,798	-	40,798
Advances from other funds	-	1,159,676	-	1,159,676
Total Liabilities	<u>34,234</u>	<u>1,190,474</u>	<u>-</u>	<u>1,224,708</u>
Fund Balances				
Restricted	305,151	-	37,089	342,240
Unassigned	-	(1,113,921)	-	(1,113,921)
Total Fund Balances	<u>305,151</u>	<u>(1,113,921)</u>	<u>37,089</u>	<u>(771,681)</u>
Total Liabilities and Fund Balance	<u>\$ 339,385</u>	<u>\$ 76,553</u>	<u>\$ 37,089</u>	<u>\$ 453,027</u>

City of West St. Paul, Minnesota
TIF Districts
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2018

	451 TIF 1-2	452 TIF 1-3	453 TIF 1-4	Total
Revenues				
Tax increments	\$ 176,203	\$ 85,790	\$ -	\$ 261,993
Interest on investments	3,802	1,043	183	5,028
Total Revenues	<u>180,005</u>	<u>86,833</u>	<u>183</u>	<u>267,021</u>
Expenditures				
Current				
Economic development	<u>85,283</u>	<u>49,251</u>	<u>775</u>	<u>135,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,722	37,582	(592)	131,712
Other Financing Uses				
Transfers out	<u>(94,523)</u>	<u>-</u>	<u>-</u>	<u>(94,523)</u>
Net Change in Fund Balances	199	37,582	(592)	37,189
Fund Balances, January 1	<u>304,952</u>	<u>(1,151,503)</u>	<u>37,681</u>	<u>(808,870)</u>
Fund Balances, December 31	<u><u>\$ 305,151</u></u>	<u><u>\$ (1,113,921)</u></u>	<u><u>\$ 37,089</u></u>	<u><u>\$ (771,681)</u></u>

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Net Position
December 31, 2018

Business-type Activities - Enterprise Funds

	<u>613</u>	<u>615</u>	<u>616</u>	<u>617</u>	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
Assets					
Current Assets					
Cash and temporary investments	\$ 12,348	\$ 154,919	\$ 122,871	\$ 1,648,681	\$ 1,938,819
Receivables					
Accrued interest	61	224	181	6,981	7,447
Accounts	-	97,024	-	23,440	120,464
Total Current Assets	<u>12,409</u>	<u>252,167</u>	<u>123,052</u>	<u>1,679,102</u>	<u>2,066,730</u>
Noncurrent Assets					
Capital assets					
Land	1,070,302	32,296	30,625	-	1,133,223
Buildings	276,975	3,953,119	1,719,949	7,194,013	13,144,056
Machinery and equipment	247,505	150,435	-	77,866	475,806
Less accumulated depreciation	(455,148)	(1,816,446)	(932,783)	(1,340,302)	(4,544,679)
Net Capital Assets	<u>1,139,634</u>	<u>2,319,404</u>	<u>817,791</u>	<u>5,931,577</u>	<u>10,208,406</u>
Total Assets	<u>1,152,043</u>	<u>2,571,571</u>	<u>940,843</u>	<u>7,610,679</u>	<u>12,275,136</u>
Deferred Inflows of Resources					
Deferred pension resources	2,297	17,046	-	-	19,343
Deferred other postemployment benefits	-	2,681	-	-	2,681
Total Deferred Inflows of Resources	<u>2,297</u>	<u>19,727</u>	<u>-</u>	<u>-</u>	<u>22,024</u>
Liabilities					
Current Liabilities					
Accounts payable	661	8,723	547	30,072	40,003
Accrued salaries payable	-	6,764	-	-	6,764
Due to other governments	637	281	-	104	1,022
Accrued interest payable	576	-	-	41,436	42,012
Unearned revenue	-	-	-	91,076	91,076
Compensated absences payable - current	-	8,649	-	-	8,649
Bonds payable - current	45,000	-	-	215,000	260,000
Total Current Liabilities	<u>46,874</u>	<u>24,417</u>	<u>547</u>	<u>377,688</u>	<u>449,526</u>

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Net Position (Continued)
December 31, 2018

Business-type Activities - Enterprise Funds

	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
Noncurrent Liabilities					
Other postemployment benefits	\$ -	\$ 39,159	\$ -	\$ -	\$ 39,159
Compensated absences payable	-	7,076	-	-	7,076
Pension liability	11,099	82,909	-	-	94,008
Bonds payable	200,000	-	-	4,056,228	4,256,228
Total Noncurrent Liabilities	211,099	129,144	-	4,056,228	4,396,471
Total Liabilities	257,973	153,561	547	4,433,916	4,845,997
Deferred Inflows of Resources					
Deferred pension resources	2,706	20,363	-	-	23,069
Net Position					
Net investment in capital assets	894,634	2,319,404	817,791	1,660,349	5,692,178
Unrestricted	(973)	97,970	122,505	1,516,414	1,735,916
Total Net Position	\$ 893,661	\$ 2,417,374	\$ 940,296	\$ 3,176,763	\$ 7,428,094

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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, 2018

	Business-type Activities - Enterprise Funds				Totals
	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	
Operating Revenues					
Charges for services	\$ -	\$ 257,373	\$ 1,920	\$ 755,471	\$ 1,014,764
Operating Expenses					
Personal services	(3,338)	152,537	-	-	149,199
Supplies	724	7,035	9,376	20,191	37,326
Professional services	2,968	7,759	1,641	82,358	94,726
Insurance	3,290	7,237	4,506	6,835	21,868
Utilities	2,519	79,486	15,732	145,747	243,484
Repairs and maintenance	-	20,624	513	151,911	173,048
Depreciation	12,514	127,781	48,970	246,297	435,562
Total Operating Expenses	<u>18,677</u>	<u>402,459</u>	<u>80,738</u>	<u>653,339</u>	<u>1,155,213</u>
Operating Income (Loss)	<u>(18,677)</u>	<u>(145,086)</u>	<u>(78,818)</u>	<u>102,132</u>	<u>(140,449)</u>
Nonoperating Revenues (Expenses)					
Property taxes	-	-	152,146	331,084	483,230
Interest income (expense)	(97)	658	805	10,488	11,854
Miscellaneous	5,019	103,760	-	9,220	117,999
Interest expense	129	-	-	(99,280)	(99,151)
Total Nonoperating Revenues (Expenses)	<u>5,051</u>	<u>104,418</u>	<u>152,951</u>	<u>251,512</u>	<u>513,932</u>
Income (Loss) Before Transfers and Capital Contributions	(13,626)	(40,668)	74,133	353,644	373,483
Capital Contributions - Intergovernmental	-	65,212	-	-	65,212
Transfers Out	-	-	-	(50,000)	(50,000)
Change in Net Position	(13,626)	24,544	74,133	303,644	388,695
Net Position, January 1 as Restated	<u>907,287</u>	<u>2,392,830</u>	<u>866,163</u>	<u>2,873,119</u>	<u>7,039,399</u>
Net Position, December 31	<u>\$ 893,661</u>	<u>\$ 2,417,374</u>	<u>\$ 940,296</u>	<u>\$ 3,176,763</u>	<u>\$ 7,428,094</u>

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Cash Flows (Continued)
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 5,019	\$ 360,335	\$ 1,920	\$ 640,570	\$ 1,007,844
Payments to suppliers	(12,597)	(128,402)	(31,819)	(458,449)	(631,267)
Payments to employees	(6,824)	(145,377)	-	-	(152,201)
Net Cash Provided (Used) by Operating Activities	<u>(14,402)</u>	<u>86,556</u>	<u>(29,899)</u>	<u>182,121</u>	<u>224,376</u>
Cash Flows from					
Noncapital Financing Activities					
Property taxes received	-	-	152,146	331,084	483,230
Transfers to other funds	-	-	-	(50,000)	(50,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>152,146</u>	<u>281,084</u>	<u>433,230</u>
Cash Flows from Capital Financing Activities					
Intergovernmental receipts	-	65,212	-	-	65,212
Interest paid on bonds	-	-	-	(102,419)	(102,419)
Principal paid on bonds	-	-	-	(210,000)	(210,000)
Net Cash Provided (Used) by Capital Financing Activities	<u>-</u>	<u>65,212</u>	<u>-</u>	<u>(312,419)</u>	<u>(247,207)</u>
Cash Flows from Investing Activities					
Interest received (paid) on investments	<u>(38)</u>	<u>712</u>	<u>624</u>	<u>6,098</u>	<u>7,396</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,440)	152,480	122,871	156,884	417,795
Cash and Cash Equivalents, January 1	<u>26,788</u>	<u>2,439</u>	<u>-</u>	<u>1,491,797</u>	<u>1,521,024</u>
Cash and Cash Equivalents, December 31	<u>\$ 12,348</u>	<u>\$ 154,919</u>	<u>\$ 122,871</u>	<u>\$ 1,648,681</u>	<u>\$ 1,938,819</u>

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Cash Flows (Continued)
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (18,677)	\$ (145,086)	\$ (78,818)	\$ 102,132	\$ (140,449)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	12,514	127,781	48,970	246,297	435,562
Other income related to operations	5,019	103,760	-	9,220	117,999
(Increase) decrease in assets					
Accounts receivable	-	(798)	-	(17,811)	(18,609)
Inventories	590	-	-	-	590
(Increase) decrease in deferred outflows of resources					
Deferred pension resources	4,094	6,787	-	-	10,881
Deferred other post employment benefit resources	-	(2,681)	-	-	(2,681)
Increase (decrease) in liabilities					
Accounts payable	(1,479)	(6,304)	(51)	(51,406)	(59,240)
Accrued salaries payable	-	2,115	-	-	2,115
Due to other governments	(2,207)	43	-	(1)	(2,165)
Unearned revenue	-	-	-	(106,310)	(106,310)
Other postemployment benefits	-	1,286	-	-	1,286
Compensated absences payable	-	1,234	-	-	1,234
Pension liability	(12,039)	(3,530)	-	-	(15,569)
Increase (decrease) in deferred inflows of resources					
Deferred pension resources	(2,217)	1,949	-	-	(268)
Net Cash Provided (Used) by Operating Activities	<u>\$ (14,402)</u>	<u>\$ 86,556</u>	<u>\$ (29,899)</u>	<u>\$ 182,121</u>	<u>\$ 224,376</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, 2018

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
South Metro Fire Fund				
Assets				
Cash and temporary investments	<u>\$ -</u>	<u>\$ 172,312</u>	<u>\$ (172,312)</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 172,312</u>	<u>\$ (172,312)</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, 2018 and 2017

	Total		Percent Increase (Decrease)
	2018	2017	
Revenues			
Taxes	\$ 15,177,045	\$ 13,917,514	9.05 %
Licenses and permits	693,853	596,208	16.38
Intergovernmental	2,836,629	5,420,045	(47.66)
Charges for services	839,961	795,681	5.57
Fines and forfeits	158,754	239,325	(33.67)
Special assessments	656,171	837,539	(21.65)
Interest on investments	182,238	129,363	40.87
Miscellaneous	238,053	418,770	(43.15)
	<u>\$ 20,782,704</u>	<u>\$ 22,354,445</u>	(7.03) %
Total Revenues			
Per Capita	\$ 986	\$ 1,070	(7.91) %
Expenditures			
Current			
General government	\$ 3,358,764	\$ 3,494,343	(3.88) %
Public safety	7,821,246	7,707,321	1.48
Public works	2,810,677	8,260,796	(65.98)
Parks and recreation	949,742	930,829	2.03
Economic development	1,002,061	535,810	87.02
Capital outlay			
General government	1,196,743	160,589	645.22
Public safety	7,583	195,178	(96.11)
Public works	5,230,948	4,524,415	15.62
Parks and recreation	438,948	676,783	(35.14)
Debt service			
Principal	2,040,000	2,045,000	(0.24)
Bond issuance costs	153,175	153,238	(0.04)
Interest and other charges	1,068,269	676,550	57.90
	<u>\$ 26,078,156</u>	<u>\$ 29,360,852</u>	(11.18) %
Total Expenditures			
Per Capita	\$ 1,237	\$ 1,406	(12.02) %
Total Long-term Indebtedness	\$ 44,275,000	\$ 36,765,000	20.43 %
Per Capita	2,100	1,760	19.29
General Fund Balance - December 31	\$ 8,845,920	\$ 9,705,489	(8.86) %
Per Capita	420	465	(9.72)

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STATISTICAL SECTION (UNAUDITED)

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

FOR THE YEAR ENDED
DECEMBER 31, 2018

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Statistical Section (Unaudited)

This part of the City of West St. Paul's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 out-standing 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			
	2009	2010	2011	2012
Governmental Activities				
Net investment in capital assets	\$ 30,796,241	\$ 31,069,506	\$ 33,835,227	\$ 33,876,690
Restricted	12,968,106	5,065,984	5,223,837	4,686,286
Unrestricted	9,846,265	18,126,311	17,264,839	16,559,404
Total Governmental Activities Net Position	<u>\$ 53,610,612</u>	<u>\$ 54,261,801</u>	<u>\$ 56,323,903</u>	<u>\$ 55,122,380</u>
Business-type Activities				
Net investment in capital assets	\$ 5,657,805	\$ 4,078,198	\$ 4,219,590	\$ 5,299,774
Restricted	-	257,135	-	-
Unrestricted	887,385	2,174,747	2,707,322	4,255,228
Total Business-type Activities Net Position	<u>\$ 6,545,190</u>	<u>\$ 6,510,080</u>	<u>\$ 6,926,912</u>	<u>\$ 9,555,002</u>
Primary Government				
Net investment in capital assets	\$ 36,454,046	\$ 35,147,704	\$ 38,054,817	\$ 39,176,464
Restricted	12,968,106	5,323,119	5,223,837	4,686,286
Unrestricted	10,733,650	20,301,058	19,972,161	20,814,632
Total Primary Government Net Position	<u>\$ 60,155,802</u>	<u>\$ 60,771,881</u>	<u>\$ 63,250,815</u>	<u>\$ 64,677,382</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.
Net position information has been restated for 2015 for this accounting change.
Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018.
Net position information has been restated for 2018 for this accounting change.
Years Prior to 2018 have not been restated.

Table 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 32,092,175	\$ 25,948,421	\$ 30,272,393	\$ 25,581,953	\$ 21,553,165	\$ 14,637,278
3,399,206	7,208,765	4,697,697	3,631,128	4,714,357	5,770,993
13,698,514	13,721,487	2,484,651	733,497	1,171,013	4,475,645
<u>\$ 49,189,895</u>	<u>\$ 46,878,673</u>	<u>\$ 37,454,741</u>	<u>\$ 29,946,578</u>	<u>\$ 27,438,535</u>	<u>\$ 24,883,916</u>
\$ 10,277,693	\$ 10,719,869	\$ 13,490,986	\$ 11,877,211	\$ 12,222,536	\$ 13,484,035
-	-	-	-	-	-
3,709,389	4,182,686	2,494,754	3,410,467	2,843,384	2,800,071
<u>\$ 13,987,082</u>	<u>\$ 14,902,555</u>	<u>\$ 15,985,740</u>	<u>\$ 15,287,678</u>	<u>\$ 15,065,920</u>	<u>\$ 16,284,106</u>
\$ 42,369,868	\$ 36,668,290	\$ 43,763,379	\$ 37,459,164	\$ 33,775,701	\$ 28,121,313
3,399,206	7,208,765	4,697,697	3,631,128	4,714,357	5,770,993
17,407,903	17,904,173	4,979,405	4,143,964	4,014,397	7,275,716
<u>\$ 63,176,977</u>	<u>\$ 61,781,228</u>	<u>\$ 53,440,481</u>	<u>\$ 45,234,256</u>	<u>\$ 42,504,455</u>	<u>\$ 41,168,022</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			
	2009	2010	2011	2012
Expenses				
Governmental activities				
General government	\$ 3,360,035	\$ 3,302,702	\$ 3,437,501	\$ 3,642,850
Public safety	5,890,526	6,049,004	6,167,218	6,285,568
Public works	3,435,137	3,213,509	3,143,689	4,053,264
Parks and recreation	838,059	860,994	849,591	755,629
Economic development (1)	-	-	-	-
Interest on long-term debt	397,208	824,286	795,508	746,047
Total Governmental Activities Expenses	<u>13,920,965</u>	<u>14,250,495</u>	<u>14,393,507</u>	<u>15,483,358</u>
Business-type activities				
Public utilities (2)	3,824,046	2,139,272	2,146,608	2,341,621
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	655,524	584,478	516,700	809,898
Total Business-type Activities Expenses	<u>4,479,570</u>	<u>2,723,750</u>	<u>2,663,308</u>	<u>3,151,519</u>
Total Primary Government Expenses	<u>\$ 18,400,535</u>	<u>\$ 16,974,245</u>	<u>\$ 17,056,815</u>	<u>\$ 18,634,877</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 617,830	\$ 747,044	\$ 868,587	\$ 721,933
Public safety	297,953	393,749	354,840	362,190
Public works	297,969	219,053	223,280	248,158
Parks and recreation	64,684	67,479	63,568	69,121
Economic development (1)	-	-	-	-
Operating grants and contributions	1,401,375	808,067	582,445	843,318
Capital grants and contributions	581,053	797,237	880,307	576,047
Total Governmental Activities Program Revenues	<u>3,260,864</u>	<u>3,032,629</u>	<u>2,973,027</u>	<u>2,820,767</u>
Business-type activities				
Charges for services				
Public utilities	2,965,137	2,772,372	3,111,202	3,361,552
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	444,752	373,644	332,450	503,440
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	117,060	58,017
Total Business-type Activities Program Revenues	<u>3,409,889</u>	<u>3,146,016</u>	<u>3,560,712</u>	<u>3,923,009</u>
Total Primary Government Program Revenues	<u>\$ 6,670,753</u>	<u>\$ 6,178,645</u>	<u>\$ 6,533,739</u>	<u>\$ 6,743,776</u>

Table 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 3,389,974	\$ 4,161,997	\$ 3,098,841	\$ 4,406,578	\$ 3,887,143	\$ 4,222,701
6,303,232	6,638,595	7,002,514	8,533,267	8,142,584	7,513,679
6,306,335	7,591,595	20,866,152	20,833,032	8,449,894	7,043,080
789,544	862,074	917,884	998,392	1,204,868	1,257,105
-	-	1,671,352	893,626	542,105	999,115
945,296	816,561	984,888	730,418	946,484	1,226,640
<u>17,734,381</u>	<u>20,070,822</u>	<u>34,541,631</u>	<u>36,395,313</u>	<u>23,173,078</u>	<u>22,262,320</u>
2,462,051	2,543,165	-	-	-	-
-	-	290,394	336,468	380,216	432,327
-	-	2,780,700	3,007,180	3,246,607	3,459,654
1,118,008	1,250,548	1,370,687	1,428,676	1,483,968	1,254,364
<u>3,580,059</u>	<u>3,793,713</u>	<u>4,441,781</u>	<u>4,772,324</u>	<u>5,110,791</u>	<u>5,146,345</u>
<u>\$ 21,314,440</u>	<u>\$ 23,864,535</u>	<u>\$ 38,983,412</u>	<u>\$ 41,167,637</u>	<u>\$ 28,283,869</u>	<u>\$ 27,408,665</u>
\$ 712,530	\$ 813,207	\$ 852,522	\$ 740,765	\$ 815,931	\$ 935,046
392,902	435,572	598,370	576,352	748,403	678,084
120,755	5,188	16,787	28,275	108,907	31,652
73,920	64,131	61,604	62,336	61,858	71,786
-	-	1,749	-	-	-
568,633	918,514	936,983	3,574,024	2,091,719	1,985,896
733,961	1,091,846	14,091,333	8,887,491	2,057,115	1,743,167
<u>2,602,701</u>	<u>3,328,458</u>	<u>16,559,348</u>	<u>13,869,243</u>	<u>5,883,933</u>	<u>5,445,631</u>
3,420,865	3,346,691	-	-	-	-
-	-	445,611	461,890	462,292	465,700
-	-	3,046,818	3,049,436	3,469,335	3,959,106
1,110,429	1,040,691	1,003,773	1,111,017	1,097,615	1,014,764
7,902	10,224	781,119	136,111	11,199	72,420
5,999	50,431	1,111,430	-	97,818	65,212
<u>4,545,195</u>	<u>4,448,037</u>	<u>6,388,751</u>	<u>4,758,454</u>	<u>5,138,259</u>	<u>5,577,202</u>
<u>\$ 7,147,896</u>	<u>\$ 7,776,495</u>	<u>\$ 22,948,099</u>	<u>\$ 18,627,697</u>	<u>\$ 11,022,192</u>	<u>\$ 11,022,833</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			
	2009	2010	2011	2012
Net Revenues (Expenses)				
Governmental activities	\$(10,660,101)	\$(11,217,866)	\$(11,420,480)	\$(12,662,591)
Business-type activities	(1,069,681)	422,266	897,404	771,490
Total Primary Government Net (Expenses) Revenues	<u>\$(11,729,782)</u>	<u>\$(10,795,600)</u>	<u>\$(10,523,076)</u>	<u>\$(11,891,101)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 9,230,584	\$ 8,593,238	\$ 9,304,895	\$ 10,112,316
Tax increments	1,001,532	1,017,676	898,424	886,540
Franchise and other taxes	778,465	727,378	854,084	829,627
Grants and contributions not restricted to specific programs	1,780,315	899,359	917,984	788,847
Gain on sale of capital assets	493,389	259,595	710,644	396,479
Unrestricted investment earnings	5,774	6,523	8,418	11,908
Miscellaneous revenues	-	84,894	125,488	155,250
Transfers - capital assets	-	-	-	-
Transfers	542,768	736,390	662,645	(1,719,899)
Total Governmental Activities	<u>13,832,827</u>	<u>12,325,053</u>	<u>13,482,582</u>	<u>11,461,068</u>
Business-type activities				
Property taxes	100,112	264,946	45,403	54,118
Grants and contributions not restricted to specific programs	5,245	3,866	658	-
Unrestricted investment earnings	16,699	14,432	45,269	82,583
Miscellaneous revenues	-	-	-	-
Transfers - capital assets	-	-	-	-
Transfers	(542,768)	(736,390)	(662,645)	1,719,899
Total Business-type Activities	<u>(420,712)</u>	<u>(453,146)</u>	<u>(571,315)</u>	<u>1,856,600</u>
Total Primary Government	<u>\$ 13,412,115</u>	<u>\$ 11,871,907</u>	<u>\$ 12,911,267</u>	<u>\$ 13,317,668</u>
Change in Net Position				
Governmental activities	\$ 3,172,726	\$ 1,107,187	\$ 2,062,102	\$ (1,201,523)
Business-type activities	(1,490,393)	(30,880)	326,089	2,628,090
Total Primary Government	<u>\$ 1,682,333</u>	<u>\$ 1,076,307</u>	<u>\$ 2,388,191</u>	<u>\$ 1,426,567</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.

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Net position information has been restated for 2015 for this accounting change. Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Net position information has been restated for 2018 for this accounting change. Years Prior to 2018 have not been restated.

Table 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$(15,131,680)	\$(16,742,364)	\$(17,982,283)	\$(22,526,070)	\$(17,289,145)	\$(16,816,689)
965,136	654,324	1,946,970	(13,870)	27,468	430,857
<u>\$(14,166,544)</u>	<u>\$(16,088,040)</u>	<u>\$(16,035,313)</u>	<u>\$(22,539,940)</u>	<u>\$(17,261,677)</u>	<u>\$(16,385,832)</u>
\$ 10,525,106	\$ 10,571,093	\$ 11,233,695	\$ 11,710,599	\$ 12,711,291	\$ 13,830,174
870,109	853,759	255,830	380,874	257,640	261,993
915,396	930,176	893,817	942,289	948,583	1,085,443
788,259	1,168,041	472,840	288,957	14,361	111,861
(177,976)	574,401	12,203	7,069	13,574	28,004
-	-	417,937	386,434	129,363	182,238
130,619	109,389	156,211	176,256	98,972	28,485
-	-	(311,065)	(229,359)	-	(1,423,266)
224,106	224,280	1,335,594	1,354,788	607,318	1,189,000
<u>13,275,619</u>	<u>14,431,139</u>	<u>14,467,062</u>	<u>15,017,907</u>	<u>14,781,102</u>	<u>15,293,932</u>
102,797	387,054	386,730	385,859	335,394	584,708
-	-	-	-	-	-
(37,571)	98,378	56,989	51,884	21,669	29,179
-	-	-	3,494	1,029	18,727
-	-	311,065	229,359	-	1,423,266
(224,106)	(224,280)	(1,335,594)	(1,354,788)	(607,318)	(1,189,000)
<u>(158,880)</u>	<u>261,152</u>	<u>(580,810)</u>	<u>(684,192)</u>	<u>(249,226)</u>	<u>866,880</u>
<u>\$ 13,116,739</u>	<u>\$ 14,692,291</u>	<u>\$ 13,886,252</u>	<u>\$ 14,333,715</u>	<u>\$ 14,531,876</u>	<u>\$ 16,160,812</u>
\$ (1,856,061)	\$ (2,311,225)	\$ (3,515,221)	\$ (7,508,163)	\$ (2,508,043)	\$ (1,522,757)
806,256	915,476	1,366,160	(698,062)	(221,758)	1,297,737
<u>\$ (1,049,805)</u>	<u>\$ (1,395,749)</u>	<u>\$ (2,149,061)</u>	<u>\$ (8,206,225)</u>	<u>\$ (2,729,801)</u>	<u>\$ (225,020)</u>

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ -	\$ 278	\$ -	\$ -
Unreserved				
Designated for working capital	5,274,336	5,374,535	-	-
Designated for contingencies	468,023	527,811	-	-
Designated for police forfeitures	5,304	8,929	-	-
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	-	782	560
Committed	-	-	-	809
Assigned	-	-	29,004	-
Unassigned	-	-	7,114,327	7,411,647
Total General Fund	<u>\$ 5,747,663</u>	<u>\$ 5,911,553</u>	<u>\$ 7,144,113</u>	<u>\$ 7,413,016</u>
All Other Governmental Funds				
Reserved	\$ 10,016,943	\$ 5,327,248	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	1,737,298	3,074,627	-	-
Capital project funds	7,253,715	9,291,114	-	-
Undesignated	2,086,109	574,511	-	-
Fund balance				
Nonspendable	-	-	2,003,349	1,588,890
Restricted	-	-	5,917,882	5,519,879
Committed	-	-	2,454,012	2,853,349
Assigned	-	-	7,363,458	6,789,739
Unassigned	-	-	(1,276,852)	(1,302,110)
Total All Other Governmental Funds	<u>\$ 21,094,065</u>	<u>\$ 18,267,500</u>	<u>\$ 16,461,849</u>	<u>\$ 15,449,747</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					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	107,632	159,886	137,357	239,987
110,133	330,465	1,615	-	-	-
809	4,231	-	-	-	-
648,763	-	-	-	-	-
7,847,235	8,679,813	9,144,534	9,184,804	9,568,132	8,605,933
<u>\$ 8,606,940</u>	<u>\$ 9,014,509</u>	<u>\$ 9,253,781</u>	<u>\$ 9,344,690</u>	<u>\$ 9,705,489</u>	<u>\$ 8,845,920</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	195	-
4,108,357	8,126,495	6,951,008	4,702,048	5,532,989	7,463,904
4,058,819	3,533,479	3,484,820	4,115,670	3,800,093	3,247,769
3,806,759	5,028,547	3,024,937	2,392,043	2,378,012	2,904,822
(2,401,880)	(1,517,156)	(6,423,702)	(9,475,090)	(5,933,565)	(1,158,529)
<u>\$ 9,572,055</u>	<u>\$ 15,171,365</u>	<u>\$ 7,037,063</u>	<u>\$ 1,734,671</u>	<u>\$ 5,777,724</u>	<u>\$ 12,457,966</u>

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes				
General property tax	\$ 8,198,676	\$ 8,595,194	\$ 9,306,243	\$ 10,073,778
Tax increments	1,038,990	939,241	958,223	859,384
Franchise and other taxes	766,070	777,432	851,778	827,713
Licenses and permits	515,595	539,594	548,118	498,897
Intergovernmental	3,003,528	1,727,742	1,679,334	1,646,494
Charges for services	681,621	695,683	793,786	763,861
Fines and forfeitures	132,957	124,744	95,600	88,062
Special assessments	557,691	990,289	562,175	440,000
Investment income	493,389	250,374	710,644	396,479
Miscellaneous	146,371	192,541	416,228	237,398
Insurance policy dividends	9,190	4,310	-	-
Total Revenues	<u>15,544,078</u>	<u>14,837,144</u>	<u>15,922,129</u>	<u>15,832,066</u>
Expenditures				
Current				
General government	2,970,876	2,764,914	2,850,517	3,354,742
Public safety	5,727,556	5,868,395	6,031,175	6,101,857
Public works	1,512,683	1,415,267	1,440,843	1,451,514
Parks and recreation	744,114	771,283	724,218	660,754
Economic development (1)	-	-	-	-
Unallocated general expenditures	113,079	123,535	120,957	103,940
Capital outlay	3,355,188	8,148,622	2,902,851	5,332,713
Debt service				
Principal	5,054,428	1,402,900	2,327,900	1,479,700
Bond issuance costs	-	46,808	-	63,058
Interest and other charges	647,703	674,433	770,469	746,145
Miscellaneous	40,819	1,113	3,813	3,658
Total Expenditures	<u>20,166,446</u>	<u>21,217,270</u>	<u>17,172,743</u>	<u>19,298,081</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>(4,622,368)</u>	<u>(6,380,126)</u>	<u>(1,250,614)</u>	<u>(3,466,015)</u>
Other Financing Sources (Uses)				
Transfers in	1,919,527	1,445,484	701,065	766,652
Sale of capital assets	5,774	21,103	8,418	18,940
Bond premium	-	71,453	-	-
Refunding bonds issued	9,427,915	2,940,000	-	690,000
Issuance of debt	-	-	-	3,105,000
Insurance recoveries	-	4,853	6,460	14,164
Transfers out	(1,376,759)	(709,094)	(38,420)	(1,872,000)
Total Other Financing Sources (Uses)	<u>9,976,457</u>	<u>3,773,799</u>	<u>677,523</u>	<u>2,722,756</u>
Net Change in Fund Balance	<u>\$ 5,354,089</u>	<u>\$ (2,606,327)</u>	<u>\$ (573,091)</u>	<u>\$ (743,259)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>33.9 %</u>	<u>15.9 %</u>	<u>21.7 %</u>	<u>15.9 %</u>

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

Table 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 10,554,349	\$ 10,615,462	\$ 11,263,846	\$ 11,735,485	\$ 12,994,764	\$ 13,856,838
915,051	845,540	255,830	380,874	257,640	261,993
913,228	928,850	872,919	917,403	922,750	1,058,214
481,658	499,336	637,216	547,130	596,208	693,853
1,736,590	2,811,083	14,606,633	9,276,992	5,420,045	2,836,629
636,274	614,256	753,646	681,171	795,681	839,961
140,612	168,869	136,400	175,941	239,325	158,754
398,142	416,748	503,657	335,038	837,539	656,171
(177,976)	574,402	417,937	386,434	129,363	182,238
179,864	212,596	658,282	736,614	418,770	238,053
-	-	-	-	-	-
<u>15,777,792</u>	<u>17,687,142</u>	<u>30,106,366</u>	<u>25,173,082</u>	<u>22,612,085</u>	<u>20,782,704</u>
3,036,157	3,612,770	2,874,300	3,402,485	3,494,343	3,358,764
6,143,197	6,460,699	6,871,961	7,110,041	7,707,321	7,821,246
3,315,490	1,872,708	1,954,618	2,620,991	8,260,796	2,810,677
681,584	767,457	793,358	874,301	930,829	949,742
-	-	1,671,032	883,134	535,810	1,002,061
61,258	81,160	-	-	-	-
6,687,137	8,360,197	23,447,147	17,836,065	5,556,965	6,874,222
1,880,000	1,530,000	10,125,000	3,130,000	2,045,000	2,040,000
53,096	196,441	146,521	45,849	153,238	153,175
696,797	700,007	943,923	736,513	676,550	1,068,269
2,342	5,580	-	-	-	-
<u>22,557,058</u>	<u>23,587,019</u>	<u>48,827,860</u>	<u>36,639,379</u>	<u>29,360,852</u>	<u>26,078,156</u>
<u>(6,779,266)</u>	<u>(5,899,877)</u>	<u>(18,721,494)</u>	<u>(11,466,297)</u>	<u>(6,748,767)</u>	<u>(5,295,452)</u>
586,013	555,000	1,592,693	2,699,796	845,223	2,764,504
10,644	1,350,398	12,203	7,069	13,574	28,004
31,498	234,063	232,667	67,957	789,367	349,121
-	-	9,195,000	4,825,000	10,000,000	9,550,000
1,530,000	9,775,000	-	-	-	-
5,643	-	-	-	-	-
<u>(68,300)</u>	<u>(7,705)</u>	<u>(257,099)</u>	<u>(1,345,008)</u>	<u>(237,905)</u>	<u>(1,575,504)</u>
<u>2,095,498</u>	<u>11,906,756</u>	<u>10,775,464</u>	<u>6,254,814</u>	<u>11,410,259</u>	<u>11,116,125</u>
<u>\$ (4,683,768)</u>	<u>\$ 6,006,879</u>	<u>\$ (7,946,030)</u>	<u>\$ (5,211,483)</u>	<u>\$ 4,661,492</u>	<u>\$ 5,820,673</u>
<u>15.0 %</u>	<u>11.6 %</u>	<u>25.9 %</u>	<u>11.1 %</u>	<u>12.3 %</u>	<u>14.2 %</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
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
2017	9,249,565	4,929,237	2,975,898	17,154,700	1,866,610	15,288,090
2018	10,372,379	4,935,125	3,831,982	19,139,486	1,860,876	17,278,610

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>
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%
71.100	1,409,414,640	1.08%
71.412	1,597,495,173	1.08%

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	
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	70.640	24.063	5.831	29.633	130.167
2016	15.10	54.69	69.795	22.170	6.398	28.570	126.933
2017	13.33	58.08	71.412	22.295	5.999	28.004	127.710
2018	16.64	52.64	69.287	21.224	5.280	26.580	122.371

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	2018			2009		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Mailand Properties LP	\$ 357,247	1	1.87 %	\$ 177,707	9	0.88 %
Robert Street 2008 LLC	302,652	2	1.58	290,902	2	-
Xcel Energy	268,884	3	1.40	182,768	7	0.91
Target Corpl	242,658	4	1.27	306,164	1	1.52
Westview Park Apartments	233,936	5	1.22	175,000	10	0.87
RPS Legacy Desota, LLC	228,026	6	1.19	-		-
Timberland Partners XXXIV LLP	211,440	7	1.10	-		-
Menards Inc.	210,780	8	1.10	222,624	6	1.10
Walker Senior Housing Corp.	202,461	9	1.06	-		-
Holiday Acres Limited	187,186	10	0.98	-		-
Signal Hills Company LLC	-		-	285,686	3	1.42
Wal-Mart	-		-	228,020	4	1.13
Lowe's Home Centers Inc.	-		-	222,672	5	-
Sasco Investments LLP	-		-	181,234	8	0.90
Bradley Operating Ltd.	-		-	-		-
Total	<u>\$ 2,445,270</u>		<u>12.78 %</u>	<u>\$ 2,272,777</u>		<u>8.72 %</u>
Total All Property	<u>\$ 19,139,486</u>			<u>\$ 20,175,450</u>		

Source: 2018 information from Ehlers Annual Disclosure.
2009 from City's 2009 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
2009	\$ 8,745,974	\$ 8,629,734	98.67%	\$ 124,942	\$ 8,744,676	99.99%
2010*	9,265,888	8,844,367	95.45%	112,622	8,946,763	96.56%
2011*	9,760,512	9,212,265	94.38%	105,643	9,314,146	95.43%
2012	9,954,113	9,814,866	98.60%	99,858	9,912,202	99.58%
2013	10,339,245	10,105,751	97.74%	60,314	10,162,699	98.29%
2014	10,696,145	10,580,150	98.92%	58,177	10,635,902	99.44%
2015	11,610,896	11,465,520	98.75%	59,345	11,518,371	99.20%
2016	12,164,861	12,010,377	98.73%	92,734	12,093,272	99.41%
2017	12,935,220	12,620,994	97.57%	42,505	12,620,994	97.57%
2018	14,344,671	14,239,938	99.27%	n/a	14,239,938	99.27%

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		
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	169.70%
2017	29,989,101	6,753,901	1,273,962	-	38,016,964	221.61%
2018	36,629,188	7,908,612	1,219,928	-	45,757,728	198.63%

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

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

Table 9

Business-Type Activities					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					
\$ -	\$ 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	
1,060,537	5,131,019	4,482,633	245,000	10,919,189	48,936,153	N/A	2,420	
1,001,682	4,607,644	4,271,228	245,000	10,125,554	55,883,282	N/A	2,650	

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)
2009	\$ 21,940,500	\$ 199,241	\$ 21,741,259	1.27%	\$ 1,113
2010	23,347,600	214,880	23,132,720	1.45%	1,180
2011	20,754,700	303,451	20,451,249	1.38%	1,035
2012	27,998,391	346,611	27,651,780	2.06%	1,407
2013	27,362,378	337,619	27,024,759	2.01%	1,365
2014	35,532,384	750,054	34,782,330	2.60%	1,720
2015	34,319,358	1,316,032	33,003,326	2.36%	1,587
2016	40,831,955	805,362	40,026,593	2.72%	1,979
2017	48,936,153	4,312,827	44,623,326	3.17%	2,207
2018	55,883,282	5,422,866	50,460,416	3.16%	2,393

(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, 2018

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<hr/>			
Debt Repaid with Property Taxes			
Dakota County	\$ 17,255,000	3.665%	\$ 632,430
School Districts			
ISD No. 197	148,435,000	28.927%	42,938,238
Metropolitan Council	148,045,000	42.000%	621,789
Subtotal - Overlapping Debt			<hr/> 44,192,457
City Direct Debt			<hr/> 45,757,728
Total Direct and Overlapping Debt			<hr/> <hr/> \$ 89,950,185

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			
	2009	2010	2011	2012
Estimated Market Value of Taxable Property	\$1,707,579,700	\$1,594,050,200	\$1,485,245,000	\$1,339,567,341
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	51,227,391	47,821,506	44,557,350	40,187,020
Total Net Debt Applicable to Limit	7,160,500	6,907,600	6,609,700	6,239,233
Legal Debt Margin	<u>\$ 44,066,891</u>	<u>\$ 40,913,906</u>	<u>\$ 37,947,650</u>	<u>\$ 33,947,787</u>

Table 12

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$1,342,545,100	\$1,336,402,600	\$1,398,637,900	\$1,474,190,900	\$1,409,414,640	\$1,597,495,173
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
40,276,353	40,092,078	41,959,137	44,225,727	42,282,439	47,924,855
6,083,359	15,916,872	15,664,710	19,932,993	29,989,101	36,629,188
<u>\$ 34,192,994</u>	<u>\$ 24,175,206</u>	<u>\$ 26,294,427</u>	<u>\$ 24,292,734</u>	<u>\$ 12,293,338</u>	<u>\$ 11,295,667</u>

Legal Debt Margin Calculation for Fiscal Year 2018

Estimated Market Value of Taxable Property	\$1,597,495,173
Statutory percentage	<u>3.0%</u>
Statutory debt limit	<u>\$ 47,924,855</u>
Debt applicable to limit	<u>\$ 36,629,188</u>
Legal debt margin	<u>\$ 11,295,667</u>

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Sanitary Sewer Revenue Bonds					Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
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
2017	3,931,627	3,067,740	863,887	275,000	146,173	2.05
2018	4,424,806	3,196,229	1,228,577	565,000	146,534	1.73

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	
\$ 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
151,525	1,320,000	162,664	0.10	215,185	60,000	30,010	2.39
118,410	1,045,000	135,282	0.10	176,203	65,000	29,073	1.87

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 ***
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	22,807,156,736	54,975	2.40%
2017	20,222	23,514,178,595	59,736	3.60%
2018	21,085	24,243,118,131	**	2.60%

* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census.
 Data for 2017 is estimated.

** Source of data: Bureau of Economic Analysis. Updated data is not available for 2018.

*** 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	2018			2009		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
I.S.D. No. 197	912	1	11.50%	724	1	8.84%
Dakota County	630	2	7.95%	595	2	7.27%
Super Target	375	3	4.73%	400	3	4.89%
Southview Acres Health Center	340	4	4.29%	375	4	4.58%
Wal-Mart	240	5	3.03%	170	7	2.08%
YMCA	200	6	2.52%	250	5	3.05%
Menards	150	7	1.89%	152	10	1.86%
Westwood Ridge	150	8	1.89%	-		-
Lowe's Home Improvement	140	9	1.77%	-		-
Cub Foods	135	10	1.70%	155	9	1.89%
Darts Senior Transportation	-		-	176	6	2.15%
TapeMark Company	-		-	166	8	2.03%
Total	<u>3,272</u>			<u>3,163</u>		

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,			
	2009	2010	2011	2012
General Government				
Administration	4.0	4.0	4.0	4.0
Finance	5.0	5.0	5.0	4.0
Community development	4.0	3.8	3.8	2.8
Building inspections	1.5	1.5	1.0	2.0
MIS	1.0	1.0	2.0	2.0
Police				
Officers	30.0	30.0	29.0	29.0
Civilians	5.8	5.6	5.6	5.6
Public Works				
Engineering	2.0	2.0	2.0	2.0
Streets	11.0	11.0	11.0	12.0
Sewer	3.0	3.0	3.0	3.0
Building maintenance	2.0	2.0	1.0	1.0
Parks and Recreation	7.0	7.0	7.0	7.0
Golf Course Manager	1.0	-	-	-
Ice Arena / Pool Manager	1.0	1.0	1.0	1.0
Total	78.3	76.9	75.4	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,						
2013	2014	2015	2016	2017	2018	
5.5	6.0	6.0	7.0	8.0	8.0	
3.0	3.0	4.0	3.0	3.0	3.0	
3.6	3.6	3.6	4.0	4.0	4.0	
3.0	3.0	3.0	4.0	5.0	5.0	
2.0	2.0	3.0	3.0	3.0	3.0	
30.0	30.0	30.0	30.0	32.0	32.0	
3.0	4.5	5.0	6.0	6.0	6.0	
2.5	3.0	3.0	3.0	3.0	3.0	
11.0	11.0	11.0	11.0	11.0	11.0	
3.0	3.0	3.0	4.0	3.0	3.0	
1.0	1.0	1.0	1.0	1.0	1.0	
6.0	7.0	7.0	7.0	7.0	7.0	
-	-	-	-	-	-	
1.5	1.0	1.0	1.5	1.5	1.5	
<u>75.1</u>	<u>78.1</u>	<u>80.6</u>	<u>84.5</u>	<u>87.5</u>	<u>87.5</u>	

City of West St. Paul, Minnesota
 Operating Indicators by Function
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Police				
Part 1 Crimes reports	1,265	1,007	713	997
Part 2 Crimes reports	1,045	1,042	720	742
Total arrests	1,117	801	467	677
Part 1 arrests	525	334	226	345
Cases investigated	628	643	417	390
Building Inspection				
Permits issued				
Residential	790	744	689	874
Commercial/Other	55	886	967	768
Public Works				
Streets/Alleys patched (person hrs)	3,409	2,900	2,889	3,082
Parks and Recreation				
Recreation programs offered	170	60	59	61
Ice Arena annual admissions	65,750	65,750	65,750	65,800
Golf Course				
Rounds played	14,713	14,837	10,263	12,539
Golf cars rented	1,086	1,176	1,110	1,387
Sports Dome				
Field hours rented				
Wastewater				
Average sewer lines cleaned (miles)	43	30	31	33

Sources: Various City departments.

Table 17

Fiscal Year					
2013	2014	2015	2016	2017	2018
1,049	1,118	1,274	1,083	1,065	1,043
716	936	945	853	873	796
870	1,110	1,292	981	877	759
445	509	630	487	414	370
310	598	388	471	552	468
349	1,260	1,357	1,256	1,453	1,425
1,475	323	336	293	294	272
3,667	4,023	4,938	3,008	5,038	5,038
65	70	115	110	110	110
65,800	65,700	64,000	65,500	66,000	66,000
10,542	9,689	11,941	12,320	11,055	Closed
1,460	1,556	1,798	1,825	1,875	N/A
6,280	6,075	5,736	5,798	6,519	6,519
33	31	31	30	37	37

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Police				
Stations	1	1	1	1
Police Vehicles				
Marked	11	11	11	11
Unmarked	8	8	9	9
Gun Range	1	1	1	1
Holding cells	3	3	3	3
Fire				
Stations	1	1	1	1
Public Works				
Streets (miles)	71.20	71.20	71.20	71.20
Alley (miles)	5	5	5	5
Streetlights	243	253	256	256
Parks and Recreation				
Acreage	155.0	155.0	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	-	-	-	1
Public swimming pool	1	1	1	1
Public ice arena	1	1	1	1
Wastewater				
Sanitary sewers (miles)	63	63	63	63
Storm sewers (miles)	35	35	35	35

Sources: Various City departments.

Table 18

Fiscal Year						
2013	2014	2015	2016	2017	2017	
1	1	1	1	1	1	1
11	11	11	12	11	11	11
8	8	8	8	9	9	9
1	1	1	1	1	1	1
3	3	3	3	3	3	3
1	1	1	1	1	1	1
71.20	71.20	71.20	71.20	71.20	71.20	71.20
5	5	5	5	5	5	5
256	256	256	256	256	256	256
155.0	155.0	155.0	155.0	155.0	155.0	155.0
17	17	17	17	17	17	17
9	9	9	9	9	9	9
3	3	2	2	2	2	2
1	1	1	1	1	1	1
12	12	12	12	12	12	12
1	1	1	1	1	1	Closed
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
63	63	63	63	63	63	63
35	35	35	35	35	35	35