

The logo for the City of St. Francis features a stylized white figure running or jumping, set against a green and blue background.

City of
St. Francis



2011 ADOPTED BUDGET

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INTRODUCTION

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23340 Cree Street NW
St. Francis, Minnesota 55070
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FAX 763-753-9881

Letter of Transmittal

Honorable Mayor and Council Members:

In compliance with State Statutes, I am pleased to present the 2011 Budget for the City of St. Francis. This budget document should be viewed as more than just a collection of financial data, but as the financial plan in which the organization will implement and accomplish Council policies, as well as meet the needs of the community and residents. In addition to the financial data contained within, this document includes information on the City organization, describes programs and services, and provides statistical values measuring activity performance and workloads.

The 2011 budget, in the amount of \$9,574,118, includes all of the funds for the City of St. Francis and reflects a 0.39% decrease from the previous year's budget. The budget, as presented, reflects Council's direction and staff commitment to achieve a cost-effective, efficient and high-quality service delivery model. Essentially, the 2011 Budget is a reflection of the City's commitment to live within its means, and ensure that tax dollars are wisely managed and expended in as prudent a manner possible to achieve high-quality service outcomes.

Council priorities established during the past few strategic planning retreats include:

Creation of a City Economic Development Authority – because of the economic down turn and the significant loss of revenues, the City currently does not have the means to hire personnel to fulfill these duties and has not approved the enabling resolution.

Development of commercial and industrial sites – the City has designated sites through its comprehensive plan and recently purchased property on the main highway through the City. The Council continues to discuss water and sewer growth areas north along Highway 47.

Improvements and/or additions to our city facilities – buildings currently needed are a Public Works facility, new Police Station, and permanent City Hall. The Council is currently in the process of reviewing proposals for the Public Works facility and Police Station. We budget annually to set aside dollars for the future City Hall.

Continue work on extending Bridge Street through to Highway 47 – this is an extensive undertaking and requires cooperation of the State, County and School

District. This will also require a significant budget allocation to plan, lobby and hopefully implement.

Construct a pedestrian path along Pederson Drive – this project has been included in the budget for the past few years. The City has secured partial grant funding to help with the financing of the project.

Address the need for a recreation complex within the City – the City has had conversations with community organizations that would benefit from this type of complex to gauge interest in helping with the construction and maintenance of the facility.

The adopted budget provides for no increase in property taxes. The levy of \$2,873,160 represents a 0% increase over 2010. This translates to a 5.40% decrease on a median value home.

We are not immune to the economic downturn and the negative impact on revenue for the State. As you are aware, the Governor or the State Legislature has taking action in 2008, 2009 and 2010 to lower state aid from local government units. The City has currently lost \$465,909 due to these changes. It remains uncertain as to how the Governor and Legislature will resolve the State's projected budget shortfall for the upcoming biennium. It is reasonable to assume that the 2011 state aid payments are at risk especially following the most recent State deficit forecast.

Conserving the financial resources of the City is more important than ever. The budgeting function is the primary tool the Council has to make sure the City's limited resources are wisely utilized and to establish department objectives for the coming year. We continue with the combined objectives of ensuring St. Francis is an affordable place to live while providing the services that make it a good place to call home.

Respectfully submitted,

Matthew L. Hylan
City Administrator

COMMUNITY PROFILE

The City of St. Francis is located in the northernmost section of Anoka County, 12 miles north of Anoka and approximately 30 miles northwest of Minneapolis. The community can be accessed in a north southerly direction by State Trunk Highway 47 and County Road 24 in an east westerly direction.



St. Francis was originally known as the “Village of Otona” and was established in 1855 along the Rum River with a dam, grist, and a saw mill. The town was formally established as St. Francis in 1857. The Post Office was the first commercial building constructed in 1866, and in that year the Creamery Association was also built. Two other buildings were constructed during this period and still exist today: the Rum River Inn and the H.G. Leathers House. Both of these buildings are also listed on the National Register of Historic Places.

The community was an active center for milling lumber and flour in its early days. In the late 1880s, the population of St. Francis was almost 500, and the population actually held near that number until the 1960s. In 1923, the flour mill closed. Development of St. Francis in its early days suffered from the loss of the railroad as trade went to better transportation centers. From 1930 until 1960, agriculture was the community’s economic mainstay.

During the late 1960’s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer’s Home Administration, the City constructed and began operating a municipal sewer and water system. These systems attracted quality development into the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 7,404. Its small town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

St. Francis is a home rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities’ organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule cities obtain their powers from a locally enacted home rule charter which is essentially a city constitution. Statutory cities get their power from Chapter 412 of Minnesota Statutes. Home rule charter cities can exercise any powers in their locally adopted charters as long as there’s no conflict with state law. Conversely, charter provisions can specifically restrict the powers of a city.

St. Francis operates under the Council/Administrator form of government. An elected City Council sets the policy and overall direction for St. Francis. Then city staff, under the direction of a city administrator, carries out council decisions and provides day-to-day city services. The city administrator is accountable to the City Council.

The City Council consists of a Mayor and four Council Members elected at-large. City elections are held in even numbered years, with the Mayor serving a two-year term and all Council Members serving four-year terms.

The City of St. Francis provides a full range of services. The general governmental functions include police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: water, sewer and a municipal liquor store.



St. Francis is served by Independent School District #15. They serve the communities of St. Francis, East Bethel, Bethel, Oak Grove, Andover, Athens, Nowthen and Stanford. The school district offices as well as the bus garage and several of the school buildings are located within the City limits.



The Rum River runs north/south through the central area of St. Francis offering scenic views and canoeing opportunities. Rum River North County Park, an Anoka County Park, consists of 80 acres located near the south-central boundary of St. Francis. It is the northern access to the Rum River Canoe Corridor and offers amenities such as picnic shelters, biking and hiking trails, campsites and observation decks.

**CITY OF ST. FRANCIS, MINNESOTA
PRINCIPAL CITY OFFICIALS**

DECEMBER 2010

CITY COUNCIL

JERRY TVEIT, MAYOR
Term Expires 12-31-2010

STEVE KANE, COUNCILMEMBER
Term Expires 12-31-2012

JEFFREY SANDOVAL, COUNCILMEMBER
Term Expires 12-31-2012

TIM BROWN, COUNCILMEMBER
Term Expires 12-31-2010

LEROY SCHAFFER, COUNCILMEMBER
Term Expires 12-31-2010

CITY MANAGERIAL STAFF

Employee	Position	Date Appointed
Matthew Hylan	City Administrator	November 14, 2005
Barbara Held	City Clerk	July 1, 1991
Darcy Mulvihill	Finance Director	June 28, 2010
Jeffery Harapat	Police Chief	September 1, 2007
Dimitrios Vangelof	Fire Chief	December 1, 2008
Paul Teicher	Public Works Director	April 14, 2008
John Schmidt	Liquor Store Manager	November 12, 2007

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BUDGET OVERVIEW

Challenges for the 2011 Budget

Challenges that frame the development of the 2011 Budget include:

Levy limits – The imposition of the state-mandated levy limit program has and will continue to contain growth in the City’s General Fund tax levy in 2009, 2010 and 2011. The program, instated for a 3-year period, caps growth in the levy during these three years. It is unclear at this time if the current program will be continued beyond 2011, or be modified by the Legislature before the expiration of the program.

Loss of state aid – To date the City has lost a total of \$465,909 in Local Government Aid and Market Value Homestead Credit which was due from the state. While the state has certified to the city an LGA amount of \$321,448 for 2011, the city has conservatively budgeted for \$80,930 the amount received in 2010.

Volatility in fuel and energy costs – Fuel and energy costs remain volatile and are outpacing general inflation. The fluctuations in gas prices can affect every department.

Maintaining a competitive employee compensation and benefit package – In an effort to attract and retain high-performing employees, the City makes great effort to ensure that the City’s compensation and benefit package is commensurate with peer communities. Union contracts with the City’s two collective bargaining units are set to expire the end of 2011. These contracts were renegotiated for a one year extension for 2011 with a 0% cost-of-living adjustment (COLA). The 2011 Budget does not include any increase for health insurance costs. Currently, City of St. Francis employees are far below our peer communities with respect to health insurance benefits. This will be an issue discussed during the next contract negotiations.

Revenues (net of transfers and debt proceeds) up by .8%

The 2011 budget anticipates revenues (net of transfers and debt proceeds) in the amount of \$8,048,310, an increase of \$66,010 (less than 1%) from 2010. The primary reason for this increase is the new special assessments levied for projects completed in 2010. The next biggest increase is from water and sewer revenue. The utility revenue is projected to increase by \$51,790 from 2010 because of the increase in fees charged for services. The City will continue to review its fee schedule to determine what, if any, changes need to be implemented in future years.

Fund	2010	2011	\$ Change	% Change
General	3,686,020	3,690,260	4,240	0.1%
Special Revenue	36,190	38,890	2,700	7.5%
Debt	55,320	77,880	22,560	40.8%
Capital	60,500	47,800	(12,700)	(21.0)%
Enterprise	4,144,270	4,193,480	49,210	1.2%
TOTAL	7,982,300	8,048,310	66,010	0.8%

**Expenditures
(net of
transfers and
refunded
debt service)
up 1.74%**

Expenditures (net of transfers and refunded debt service) in the 2011 Budget are 1.74% (\$144,898) more than 2010.

Fund	2010	2011	\$ Change	% Change
General	3,582,140	3,637,428	55,288	1.54%
Special Revenue	312,620	327,430	14,810	4.74%
Debt	657,880	653,760	(4,120)	-0.63%
Capital	13,520	45,640	32,120	237.57%
Enterprise	3,760,150	3,806,950	46,800	1.24%
TOTAL	8,326,310	8,471,208	144,898	1.74%

**Tax levy for
2011 is 0%
change**

The City's tax levy for 2011 is \$2,873,160 which is the same as 2010. The city tax decrease for a median value home will be 5.40% or \$37 per year. The median home value in the City of St. Francis dropped from \$174,400 in 2010 to \$156,500 in 2011.

The basic formula for computing the property tax for a parcel is:

$$\begin{aligned} \text{Parcel Market Value} \times \text{Class Rate(s)} &= \text{Tax Capacity} \\ \text{Tax Capacity} \times \text{Tax Capacity Rate} &= \text{Parcel Property Tax} \end{aligned}$$

County assessors value all property in the City annually. There is a lag time between when the property value is set and when the taxes are paid. For example, the market values that are set in 2010 are the basis for the taxes payable in 2011. The total of all the individual market values determines the total market value of the City.

In Minnesota, the assessor's estimated market values are reduced by different percentages (class rates), depending on the property type, to calculate a taxable value called tax capacity. The table below is a partial listing of class rates for taxes for the years specified:

Property Type	Payable 2009 Class Rate	Payable 2010 Class Rate	Payable 2011 Class Rate
Homestead			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Non-Homestead (Single Family)			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Apartments			
Regular	1.25%	1.25%	1.25%
Low Income	0.75%	0.75%	0.75%
Commercial/Industrial			
0 to \$150,000	1.50%	1.50%	1.50%
Over \$150,000	2.00%	2.00%	2.00%

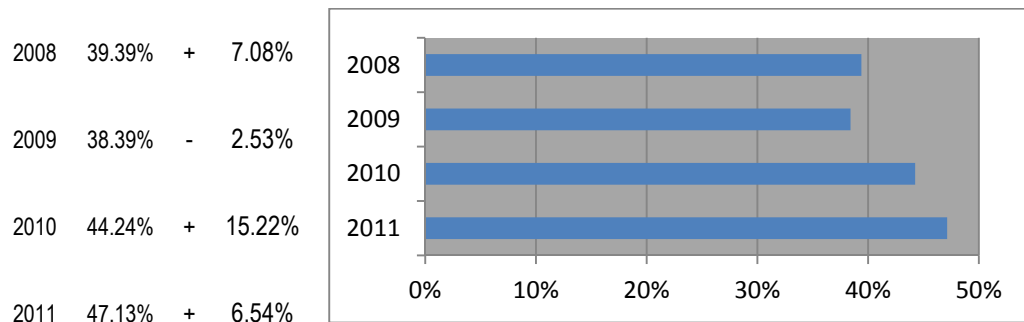
For taxes payable in 2011 on a single family home occupied by the owner with an assessor's estimated market value of \$200,000, the tax capacity is calculated as follows:

$$\$200,000 \times 1.00\% = \$2,000$$

When the City of St. Francis levies property taxes, the amount levied is allocated to property owners based on the tax capacity of their property. The total tax capacity is computed by factoring adjustments for tax increment districts and fiscal disparities. The adjustment for tax increment districts reduces the tax base for the value of the new development in a specified area. This allows the city to use the additional property taxes generated by the development to pay for certain expenses. The adjustment in tax base for fiscal disparities provides for sharing throughout the Twin Cities metropolitan area of a percentage of the growth in commercial and industrial tax base values. The growth is contributed to an area-wide tax base pool. A distribution index, based on the factors of population and property market value per capita, is used to allocate the area-wide tax base pool back to each taxing district. The following table provides a breakdown of St. Francis' tax base values:

Tax Capacity	2009	2010	2011
Real Estate/Personal Property	6,035,911	5,601,863	5,002,420
Tax Increment Districts	(16,078)	(16,833)	(12,820)
Sub-Total	6,019,833	5,585,030	4,989,600
Fiscal Disparities:			
Contribution	(378,126)	(377,469)	(341,228)
Distribution	1,406,759	1,470,600	1,531,408
Total Tax Capacity	7,048,466	6,678,161	6,179,780
Percent change	+2.12%	-5.25%	-7.46%

The tax capacity rate is arrived at by dividing the tax levy amount by the total tax capacity of the city's tax base. This rate is then applied to the tax capacity of the property to determine the amount of taxes due. The tax capacity rate for the city property tax levy for the past few years has been as follows:



Using the prior example of a single family home with an estimated market value of \$200,000, the approximate city tax for 2011 would be:

$$\$2,000 \times 44.236\% = \$942.60$$

There are other factors taken into consideration when computing the final tax amount. This example is intended to give an estimate of the city's property tax amount. City property taxes are only a portion of the total tax bill for property owners. In Minnesota, property taxes are also levied by school districts, counties and miscellaneous taxing districts. The property tax bill for each property owner is equal to each taxing district's tax rate multiplied by the property value and then added together.

Staffing

The number of full time equivalent positions stayed at 31 for the 2011 budget year.

Five additional employees were requested by departments during the budget process, but none of them are included in the 2011 Budget even though the need is there. Staff currently needed by the City includes:

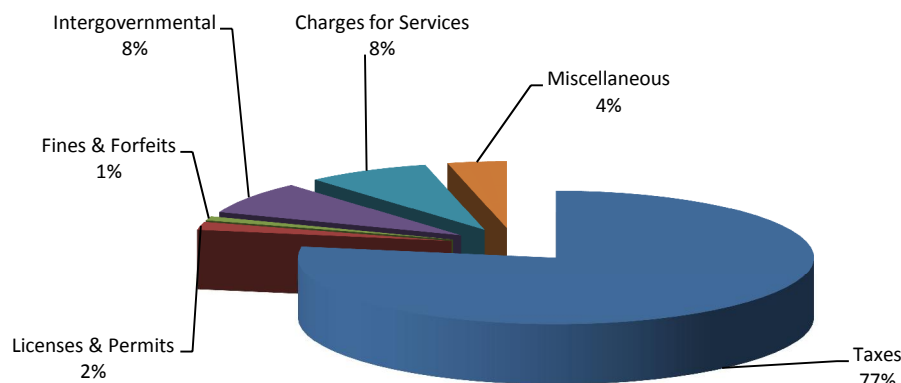
- Police Officers
- Building Inspector/Code Enforcement Officer
- Community Development Director/EDA
- Fire Chief (full time)
- Streets and Parks Worker

General Fund Revenues (net of transfers) down 2.5%

The .12% increase in General Fund revenues (net of transfers) amounts to \$4,240 more. The revenue categories with the largest changes are taxes and miscellaneous revenues. Taxes are \$24,280 higher than the 2010 Budget and they represent 77% of the revenues for the General Fund. Miscellaneous revenue is \$19,420 lower than the 2010 Budget. Local Government aid, which is part of Intergovernmental Revenue, was budgeted at \$80,930 which was the amount received in 2010 after the state's unallotments.

	2010	2011	\$ Change	% Change
Taxes	2,841,770	2,866,050	24,280	0.85%
Licenses & permits	71,880	71,350	(530)	-0.74%
Fines & forfeits	41,370	37,550	(3,820)	-9.23%
Intergovernmental	295,820	292,500	(3,320)	-1.12%
Charges for services	278,810	285,860	7,050	2.53%
Miscellaneous	156,370	136,950	(19,420)	-12.42%
TOTAL	3,686,020	3,690,260	4,240	0.12%

2011 General Fund Revenues

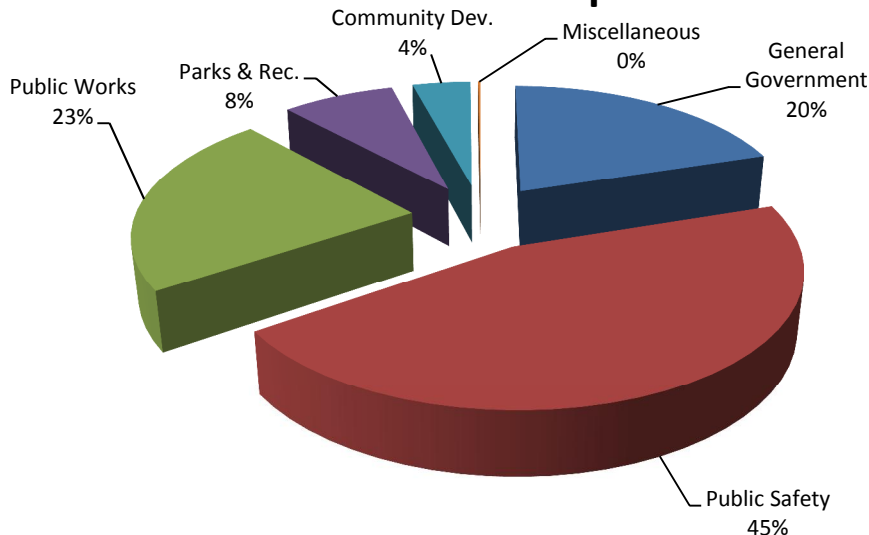


General Fund Expenditures (net of transfers) up 1.54%

The 2011 Budget includes recommended expenditures (net of transfers) that are 1.54% higher than the 2010 Budget. This is an increase of \$55,288 over the previous year with the largest increase being recognized in the Public Works budget.

	2010	2011	\$ Change	% Change
General Government	738,080	729,450	(8,630)	-1.17%
Public Safety	1,629,940	1,653,398	23,458	1.44%
Public Works	719,540	822,560	103,020	14.32%
Parks & Rec.	320,660	280,550	(40,110)	-12.51%
Community Dev.	148,820	145,370	(3,450)	-2.32%
Miscellaneous	25,100	6,100	(19,000)	-75.70%
TOTAL	3,582,140	3,637,428	55,288	1.54%

2011 General Fund Expenditures



General Fund Fund Balance will be 41.2% of Budget

The State Auditor recommends that cities maintain unreserved fund balances in their general fund of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. The 2011 budget projects a fund balance of 47.7% of fund operating revenues and 5.8 months of operating expenditures. This should provide a sufficient balance to cover cash flow needs and unexpected expenditures.

Debt Service Fund

Revenues for 2011 are \$8,310 (15.02%) more than 2010 due to an increase in special assessments.

Expenditures for 2011 are \$4,120 (.626%) more than 2010 due to the more in Principal being paid.

Outstanding debt at December 31, 2010 is calculated at \$16,537,000.

Capital Improvements

The 2011 Budget implements the first year of the 2011-2015 Capital Improvement Plan (CIP) adopted by the City Council on August 2, 2010. This five-year plan is updated annually through a comprehensive capital needs planning process. Some of the projects listed in the CIP are not included in our annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Items from the 2011-2015 CIP which are included in the 2011 Budget are:

Voting equipment	\$10,000
Police squad car	\$60,400
Safety trailer	\$24,000
Wire feed welder	\$2,700
Woodchipper	\$47,500
Bobcat annual replacement	\$30,110
Meter Changeout	\$38,110
Portable Genset	\$47,000
Pederson Path	\$270,000

Utility rates

Water and sewer rates are set with the knowledge that predicting income is far more difficult than predicting expense and capital costs. In setting rates, the City expects fluctuations in consumption from year to year, and therefore expects a net loss in some years and a net profit in others. The rate setting process is designed to make gradual changes in rates whenever possible, focusing on a long-term strategy. Water and sewer costs for the 2011 Budget are broken down as follows:

	Operations, Maint., and Depreciation	Capital Outlay	Debt Service	Total
Water	800,230	23,500	797,300	1,621,030
Sewer	687,880	23,500	215,990	927,370

Current base rates and connection charges bring in \$335,700 in the Sewer Fund and \$321,800 in the Water Fund. The remaining revenue is from usage charges, penalties and interest earnings.

Utility rate history (usage is per 1,000 gallons; base is per equivalent connection):

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Water						
Base	10.00	10.00	11.00	11.50	11.50	11.50
Usage	3.00	3.00	3.50	3.50	Tiered	Tiered
MN Test Fee				.53	.53	.53
Sewer						
Base	10.00	10.00	11.00	12.00	12.00	12.00
Usage	2.00	2.00	2.50	3.50	3.85	4.20

MN Statute 103G.291 was amended in 2008 to include a requirement for public water suppliers serving more than 1,000 people to adopt a water rate structure that encourages conservation by January 1, 2010. It was determined that a tiered rate system was the easiest and fairest solution. Effective March, 2010, sewer usage rates were increased from \$3.85 to \$4.20 per 1,000 gallons and the following tiered rate system was put in place for water usage. Base rates remained unchanged.

<u>Gallons per Equivalent Connection</u>	<u>Fee per 1,000 gallons</u>
0 – 14,999	\$3.95
15,000 – 29,999	\$4.10
30,000 – 44,999	\$4.80
>= 45,000	\$5.80

MN PFA, the lender on our new Water Treatment Plant, requires that the City collect amounts necessary to produce net revenues adequate to pay all principal and interest when due on the Note. If not, they can require us to have a rate increase or direct us to levy the amount through property taxes.

**Water and
Sewer Funds**

Customers are billed for water and sewer charges on a monthly basis. Monthly billing assists in water conservation and leak detection by notifying customers of their usage every 30 days. The City contracts with an outside billing service for its utilities. Unpaid bills are the responsibility of the property owner and are certified to the property taxes each year.

Staff continues to monitor utility revenues to ensure financial stability.

Expenditures from these funds are used for operation and maintenance, debt service, capital improvements, and infrastructure replacement relating specifically to the operation of water and sewer services. Major activity relating to these funds include:

- A Water Treatment Plant was constructed in 2008 with low interest financing provided through the MN Public Facilities Authority.
- It is anticipated that the City will need to construct a new Waste Water Treatment Facility in the future and land was purchased in 2007 to accommodate this project.
- A second river crossing vital for uninterrupted water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance was completed in 2009.
- During the summer of 2010 construction of sanitary sewer and water mains to serve properties along Ambassador Boulevard as well as providing development opportunities for existing undeveloped properties was started and completion should be in 2011.

Liquor

The St. Francis Municipal Bottle Shop was established in 1964 and has been a key partner in the operation of the City. Records show that over \$500,000 of store proceeds have been used to support City purchases and various recreational activities within the City. The Bottle Shop has been a proud sponsor of the Pioneer Days fireworks display since 1999 and has also assisted with the financing of the Fire Department building expansion, Woodbury Park gazebo, Fire Department tanker, and various public safety equipment, just to name a few. Gross sales topped \$2 million for the first time in 2008 with gross profit at 25%.

ORGANIZATIONAL CHART

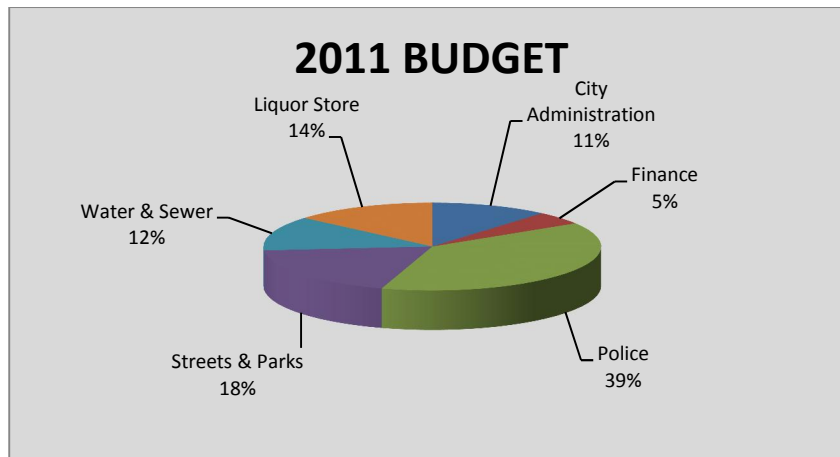
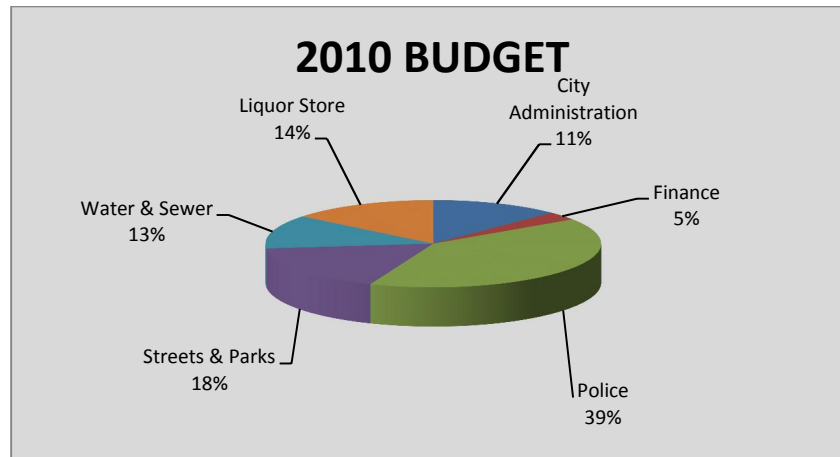


CITY OF ST. FRANCIS, MINNESOTA
SUMMARY OF PERSONNEL

NUMBER OF BUDGETED REGULAR EMPLOYEES

	2010		2011	
	FULL TIME	PART TIME	FULL TIME	PART TIME
City Administration	3.00	0.50	3.00	0.50
Finance	1.00	0.50	1.00	0.50
Police	12.00	0.00	12.00	0.00
Streets & Parks	4.06	1.65	4.06	1.50
Water & Sewer	3.94	0.00	3.94	0.00
Liquor Store	2.00	2.25	2.00	2.25
TOTALS	26.00	4.90	26.00	4.75

The number of part-time employees listed is after conversion to full-time equivalents. Employee totals do not include paid-per-call firefighters, reserve officers, commission members or election judges.



CITY OF ST. FRANCIS, MINNESOTA
LISTING OF PERSONNEL POSITIONS
BUDGETED FULL-TIME REGULAR EMPLOYEES 2009-2011

<u>CODE</u>		<u>2009</u>	<u>2010</u>	<u>2011</u>
	<u>CITY ADMINISTRATION</u>			
101-41400	City Administrator	1.00	1.00	1.00
	City Clerk	1.00	1.00	1.00
	Office Support Clerk	0.50	0.00	0.00
	Office Assistant	1.00	0.00	0.00
	Receptionist/Office Support	0.00	1.00	1.00
	City Administration Department Total	3.50	3.00	3.00
	<u>FINANCE</u>			
101-41500	Finance Director	1.00	1.00	1.00
	Accounting Clerk	0.50	0.00	0.00
	Finance Department Total	1.50	1.00	1.00
	<u>POLICE DEPARTMENT</u>			
101-42110	Police Chief	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Police Records Clerk	1.00	1.00	1.00
	Sergeant	1.00	1.00	1.00
	Investigator	1.00	1.00	1.00
	Police Officer	7.00	7.00	7.00
	Police Department Total	12.00	12.00	12.00
	<u>STREETS & PARKS</u>			
101-43100	Highways, Streets & Roads			
	Public Works Director	0.35	0.35	0.35
	Asst. Public Works Director	0.13	0.13	0.13
	Streets & Parks Superintendent	0.00	0.00	0.00
	Streets & Parks Worker	2.10	1.80	1.80
101-45200	Parks			
	Public Works Director	0.35	0.35	0.35
	Asst. Public Works Director	0.13	0.13	0.13
	Streets & Parks Superintendent	0.00	0.00	0.00
	Streets & Parks Worker	0.90	1.05	1.05
101-43210	Recycling			
	Public Works Director	0.12	0.12	0.12
	Streets & Parks Superintendent	0.00	0.00	0.00
	Streets & Parks Worker	0.00	0.15	0.15
	Streets & Parks Department Total	4.06	4.06	4.06
	<u>WATER & SEWER</u>			
601-49440	Water Operations:			
	Public Works Director	0.10	0.10	0.10
	Asst. Public Works Director	0.38	0.38	0.38
	Water/Wastewater Superintendent	0.00	0.00	0.00
	Water/Wastewater Operator	1.50	1.50	1.50
602-49440	Sanitary Sewer Operations:			
	Public Works Director	0.10	0.10	0.10
	Asst. Public Works Director	0.38	0.38	0.38
	Water/Wastewater Superintendent	0.00	0.00	0.00
	Water/Wastewater Operator	1.50	1.50	1.50
	Public Works Department Total	3.94	3.94	3.94
	<u>MUNICIPAL LIQUOR STORE</u>			
609-49750	Liquor Store Manager	1.00	1.00	1.00
	Liquor Store Asst. Manager	1.00	1.00	1.00
	Municipal Liquor Store Total	2.00	2.00	2.00
	TOTAL	27.00	26.00	26.00



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of St. Francis, Minnesota for its annual budget for the fiscal year beginning January 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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POLICIES

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BUDGET PROCESS

One of the most important activities undertaken each year by the City is the budget process. The quality of decisions made in the budget process conveys the City's long-range plans and policies for current and future services and programs. The budget is a financial, planning, and policy document which reflects the allocation of limited revenue among competing uses and serves as a guide for the various departments in implementing their goals and objectives.

It is important that the budget process communicate and involve the citizens, elected officials, staff, management, businesses, and all other interested parties of the City by:

- Identifying their issues and concerns,
- Obtaining their support for the budget process with different opportunities to get involved or express opinions,
- Achieving their knowledge and understanding of the goals and resource allocation,
- And reporting to them on services and resource utilization.

The budget process is a year-round activity because regular reporting is necessary to provide accountability, understanding, and confidence in the City. The City provides different types of reporting to facilitate this process. These reports include: quarterly newsletters, monthly department reports, monthly investment reports, budget document, and an audited comprehensive annual financial statement.

The annual budget process begins in February of each year. Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. In April – May, department heads are given budget instructions and worksheets reflecting two-year historical data and current year budget and expenditure amounts. Each department is responsible for submitting the proposed budgets for their respective programs. They are asked to determine if there is a need to increase staff or if other major changes are needed. They are given approximately a month to finalize their research and submit the budget worksheets to the Finance Director by early June. Revenues are projected by the Finance Director. In budgeting revenues, a conservative approach is taken. For many revenue line items, actual data over the past three years is analyzed to identify inherent trends, and an adjustment is made for known events predicted to occur in the coming calendar year. The City Administrator and Finance Director meet individually with each department head to discuss the department's budget submittal, and changes are made, either increases or decreases, to accommodate the overall budget picture. Total budget requests are compared to revenue estimates to ensure that there is funding available to fund the proposed expenditures. Following the individual meetings, budget workshops are held with the City Council. The submittal of the Proposed Budget is followed by a series of public presentations to the City Council that are designed to give the Council and citizens an overview of the Budget, and to prepare the Council in making informed budget decisions. The final document is adopted in December following the required public hearings. A more detailed timeline for the budget process is as follows:

-
- | | |
|---------------------------------|--|
| February | * Council-staff retreat to discuss goals and priorities for CIP and Budget. |
| March | * Finance Director prepares initial draft of Debt Service Budget. |
| April | * Finance Director prepares personnel cost estimates. |
| May | * Finance Director prepares budget worksheets and instructions for department heads.
* City Administrator distributes budget preparation materials to department heads.
* Finance Director prepares preliminary revenue estimates. |
| June | * Finance Director prepares initial draft of Capital Budget.
* Budget requests are due from department heads.
* Finance Director prepares preliminary report for the City Administrator on the Budget.
* City Administrator and Finance Director meet with department heads to discuss budget requests.
* Final decisions made regarding Operating, Capital and Debt Service Budgets.
* Final General Fund revenue estimates prepared by Finance Director. |
| July | * Budget workshops held with City Council as needed. |
| August | * Finance Director makes final changes for the Proposed Budget. |
| Prior to Sept. 15 th | * At a Council meeting, the public hearing date on the proposed budget and proposed tax levy are approved by the Council. |
| By Sept 15 th | * Finance Director certifies preliminary levy and hearing date to Anoka County. |
| Sept/Oct | * Budget presentations held with City Council as needed. |
| November | * County auditor mails tax notices to each taxpayer. |
| December | * Public hearings and Council adoption of the Budget and tax levy. Finance Director and City Clerk arrange publication of public hearing notice not less than two, no more than six, business days before the first hearing.
* Finance Director prepares tax certification forms for Anoka County. Summary Budget Statement published in accordance with the State Auditor's guidelines. Certification of Compliance with Truth in Taxation and Property Tax Levy Report requirements filed with State Department of Revenue. |

FINANCIAL POLICIES

Balancing the Budget

The City recognizes that its citizens deserve a commitment from the City to live within its means and that a balanced operating budget is the cornerstone of fiscal responsibility. A balance must be struck between revenues and expenditures so the public can realize the benefits of a strong and stable government. Annual operating expenditures (personnel costs, operating expenses, capital expenses and transfers) will be fiscally balanced with revenues or income estimates that can be reasonably and normally projected to be received during the fiscal year.

On an annual basis the City will present a balanced General Fund operating budget to the City Council. Total resources available, including fund balances plus projected revenue, shall be equal to or greater than the projected expenditures for the coming year. In the event a budget deviates from being presented as balanced, full disclosure and City Council approval will be required including the factors affecting the budget such as economic factors or emergency capital expenditures.

- Any increase in expenses that requires budget revision shall be offset by a budget transfer, increased revenue or use of fund balance.
- Any significant decrease in revenue that results in a budget imbalance shall be offset by a budget revision to reduce expenditures. Any minor decrease in revenues that results in a budget imbalance shall be assumed to be offset by departments that won't spend their entire expenditure budget.
- Temporary shortages, or operating deficits, can and will occur due to extraordinary events and circumstances. These operating deficits will not be tolerated as an extended trend.
- Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy or transferring for use in capital projects or "one-time only" projects.
- Special Revenue Funds are supported by special levies and fees, grants or intergovernmental revenues. Expenditures in these funds are strictly limited to the mandates of the funding source.

Long-Range Planning and Fund Balance

A good budget process incorporates a long-term perspective to assess the financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions. This information is important in making quality decisions for both the current and future needs of the City.

Maintaining an adequate fund balance is essential. The City shall establish a reserve general fund balance in order to accommodate unexpected operational changes, legislative impacts or other economic events affecting the City's operations that could not have been reasonably anticipated. The goal is to establish an unreserved fund

balance in the General Fund that is equivalent to forty percent (40%) of General Fund revenues. Fund balance is defined as the difference between assets and liabilities reported in a governmental fund. This unreserved fund balance will be used to meet cash flow needs until the first property tax and state aid payments are received at mid-year and to provide for unanticipated expenditures, revenue shortfalls, and emergency situations which may occur.

Capital Improvement

The City shall establish a multi-year Capital Improvement Plan that allows the City to maintain its equipment and infrastructure at an adequate level. This plan will be updated annually. The City will coordinate development of the Capital Improvement Budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. As resources are available, the most current year of the CIP will be incorporated into the current year operating budget as the Capital Improvement Budget. The City will provide ongoing preventative maintenance and upkeep on all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

Capital Asset Inventory

Understanding the use and condition of all the City's equipment and infrastructure (capital asset) is important in receiving maximized public benefit. This allows the City to plan for the ongoing financial commitments required to maintain and replace the equipment and infrastructure.

- The City shall maintain a list of equipment and infrastructure.
- Identify corrective/maintenance needs on a yearly basis.
- Develop preventive and predictive maintenance planning estimates.
- Establish replacement schedules by determining useful life and estimated year of replacement for inventory.

Revenue Policies

Understanding the revenue stream is essential to prudent planning. These policies seek stability to avoid potential service disruptions caused by revenue shortfalls. Estimates are arrived at by studying relevant revenue history along with economic trends and indices when available.

Revenue Diversification

Program demands require that an adequate revenue stream be maintained. The City will continuously seek to diversify its revenue sources in order to improve the ability to handle fluctuations or dependency on individual sources. New and expanded unrestricted revenue streams should be first applied to support existing programs prior to funding new or expanded programs. The various sources of revenue shall be monitored to determine that rates continue to be adequate so each source is

maximized. The City will pursue federal, state, and private grants but will strictly limit financial support of these programs to avoid commitments that continue beyond funding availability.

Fees and Charges

The City will charge fees for services where such an approach is permissible, and where there is only a limited or specific group of beneficiaries of the City service. Sufficient user charges and fees shall be pursued and levied to support the full cost (operating, direct, indirect and capital) of operations. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges. The City will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed appropriate by the City. Services shall be scaled to the level of support available from these fees and charges. When sufficient user charges and fees cannot be pursued and levied to support the full cost of operations (such as public record request), the City shall be aware of the costs not allocated to the user charges and fees. In conjunction with the annual budget process, departments will review the cost of providing services against the fee charged. Proposed increases will be brought before the City Council for approval. The City will set fees and user charges for each Enterprise Fund, such as Water and Sewer, at a level that fully supports the total direct and indirect costs of the activity. Indirect costs include the cost of annual depreciation of capital assets.

Use of One-time Revenues

Non-recurring revenue or one-time revenues are sources of revenue the City cannot anticipate receiving on a continuing basis. It is important to seek out and receive this non-recurring revenue because these revenues have value different than ongoing revenues. The City will pursue one-time revenues but will strictly limit expenses to avoid commitments that continue on an ongoing basis.

The City shall not budget one-time revenues unless the revenue has been received or a commitment notice has been received. Use of one-time revenues will be reserved for the highest priorities of the current budget to include any revenue shortfalls impacting current budget, reducing and managing debt, use in considering one-time capital purchases and fund balance reserves.

Use of Unpredictable Revenues

The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. Unpredictable revenue assumptions need to also consider the various factors that make the source unpredictable. Unpredictable revenue shall be monitored to determine how the various factors are affecting the collection both currently and in the future. Unpredictable revenue shall be described in the budget document, and the factors that make the source unpredictable discussed.

The City shall budget unpredictable revenue lower than the revenue assumption or anticipated collection. The City has not restricted the use of unpredictable revenues.

Stabilization

The City needs to maintain a prudent level of financial resources to protect the public against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The long-range planning policy established a reserve general fund balance for unexpected operational changes, legislative impacts or other economic events.

Expenditure Policies

The expenditures of a City define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability.

Expenditure Accountability

Policies and budgets are not effective if the City does not make periodical review to actual expenditures. This review allows the City to decide on necessary actions to bring the budget back into balance. Financial reports presented to City Council and department heads on a regularly scheduled basis. Analysis of the financial reports presented to City Council and department heads on a regularly scheduled basis.

Debt

Per state statutes, the City will not exceed three percent (3%) of the estimated market value of taxable property for general obligation debt. The City will utilize all appropriate financing methods to assist it in meeting its financial needs.

- Utilize finance consultants and professional service providers to assist in managing the debt of the City including: bond counsel, underwriters, financial advisers, paying agent and other professional service providers.
- Utilize the long-range planning plans in preparing the budget and developing financing scenarios.
- The structure and term of all City indebtedness shall vary in order to accommodate the different economic life cycles of the financed improvement.
- Short-term debt and interim financing should be used when it is prudent and advantageous to the City.
- All debt issues will be reviewed periodically to determine if refinancing or calling of any issue would be financially beneficial when advantageous, legally permissible and prudent.
- The City shall seek to use credit enhancement (letters of credit, bond issuance, surety bond, etc.) when such credit enhancement proves cost-effective.
- Establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.
- The City shall maintain a relationship with the rating agencies that currently assign ratings to the various debt obligations.
- Provide ongoing disclosure information to established information repositories for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

- Long term borrowing will not be used to finance current operations or normal maintenance.
- The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.
- The City will confine long term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- Where possible, the City will use special assessment revenue or other self-supporting bonds instead of General Obligation Bonds.

Basis of Budgeting

The modified accrual basis was used for the budgets for most of the funds in the budget. Under this basis, revenues are recognized in the accounting period that they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The accrual basis was used for the budget of the enterprise funds (Water, Sewer and Liquor) in the Operating Budget. Under this basis, revenues are recognized in the accounting period that they are earned and measurable; expenses are recognized in the accounting period that they are incurred, if measurable. The basis of budgeting is the same as the basis of accounting.

FUND STRUCTURE

Following is a description of the funds included that are subject to appropriation, for which financial plans and budget appropriations are prepared annually. These funds are the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds.

GENERAL FUND

The General Fund is the City's primary operating fund. It accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and recreation, street maintenance, planning, engineering and general government.

SPECIAL REVENUE FUNDS

This type of fund accounts for services and expenditures where revenue is restricted for a designated purpose. The City maintains the following Special Revenue Funds:

- ***Bi-Centennial Fund*** – fund established to account for donations received for a future City celebration.
- ***Federal Community Development Block Grant*** – revenue and expenditures related to the CDBG Grant program.
- ***Park Fund*** – for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.
- ***Pioneer Days Fund*** – accounts for the costs associated with the City's annual Pioneer Days celebration. Revenue is primarily from donations and a transfer from the Liquor Store Fund.
- ***Police Forfeiture Fund*** – proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.
- ***Turtle Ridge TIF Fund*** – activity associated with the City's only Tax Increment Financing District established for the Turtle Ridge Townhome project.

CAPITAL PROJECTS FUNDS

Capital projects funds account for the acquisition and construction of major capital facilities and equipment (except those financed by proprietary funds). This includes expenditures relating to street projects and economic development. The City maintains the following Capital Projects Funds:

- **235th Avenue Improvements** – accounts for financial resources used to finance the 2007 street reconstruction project.
- **Capital Projects/Equipment** – funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.
- **Creekview Estates** – accounts for the accumulation of resources to finance the 2006 street reconstruction project.
- **Fire Truck Replacement** – funds set aside for future purchases of vehicles. Resources are currently provided by transfers from other funds.
- **Ivywood & 230th** – accounts for financial resources used to finance a future street reconstruction project.
- **Poppy Street Improvements** – accounts for financial resources used to finance the 2007 street reconstruction project south of 227th.
- **Rum River Blvd Improvements** – accounts for financial resources used to finance the 2007 street reconstruction project.
- **Stark Drive/Raw Watermain** – accounts for financial resources used to finance the 2007 street and watermain project.
- **Street Construction State Aid** – was used to account for the annual State Street Construction Aid allotment. Revenue is now being booked directly to the Capital Projects Fund it was requested for instead of booking it to this fund and completing a transfer from this fund to the related capital fund.
- **Trunk Utilities Ambassador Blvd** – accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve current and future development along and around Ambassador Boulevard.
- **Trunk Utilities Hwy 47** – accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve future development along State Highway 47.

-
- **Trunk Utilities River's Edge** – accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve the new River's Edge development and Rum River Bluffs development.
 - **Waste Water Treatment Plant** – accounts for the costs associated with the future construction of a wastewater treatment facility.
 - **Watermain Looping** – this will complete a second river crossing vital for uninterrupted and quality water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance.
 - **Well #4** – accounts for financial resources used to finance the construction of Well #4.
 - **Woodbury Park Parking Lot** – the construction of this lot will provide additional parking for events held at Woodbury Park while not inconveniencing adjacent businesses' parking for their patrons.

DEBT SERVICE FUNDS

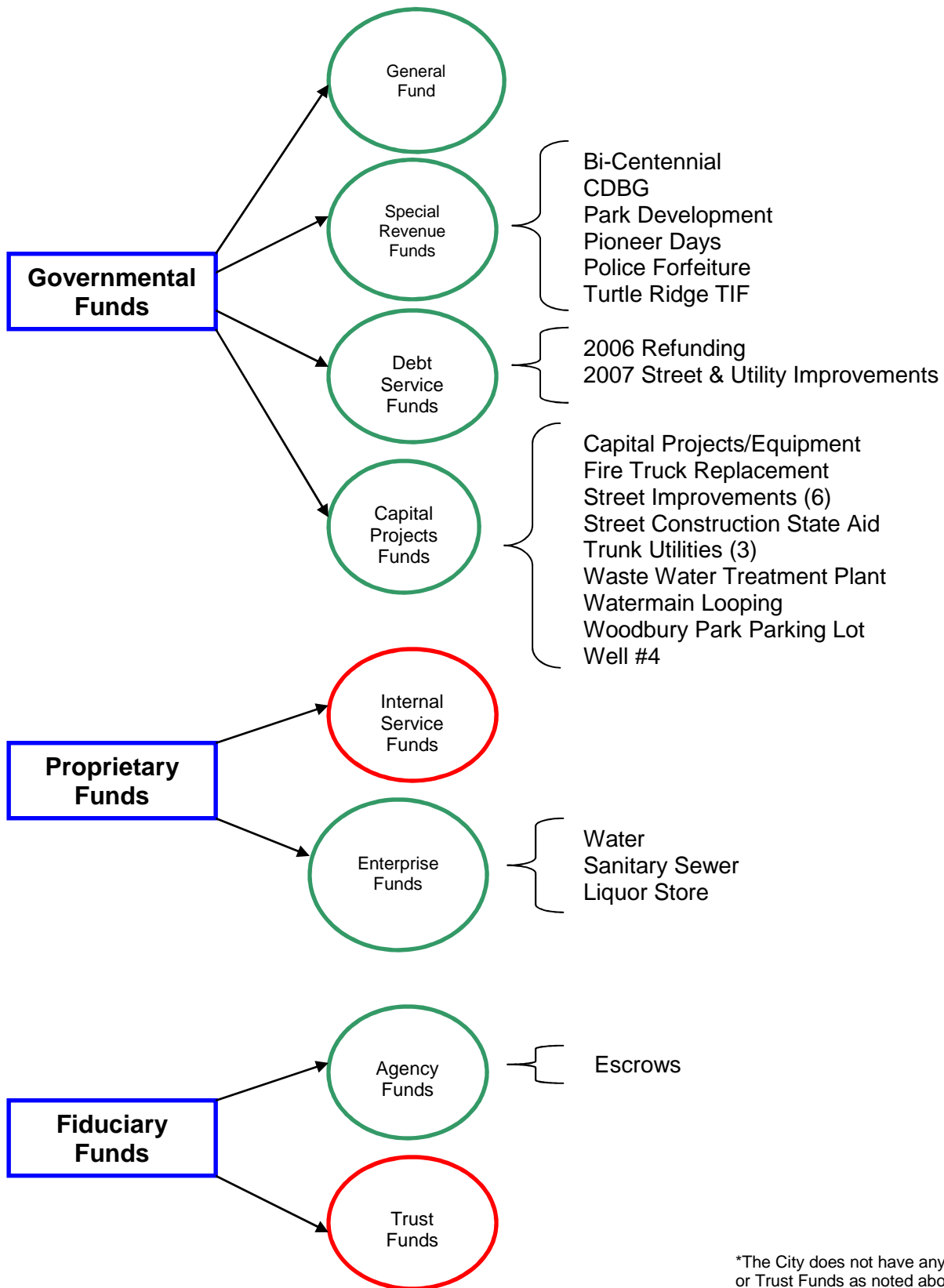
Debt service funds account for the accumulation of resources for, and the payment of, general, special assessment and utility long-term debt principal, interest and fiscal agents' fees. The City maintains individual debt service funds for each bond issue with the exception of the 2008 PFA Loan. The PFA loan was for the new Water Plant and is accounted for in the Water Fund. The remaining bond issues have been grouped together and shown in total under the heading Debt Service.

ENTERPRISE FUNDS

Enterprise funds account for our business-type activities. These activities provide services where most or all of the costs are recovered through user fees and charges. The City maintains the following Enterprise Funds:

- **Water Fund** – receives its revenues from charges to property owners to provide water utilities, fund operations and maintain infrastructure.
- **Sewer Fund** – receives its revenues from charges to property owners to provide sewer utilities, fund operations and maintain infrastructure.
- **Liquor Fund** – accounts for the costs associated with the City's liquor operations.

FUND STRUCTURE



*The City does not have any Internal Service or Trust Funds as noted above in red.

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BUDGET SUMMARY

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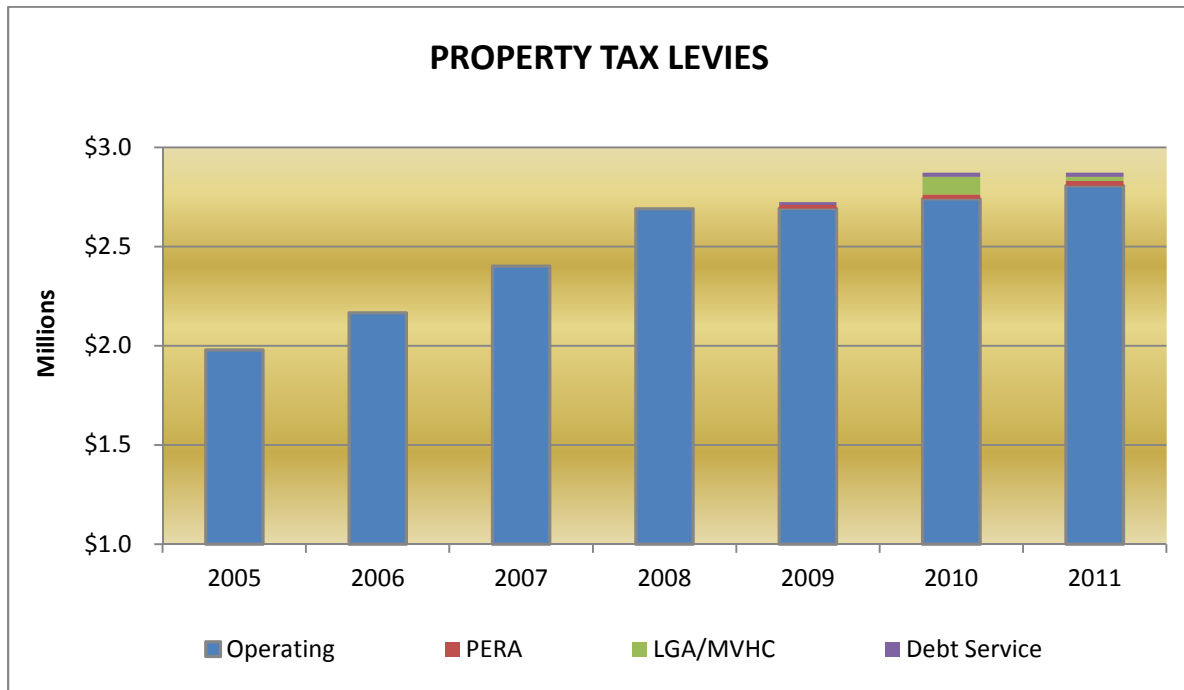
REVENUE SOURCES

The City is dependent on the resources that generate revenue to provide for the different services that our residents receive. This dependency is the limiting factor on what services can be provided. These services range from the basic services of public safety and road maintenance to services enhancing the quality of life such as parks and community events. Our resources to generate revenues are affected by a number of factors, including City, State and Federal laws, rates, demographics, and economic conditions. The following provides a summary of the different revenue sources.

Taxes - \$2,909,840 (31.8%)

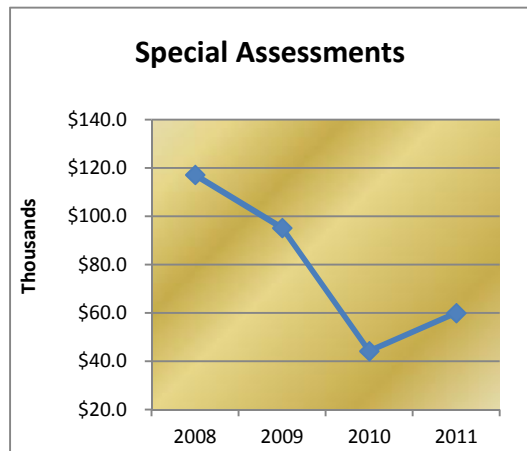
Tax revenues consist of property taxes (current and delinquent), tax increments and penalties and interest. This revenue source is primarily used in the General Fund and is set at a level to raise adequate revenue for the operating budget when combined with other expected revenues. The final level of expected revenue should be sufficient to conduct City business in accordance with Council policy and directives and result in a projected year-end fund balance to cover possible emergencies and contingencies. Levy limits are currently in place for taxes payable in years 2009 through 2011.

The City relies on property taxes for 76.6% of the total General Fund revenues, supporting such functions as public safety, public works, and general government. The City's 2011 tax levy of \$2,873,160 is the same as 2010. There were changes in the components of the levy which were: an increase in the operating levy of \$66,113 or 2.4%, an increase PERA special levy of \$2,544, and a decrease in the LGA/MVHC special levy of (\$68,657).



Special Assessments - \$59,950 (0.7%)

A portion of the costs for public improvements is recovered by assessment charges to the benefiting property owners. These collections are used to pay bond principal and interest on the outstanding improvements bonds or to reimburse the City if no bonds were issued. Property owners have the option of paying the assessment in full or spreading the assessment over a 10, 15 or 20-year payback period depending on the type of improvement. Special assessment revenue also includes charges against property for the collection of delinquent utility bills or miscellaneous charges. The budget is based on current payment schedules and a review of upcoming projects and outstanding balances.

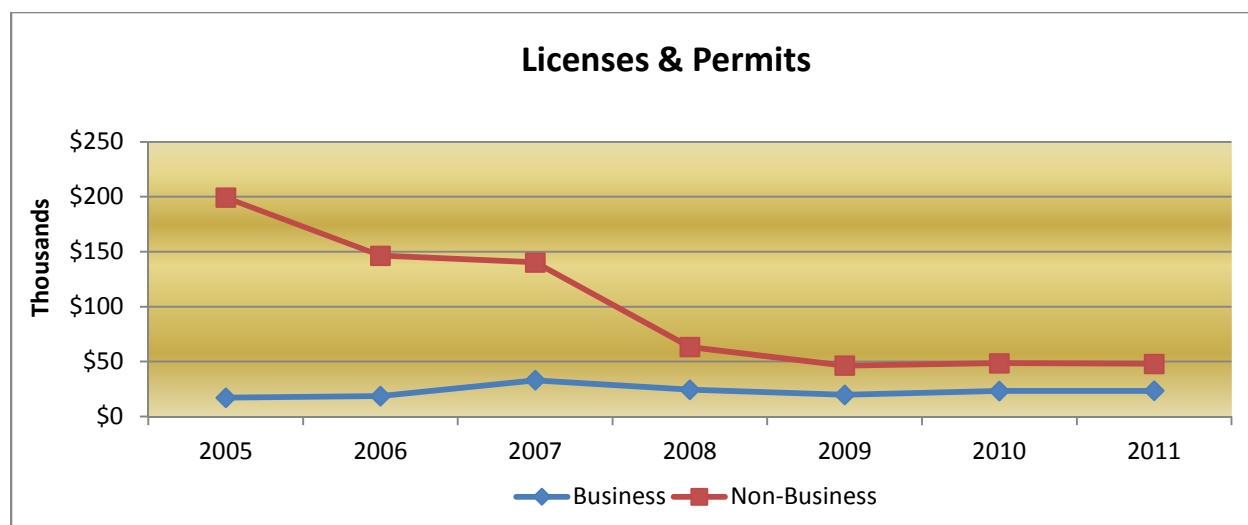


Special assessment collections for 2011 will be -35.7% more than the 2010 budget based on an analysis of new rolls, scheduled installments and historical collection rates.

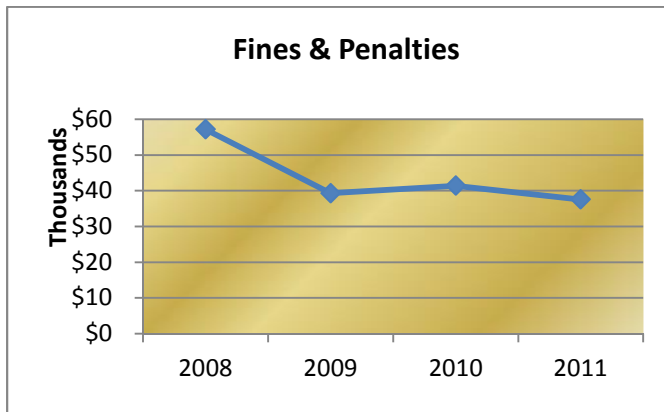
Licenses and Permits - \$71,350 (0.8%)

This revenue source is found only in the General Fund. It primarily consists of liquor license fees, building permit fees, and animal licenses. These revenues are based on a review of the prior three years actuals, changes in economic conditions, City determined license rates, State regulated rates, and the Uniform Building Code.

These fees are normally charged as a means of recovering the cost of regulation in the interest of the overall community. Business license fees are required to be paid annually in order to operate a business within the City. Liquor license fees account for most of the revenue in this category. Non-business license and permit fees are levied to finance the cost of inspecting and regulating new construction and to cover a portion of the administrative costs associated with monitoring activities. Building permit fees generate most of the revenue in this category and have been the major factor in the decrease for this revenue stream.



Fines and Penalties - \$37,550 (0.4%)



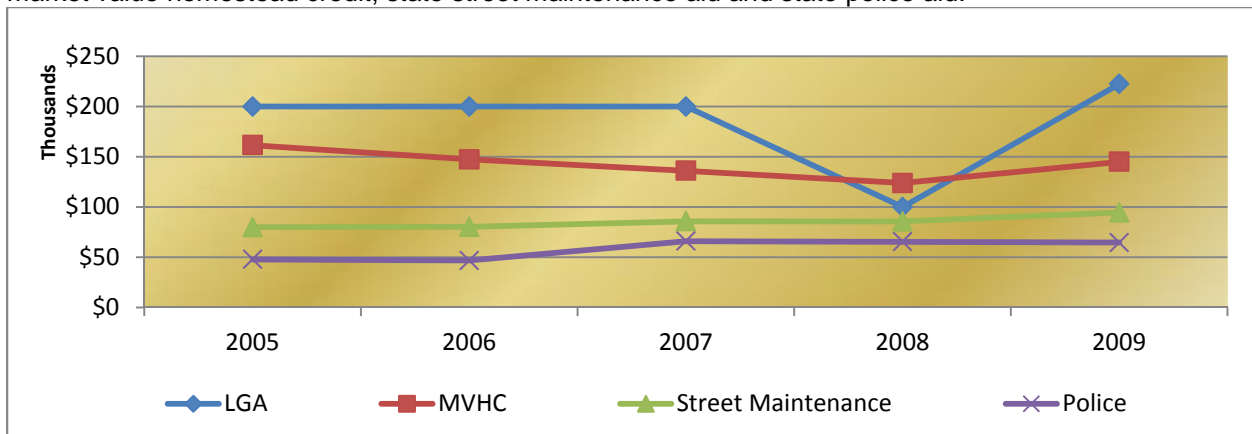
Fines and penalties consist of the City's share of fines collected by the County for court actions, animal impound fees, and revenue from drug forfeiture proceeds. The budget is based on a review of the prior three years actuals.

The fluctuations in this category are mainly caused by drug forfeiture proceeds. The revenue from drug forfeitures is dependent on crime in the City. We do not budget for drug forfeiture revenue as it is very unpredictable. Collections in 2009 were \$10,928 and in 2010 were \$11,093.

Intergovernmental - \$292,500 (3.2%)

This represents monies from other governments in the form of grants, entitlements, and shared revenues. In prior years this revenue source was comprised primarily of state aid in the form of the Market Value Homestead Credit (MVHC) and Local Government Aid (LGA). To help offset the current state budget deficit, the Governor/State Legislature unallotted a portion of LGA and MVHC in 2008, 2009 and 2010. Other items represented in this revenue source are Police and Fire State Aid, Community Development Block Grants and State Street Aid.

Items that account for most of these revenues on a consistent basis are local government aid, state market value homestead credit, state street maintenance aid and state police aid.

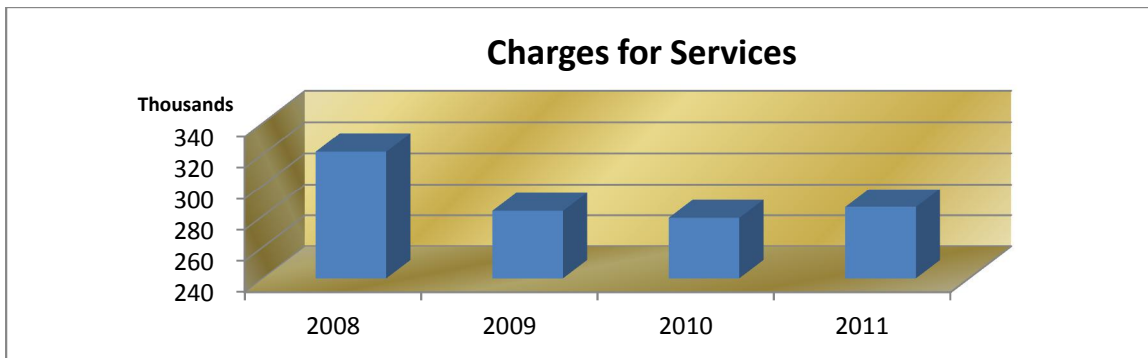


Charges for Services - \$285,860 (3.1%)

Charges for services comes from a variety of sources such as police contracts with the school district and a neighboring city, plan reviews, recycling revenue, special event fees, and administrative charges between funds.

The police contract with a neighboring city was terminated at the end of 2008. The revenue collected under this contract in 2008 was \$37,080. The police contract with the school district has been adjusted over the past few years and the City now provides less staff hours for a reduced fee. The revenue under this contract has been as follows:

2006	\$170,755
2007	\$166,288
2008	\$129,909
2009	\$114,258
2010	\$112,840

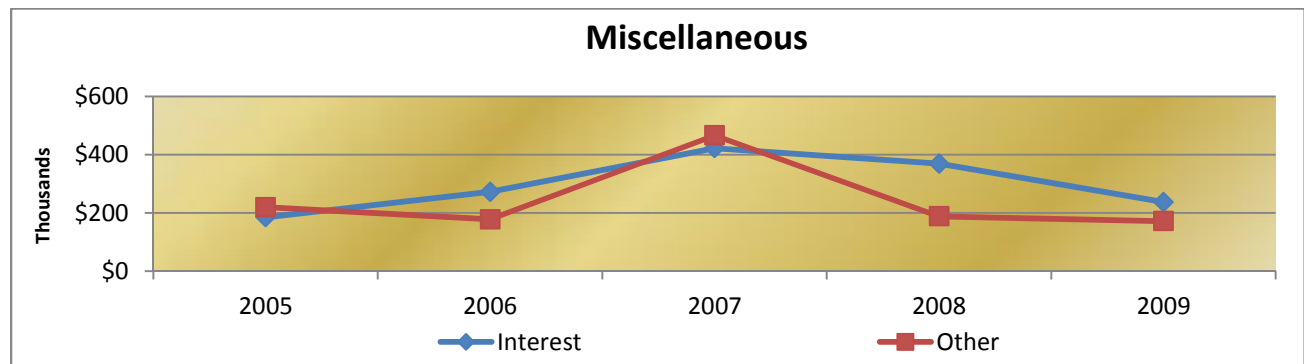


Miscellaneous - \$326,790 (3.6%)

Miscellaneous revenues include investment earnings, park dedication fees, donations, cable franchise fees, sale of property, and antenna lease agreements. They are based on a review of the prior three years actuals.

Interest revenue is earned on the investment of City funds. Most cash in the City is pooled for investment purposes. Interest is allocated to funds on a monthly basis based on the change in each of the funds cash balances.

Park dedication fees can fluctuate greatly and are not budgeted for. The City collected \$29,426 and \$174,737 in 2006 and 2007 respectively.



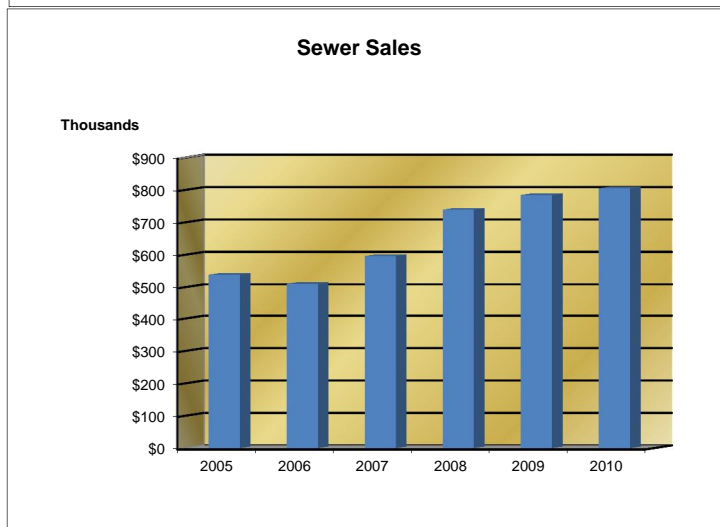
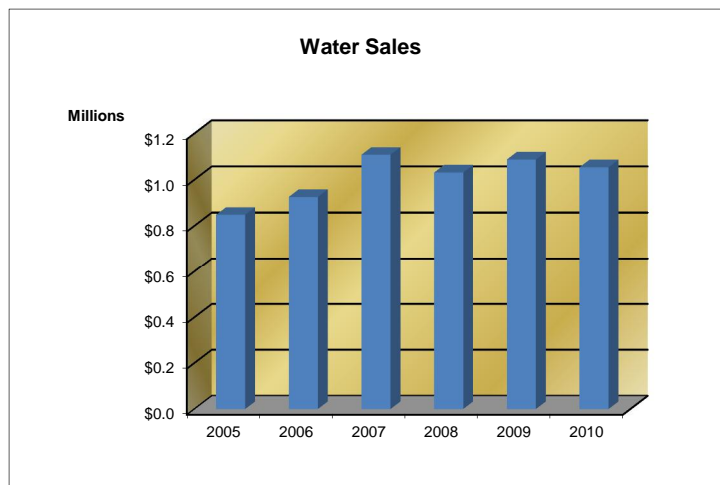
Sales - Water, Sewer, Liquor - \$4,064,470 (44.4%)

This represents water and sewer usage charges and sales made by our municipal liquor store. Rate studies and forecasts are reviewed to determine user charges.

The Water, Sewer and Municipal Liquor Funds are enterprise funds of the City. The funds are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (including depreciation) of providing services to the general public on a continuing basis be financed primarily through user charges.

The history for the monthly water and sewer bill on a residential household that uses 6,000 gallons per month would be:

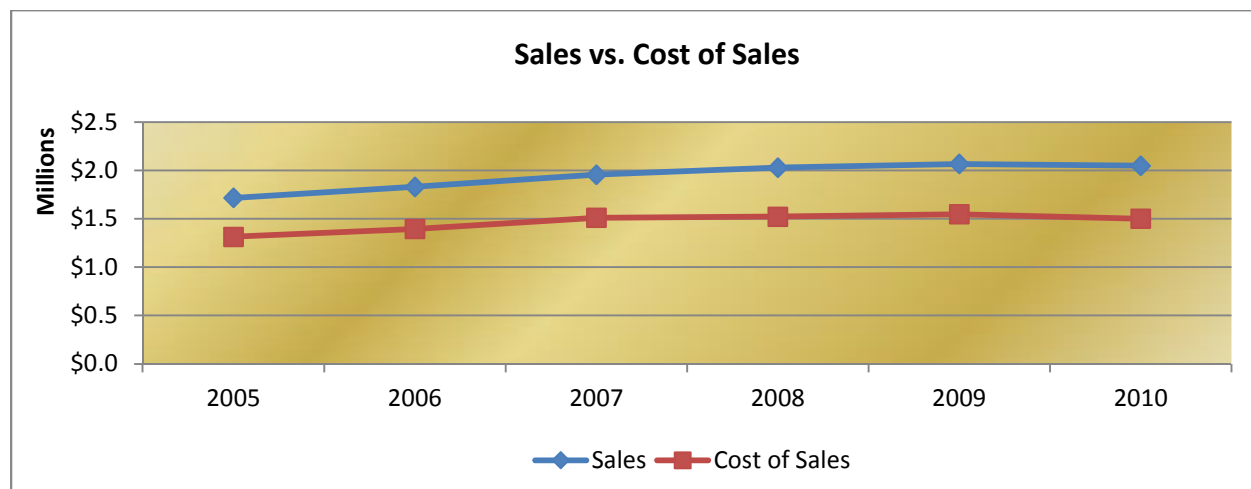
	Water	Sewer
2002	\$25.40	\$20.60
2003	\$26.25	\$21.45
2004	\$27.40	\$22.00
2005	\$28.00	\$22.00
2006	\$28.00	\$22.00
2007	\$32.00	\$26.00
2008	\$33.03	\$33.00
2009	\$35.13	\$35.10
2010	\$35.73	\$37.20



The Municipal Liquor Store has seen an increase in its gross profit over the past two years. The manager has made many changes to the layout of the store and the promotions offered to customers.

**St. Francis Municipal Liquor Store
Sales Analysis**

Percent of Sales	2006		2007		2008		2009		2010	
Liquor	535,882	29.3%	588,876	30.1%	621,760	30.6%	627,313	30.3%	630,168	30.7%
Beer	1,053,535	57.5%	1,102,016	56.3%	1,116,187	55.0%	1,144,786	55.4%	1,134,912	55.4%
Wine	125,205	6.8%	139,925	7.2%	164,935	8.1%	173,921	8.4%	175,410	8.6%
Miscellaneous	54,341	3.0%	57,873	3.0%	61,205	3.0%	59,878	2.9%	53,821	2.6%
Tobacco	62,865	3.4%	67,812	3.5%	65,489	3.2%	61,393	3.0%	55,831	2.7%
Total Sales	1,831,828		1,956,502		2,029,576		2,067,291		2,050,142	



Connection Fees - \$0 (0.0%)

Water and sewer connection charges are due when new hookups are added to the City's system from either new construction or additions to current property. The fee per connection is set by the City. This category also contains payments from developers for their portion of infrastructure costs when putting in a new development. Connection fees are not budgeted for because of their unpredictability.

Debt Proceeds - \$0 (0.0%)

This Other Financing Source represents the funds received when issuing debt to pay for infrastructure or other capital items. None are projected for 2011.

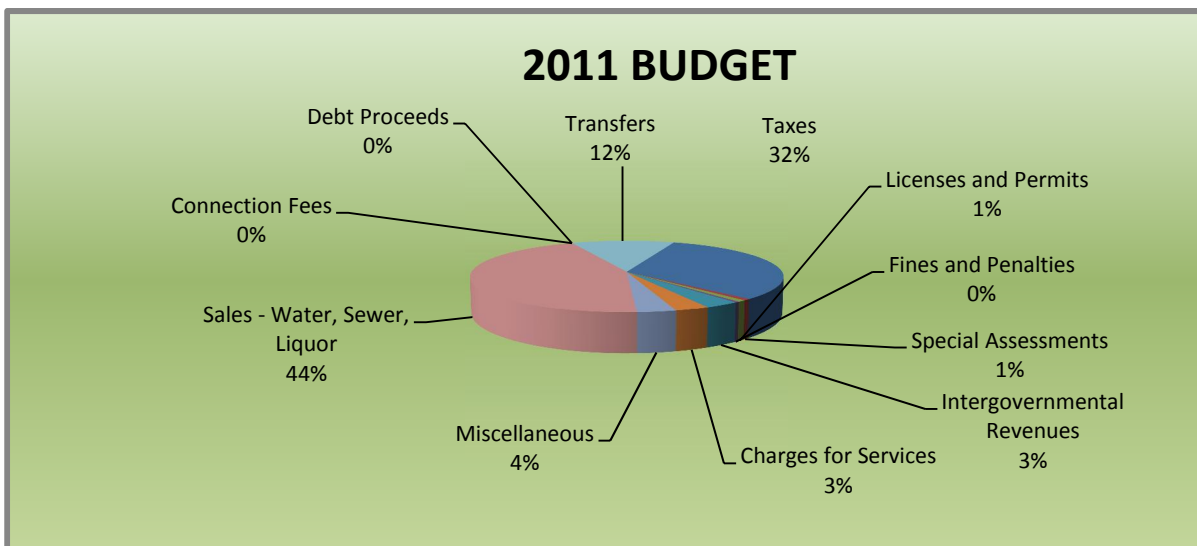
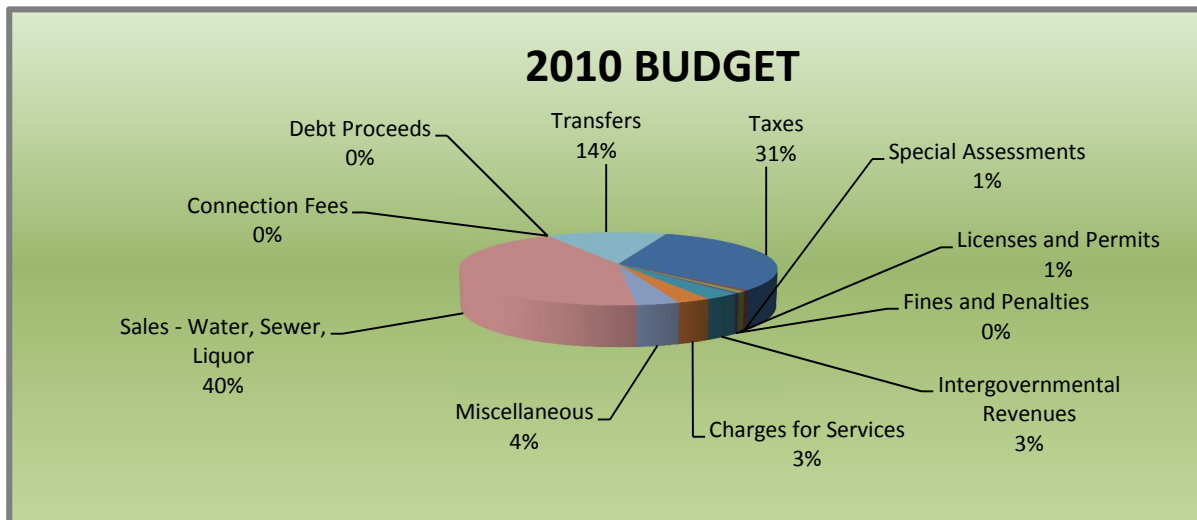
Transfers and Contributions of Assets - \$1,102,910 (12.1%)

Transfers in are not an outside revenue source, but instead reflect amounts transferred between City Funds. These transfers may be utilized as a means to fund projects or debt service from multiple sources. The largest components of transfers in is transfers made from the Water and Sewer Funds to the Debt Service Fund to cover debt service payments and transfers to funds to cover capital equipment or projects.

Contribution of assets reflects the value of infrastructure paid for through one of our Governmental Funds but becomes the property of one of our Enterprise Funds. These Enterprise Funds are then responsible for repairs and maintenance of the asset and future replacement, if necessary.

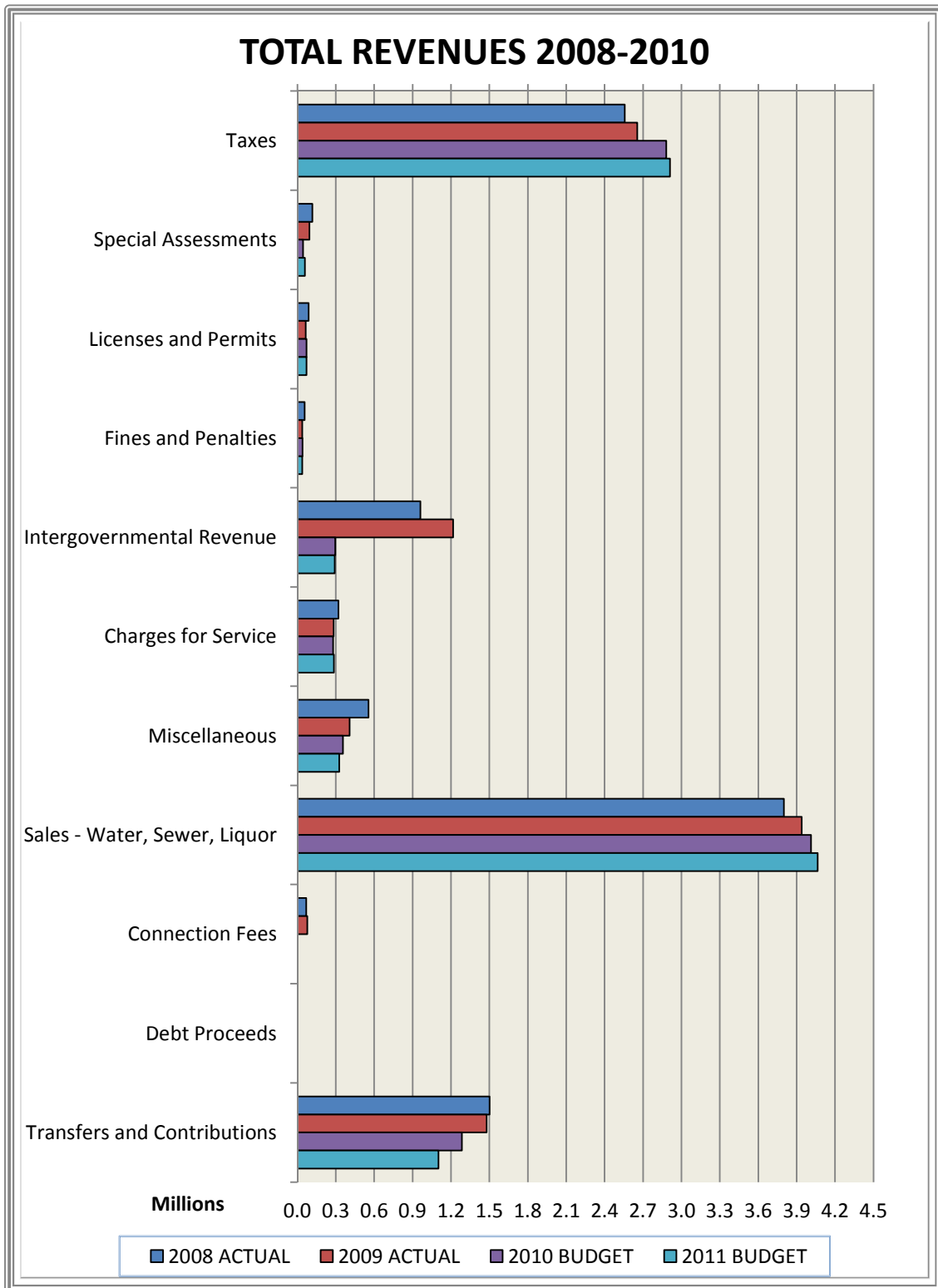
**CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
REVENUE SOURCES AS A PERCENT OF TOTAL**

<u>Total by Source</u>	2010 BUDGET	PERCENT OF TOTAL	2011 BUDGET	PERCENT OF TOTAL
Taxes	\$2,881,690	31.1%	\$2,909,840	31.8%
Special Assessments	44,170	0.5%	59,950	0.7%
Licenses and Permits	71,880	0.8%	71,350	0.8%
Fines and Penalties	41,370	0.4%	37,550	0.4%
Intergovernmental Revenue	295,820	3.2%	292,500	3.2%
Charges for Service	278,810	3.0%	285,860	3.1%
Miscellaneous	355,880	3.8%	326,790	3.6%
Sales - Water, Sewer, Liquor	4,012,680	43.3%	4,064,470	44.4%
Connection Fees	-	0.0%	-	0.0%
Debt Proceeds	-	0.0%	-	0.0%
Transfers	1,284,860	13.9%	1,102,910	12.1%
Totals	\$9,267,160	100.0%	\$9,151,220	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 REVENUE SUMMARY

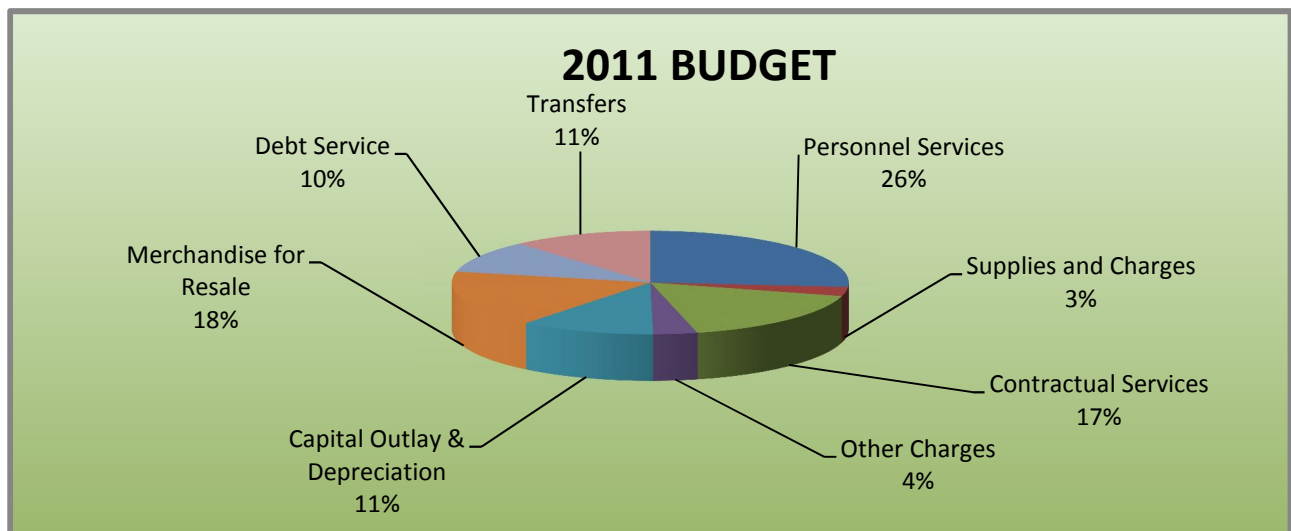
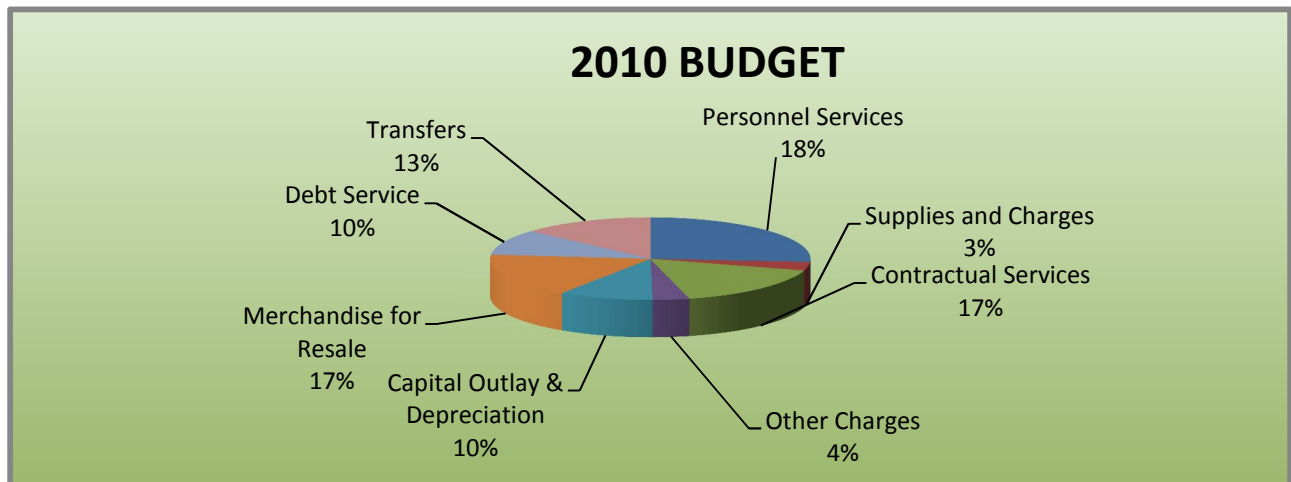
<u>Total by Source</u>	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	PERCENT OVER (UNDER) 2010 BUDGET
Taxes	\$2,558,221	\$2,654,814	\$2,881,690	\$2,909,840	1.0%
Special Assessments	117,072	95,178	44,170	59,950	35.7%
Licenses and Permits	87,736	66,205	71,880	71,350	-0.7%
Fines and Penalties	57,140	39,278	41,370	37,550	-9.2%
Intergovernmental Revenues	961,515	1,217,006	295,820	292,500	-1.1%
Charges for Services	321,695	283,354	278,810	285,860	2.5%
Miscellaneous	556,693	408,452	355,880	326,790	-8.2%
Sales - Water, Sewer, Liquor	3,799,947	3,939,175	4,012,680	4,064,470	1.3%
Connection Fees	69,600	77,600	-	-	N/A
Debt Proceeds	-	-	-	-	N/A
Transfers and Contributions	1,500,855	1,478,894	1,284,860	1,102,910	-14.2%
Totals	10,030,475	10,259,956	9,267,160	9,151,220	-1.3%
<u>Total By Fund</u>					
Operating Budget:					
General Fund	3,667,127	4,163,724	3,736,020	3,740,260	0.1%
Bicentennial Fund	253	187	100	100	0.0%
Community Dev Block Grant	-	-	-	-	N/A
Park Improvements	9,124	156,117	2,500	2,500	0.0%
Pioneer Days	24,830	26,797	28,000	28,000	0.0%
Police Forfeiture Fund	10,928	926	-	-	N/A
Turtle Ridge TIF Fund	16,905	15,678	15,590	18,290	17.3%
Water Fund	1,933,949	1,218,373	1,137,860	1,193,470	4.9%
Sanitary Sewer Fund	798,083	851,730	793,420	824,210	3.9%
Municipal Liquor Fund	2,057,807	2,090,770	2,212,990	2,175,800	-1.7%
Total Operating Budget	8,519,006	8,524,302	7,926,480	7,982,630	0.7%
Capital Improvements Budget:					
Capital Equipment	47,199	158,436	151,780	302,780	99.5%
Fire Truck Replacement	-	196,623	103,000	103,200	0.2%
235th Avenue Improvements	1,686	107	-	-	N/A
Creekview Estates	27,176	43,362	16,780	11,000	-34.4%
Ivywood Street & 230th Lane	-	-	336,950	-	-100.0%
Poppy Street Improvements	147,187	269,449	-	-	N/A
Rum River Blvd Improvements	382,417	1,516	-	-	N/A
Stark Drive	30,633	-	-	-	N/A
Street Construction State Aid	-	183,627	-	-	N/A
Trunk Utilities Rivers Edge	-	-	-	-	N/A
Utility Trunk	-	-	-	-	N/A
Waste Water Treatment Facility	42,762	32,062	23,720	20,600	-13.2%
Watermain Looping	-	80,358	-	-	N/A
Well #4	2,414	-	-	-	N/A
Woodbury Park Parking Lot	-	38,037	-	-	N/A
Total Capital Budget	681,473	1,003,576	632,230	437,580	-30.8%
Debt Service Budget:					
Debt Service Fund	829,995	732,078	708,450	731,010	3.2%
Totals	\$10,030,475	\$10,259,956	\$9,267,160	\$9,151,220	-1.3%



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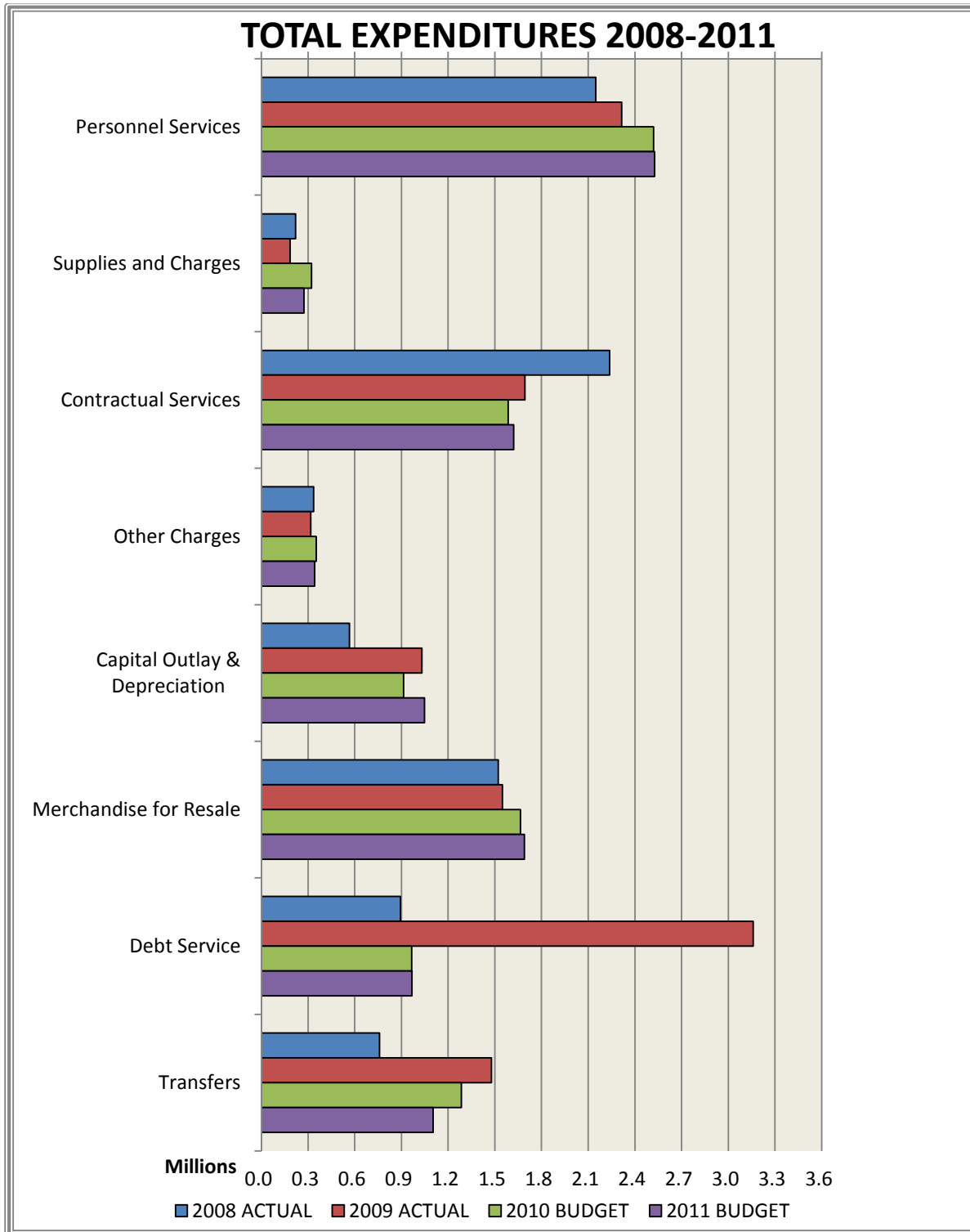
**CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
EXPENDITURE CLASSIFICATIONS AS A PERCENT OF TOTAL**

<u>Total By Classification</u>	<u>2010 BUDGET</u>	<u>PERCENT OF TOTAL</u>	<u>2011 BUDGET</u>	<u>PERCENT OF TOTAL</u>
Personnel Services	\$2,520,030	26.2%	\$2,526,270	26.4%
Supplies and Charges	322,260	3.4%	273,970	2.9%
Contractual Services	1,585,630	16.5%	1,621,968	16.9%
Other Charges	353,250	3.7%	343,610	3.6%
Capital Outlay & Depreciation	914,330	9.5%	1,047,160	10.9%
Merchandise for Resale	1,664,700	17.3%	1,690,500	17.7%
Debt Service	966,110	10.1%	967,730	10.1%
Transfers	1,284,860	13.4%	1,102,910	11.5%
Totals	\$9,611,170	100.0%	\$9,574,118	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 EXPENDITURE SUMMARY

	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% OVER/ (UNDER) 2010 BUDGET
Total by Department					
City Council	\$ 19,337	\$ 25,883	\$ 31,520	\$ 34,090	8.2%
Charter	4,072	30	1,510	1,510	0.0%
Administration	371,403	374,495	411,170	417,470	1.5%
Elections	6,935	32	10,110	10,040	-0.7%
Finance	107,000	113,101	139,430	119,165	-14.5%
Legal	111,048	91,484	120,080	120,080	0.0%
Government Buildings	42,930	428,789	99,260	127,095	28.0%
Police	1,161,792	1,236,371	1,357,080	1,449,218	6.8%
Fire	304,540	381,319	435,230	534,410	22.8%
Streets	1,462,438	826,094	897,970	780,240	-13.1%
Landfill Abatement (Recycling)	34,301	39,619	48,310	46,120	-4.5%
Community Center	486	357	960	3,370	251.0%
Parks	449,519	376,423	588,700	546,180	-7.2%
Planning & Zoning	143,826	86,632	87,500	94,800	8.3%
Economic Development	-	-	10,000	-	-100.0%
Building Inspections	30,883	18,879	51,320	50,570	-1.5%
Unallocated/Contingency	18,754	247,913	25,100	6,100	-75.7%
Pioneer Days	29,982	29,706	26,800	30,400	13.4%
Tax Increment Financing	15,186	14,213	14,230	16,920	18.9%
Debt Service	538,357	2,816,153	657,880	653,760	-0.6%
Capital Equipment	-	122,073	-	-	N/A
Water & Sewer Improvements	273,195	323,841	195,520	198,000	1.3%
Water	869,362	1,309,138	1,377,830	1,309,560	-5.0%
Sanitary Sewer	759,741	832,055	926,850	903,870	-2.5%
Municipal Liquor	1,930,854	2,033,664	2,096,810	2,121,150	1.2%
Totals	\$ 8,685,940	\$ 11,728,263	\$ 9,611,170	\$ 9,574,118	-0.4%
Total By Classification					
Personnel Services	\$ 2,149,024	\$ 2,315,075	\$ 2,520,030	\$ 2,526,270	0.2%
Supplies and Charges	220,286	184,374	322,260	273,970	-15.0%
Contractual Services	2,238,211	1,692,731	1,585,630	1,621,968	2.3%
Other Charges	335,795	316,918	353,250	343,280	-2.8%
Capital Outlay & Depreciation	566,290	1,030,918	914,330	1,047,490	14.6%
Merchandise for Resale	1,522,706	1,548,837	1,664,700	1,690,500	1.5%
Debt Service	894,337	3,160,515	966,110	967,730	0.2%
Transfers	759,291	1,478,894	1,284,860	1,102,910	-14.2%
Totals	\$ 8,685,940	\$ 11,728,263	\$ 9,611,170	\$ 9,574,118	-0.4%
Total By Fund					
Operating Budget:					
General Fund	\$ 3,310,015	\$ 3,983,039	\$ 4,040,160	\$ 4,027,208	-0.3%
Community Dev Block Grant	-	-	-	-	N/A
Park Improvements	25,626	3,883	269,000	269,000	0.0%
Pioneer Days	29,982	29,706	26,800	30,400	13.4%
Police Forfeiture	7,634	3,186	2,590	11,110	329.0%
Turtle Ridge TIF Fund	15,186	14,213	14,230	16,920	18.9%
Water Fund	869,661	1,309,138	1,377,830	1,309,560	-5.0%
Sanitary Sewer Fund	759,741	832,055	926,850	903,870	-2.5%
Municipal Liquor Fund	1,930,854	2,033,664	2,096,810	2,121,150	1.2%
Total Operating Budget	\$ 6,948,699	\$ 8,208,884	\$ 8,754,270	\$ 8,689,218	-0.7%
Capital Improvements Budget:					
Capital Equipment	\$ -	\$ 122,073	\$ -	\$ 29,340	N/A
235th Avenue Improvements	65,373	189	-	-	N/A
Creekview Estates	5,524	3,744	3,500	3,800	8.6%
Ivywood Street & 230th Lane	4,034	42,368	-	-	N/A
Poppy Street Improvements	454,664	1,415	-	-	N/A
Rum River Blvd Improvements	127,003	5,559	-	-	N/A
Stark Drive	269,390	-	-	-	N/A
Street Construction State Aid	-	164,769	-	-	N/A
Trunk Utilities Ambassador Blvd	-	16,143	-	-	N/A
Trunk Utilities Hwy 47	538	435	-	-	N/A
Trunk Utilities Rivers Edge	65,351	31,679	-	-	N/A
Utility Trunk	-	-	-	-	N/A
Waste Water Treatment Facility	194,309	195,226	195,520	198,000	1.3%
Water & Sewer Improvements	-	-	-	-	N/A
Watermain Looping	-	80,358	-	-	N/A
Well #4	12,697	-	-	-	N/A
Woodbury Park Parking Lot	-	39,268	-	-	N/A
Total Capital Budget	\$ 1,198,884	\$ 703,227	\$ 199,020	\$ 231,140	16.1%
Debt Service Budget:					
Debt Service Fund	\$ 538,357	\$ 2,816,153	\$ 657,880	\$ 653,760	-0.6%
Totals	\$ 8,685,940	\$ 11,728,263	\$ 9,611,170	\$ 9,574,118	-0.4%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 BUDGETED CHANGES IN FUND BALANCES/RETAINED EARNINGS

<u>Total By Fund</u>	BALANCE 01-01-11	REVENUES	NET OTHER INCREASES (DECREASES)	EXPENDITURES	BALANCE 12-31-11
Operating Budget:					
General	\$ 2,046,644	\$ 3,690,260	\$ (339,780)	\$ 3,637,428	\$ 1,759,696
Bicentennial	7,935	100	-	-	8,035
Community Development Block Grant	-	-	-	-	-
Park Improvements	272,428	2,500	-	269,000	5,928
Pioneer Days	(6,606)	18,000	10,000	30,400	(9,006)
Police Forfeiture	11,110	-	-	11,110	-
Turtle Ridge TIF	15,896	18,290	-	16,920	17,266
Water	6,424,902	1,193,470	(292,830)	1,016,730	6,308,812
Sanitary Sewer	8,358,961	824,210	(174,800)	729,070	8,279,301
Municipal Liquor	1,358,356	2,175,800	(60,000)	2,061,150	1,413,006
Total Operating Budget	18,489,626	7,922,630	(857,410)	7,771,808	17,783,038
Capital Improvements Budget:					
235th Avenue Improvements	4,499	-	-	-	4,499
Capital Projects/Equipment	872,862	13,000	289,780	29,340	1,146,302
Creekview Estates	(136,082)	11,000	-	3,800	(128,882)
Fire Truck Replacement	299,623	3,200	100,000	-	402,823
Ivywood St & 230th Lane	(103,500)	14,250	-	-	(89,250)
Poppy Street Improvements	(17,851)	-	-	-	(17,851)
Rum River Blvd Improvements	50,440	-	-	-	50,440
Stark Drive	-	-	-	-	-
Street Construction State Aid	-	-	-	-	-
Trunk Utilities Ambassador Blvd	(16,143)	-	-	-	(16,143)
Trunk Utilities Hwy 47	(20,730)	-	-	-	(20,730)
Trunk Utilities Rivers Edge	(502,772)	-	-	-	(502,772)
Waste Water Treatment Facility	678,641	20,600	(185,500)	12,500	501,241
Watermain Looping	(282,530)	-	-	-	(282,530)
Well #4	-	-	-	-	-
Woodbury Park Parking Lot	(1,230)	-	-	-	(1,230)
Total Capital Budget	825,227	62,050	204,280	45,640	1,045,917
Debt Service Budget:					
Debt Service	898,190	63,630	653,130	653,760	961,190
Grand Total	\$ 20,213,043	\$ 8,048,310	\$ -	\$ 8,471,208	\$ 19,790,145

DISCUSSION ON FUND BALANCE CHANGES

General Fund

The city is anticipating a higher than originally estimated Fund Balance for 12-31-10. The 2011 Budget uses a portion of this Fund Balance, but maintains an unreserved Fund Balance of 47.7%

Park Improvements

The City is anticipating using the Fund Balance to complete the Pederson Path Project.

Capital Projects/Equipment

Funds are set aside for future purchases of equipment, vehicles and facility replacements and improvements. The only planned expenditure from the fund is \$29,340 for a police vehicle.

Fire Truck Replacement

Funds are set aside for future purchases of vehicles. No expenditures are anticipated for 2011.

Waste Water Treatment Facility

Land was purchased for the future construction of a new wastewater treatment facility. The majority of the activity in this fund consists of a transfer to the Debt Service Fund for payment of the bond issued to purchase the land.

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GENERAL FUND

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CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND (101)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

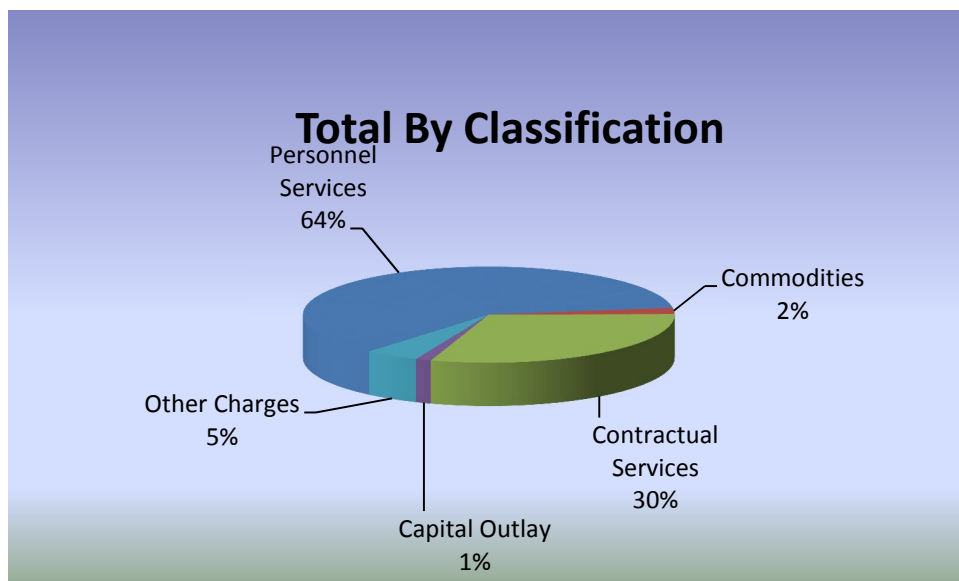
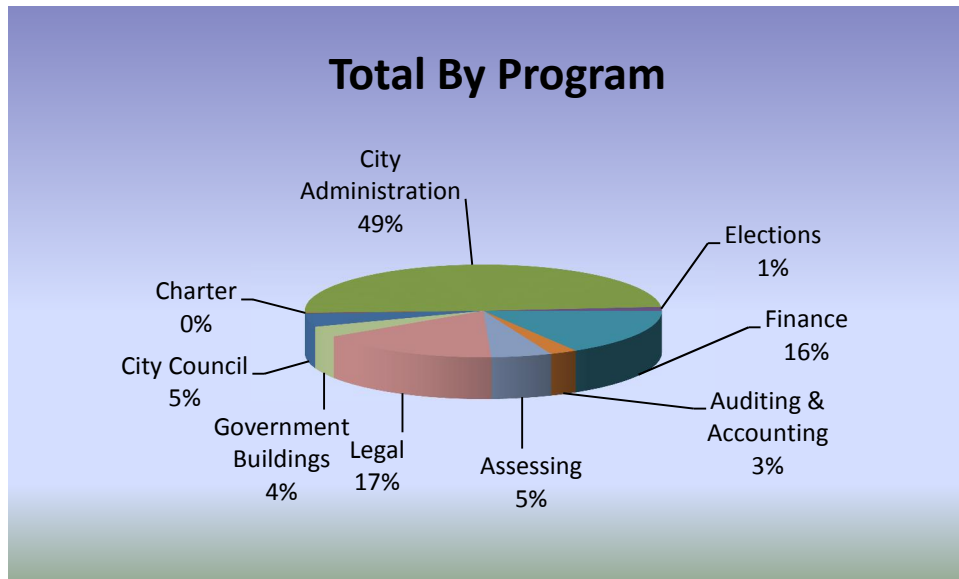
	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
Revenues:				
Taxes - current	\$2,506,400	\$2,789,460	\$2,729,729	\$2,789,460
Taxes - other	117,040	52,310	74,393	76,590
Licenses and permits	66,205	71,880	75,573	71,350
Fines and forfeits	38,555	41,370	27,010	37,550
Intergovernmental	931,346	295,820	318,429	292,500
Charges for services	283,354	278,810	283,592	285,860
Miscellaneous	170,824	156,370	112,795	136,950
Total revenues	4,113,724	3,686,020	3,621,521	3,690,260
Expenditures:				
General Government	959,181	738,080	638,586	729,450
Public Safety	1,478,758	1,629,940	1,509,466	1,653,398
Public Works	647,667	719,540	708,836	822,560
Culture and Recreation	333,629	320,660	289,802	280,550
Community Development	105,511	148,820	94,903	145,370
Miscellaneous	12,704	25,100	12,137	6,100
Total expenditures	3,537,451	3,582,140	3,253,730	3,637,428
Excess (deficit) of revenues over expenditures	576,273	103,880	367,791	52,832
Other financing sources (uses):				
Operating transfers in (out):				
Municipal Liquor Operations	50,000	50,000	50,000	50,000
Capital Projects Fund	(140,380)	(134,780)	(134,780)	(289,780)
Fire Truck Replacement Fund	(70,000)	(100,000)	(100,000)	(100,000)
CDBG Grant Fund	-	-	-	-
Park Projects - Pederson Path	(150,000)	-	-	-
Public Improvement Projects	(85,208)	(223,240)	(223,240)	-
Total other financing sources (uses)	(395,588)	(408,020)	(408,020)	(339,780)
Net change in fund balance	180,685	(304,140)	(40,229)	(286,948)
Fund balance - January 1	1,906,188	1,822,678	2,086,873	2,046,644
Fund balance - December 31	\$2,086,873	\$1,518,538	\$2,046,644	\$1,759,696
Fund balance/revenues	50.7%	41.2%	56.5%	47.7%
Fund balance/expenditures	59.0%	42.4%	62.9%	48.4%
Fund balance/# of mths of expenditures	7.1	5.1	7.5	5.8

CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES

ACCT. NO.		2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2010 RE-EST.	2011 BUDGET
<u>Taxes</u>						
31010	Current	\$2,472,854	\$2,506,400	\$2,789,460	\$2,729,729	\$2,789,460
31020	Delinquent	62,719	110,160	50,300	70,628	73,590
31910	Penalties & interest	3,000	6,880	2,010	3,765	3,000
		<u>2,538,574</u>	<u>2,623,440</u>	<u>2,841,770</u>	<u>2,804,122</u>	<u>2,866,050</u>
<u>Licenses and Permits</u>						
<u>Business:</u>						
32110	Liquor	21,933	17,200	21,720	21,720	21,720
32170	Amusements	800	580	730	640	800
32180	Cigarette, Refuse, etc.	1,700	1,950	780	1,850	870
<u>Non-business:</u>						
32210	Building	59,300	40,160	42,010	42,915	42,420
32212	Plumbing	720	1,565	1,540	1,960	1,420
32213	Mechanical	1,125	2,665	2,060	2,805	1,850
36241	Surcharge - Permits	157	100	230	100	160
32214	Fireplace	650	400	1,100	425	630
32215	Septic	600	600	970	2,303	670
32240	Animal Licenses	750	660	740	645	700
32250	Misc Permits - Snowmobiles	-	325	-	210	110
		<u>87,736</u>	<u>66,205</u>	<u>71,880</u>	<u>75,573</u>	<u>71,350</u>
<u>Fines and Penalties</u>						
35100	Court fines	43,163	35,710	37,890	25,000	34,440
35104	Animal impound fees	3,050	2,845	3,480	2,010	3,110
		<u>46,213</u>	<u>38,555</u>	<u>41,370</u>	<u>27,010</u>	<u>37,550</u>
<u>Intergovernmental Revenue</u>						
33000	PERA rate increase	1,971	1,971	1,970	1,970	1,970
33401	Local government aid	100,000	222,535	80,940	80,940	80,930
33402	Homestead credit	123,867	145,005	-	-	16,790
33403	Manufactured home homestead credit	17,600	17,527	16,650	16,650	0
33416	Police grants	17,249	17,803	8,910	10,541	13,760
33418	Street maintenance aid	85,624	94,570	99,960	94,291	97,380
33420	Fire aid	23,191	21,623	21,910	20,619	16,970
33421	Police aid	65,484	64,699	65,480	66,183	64,700
33422	DNR state aid	-	2,000	-	-	-
33500	Other Fire grants/aid	-	16,533	-	7,184	-
33610	Local government grants and aid	-	327,080	-	20,051	-
		<u>434,986</u>	<u>931,346</u>	<u>295,820</u>	<u>318,429</u>	<u>292,500</u>
<u>Charges for Services</u>						

ACCT. NO.		2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2010 RE-EST.	2011 BUDGET
<u>General Government:</u>						
34105	Maps, fax, copies, notary fees	176	184	160	83	150
34107	Assessment search fees	20	80	10	220	40
34403	Refuse collection charges	4,331	4,689	4,310	4,276	4,610
34800	Administrative charges	111,140	131,630	132,830	132,830	134,030
<u>Public Safety:</u>						
34201	Bethel contract	37,080	-	-	-	-
34202	ISD #15 contract	129,909	114,258	112,840	112,840	116,380
34203	Accident reports	160	223	50	270	130
34205	D.A.R.E. program	5,623	-	5,620	60	-
34206	Special event pay	5,701	6,788	5,700	4,758	6,790
34207	Lock out fees	-	1,625	830	1,050	900
34209	Fire Department charges	-	2,500	-	3,740	-
<u>Public Works:</u>						
34108	WCA Block Grant	3,259	1,676	-	-	-
34300	Highways and street charges	182	181	20	-	20
<u>Community Development:</u>						
34103	Zoning and subdivision fees	950	2,210	-	3,510	0
34104	Plan check fees	23,164	17,311	16,440	19,955	22,810
34109	Economic development	-	-	-	-	-
		321,695	283,354	278,810	283,592	285,860
<u>Miscellaneous Revenue</u>						
32260	Rentals, leases	37,271	39,998	37,570	40,786	42,290
34408	Landfill abatement	14,206	14,793	14,000	9,773	15,000
36200	Miscellaneous revenues	21,992	13,498	21,300	6,278	22,420
36210	Interest on investments	36,043	34,773	41,010	22,423	40,820
36225	Community Center rental	385	330	-	420	-
36230	Donations & contributions	-	-	-	3,150	-
38050	Cable TV revenues	16,037	18,029	15,020	-	16,420
39101	Sale of property	61,991	49,403	27,470	29,965	-
		187,924	170,824	156,370	112,795	136,950
TOTAL REVENUES		\$3,617,127	\$4,113,724	\$3,686,020	\$3,621,521	\$3,690,260

GENERAL GOVERNMENT 2011 BUDGET

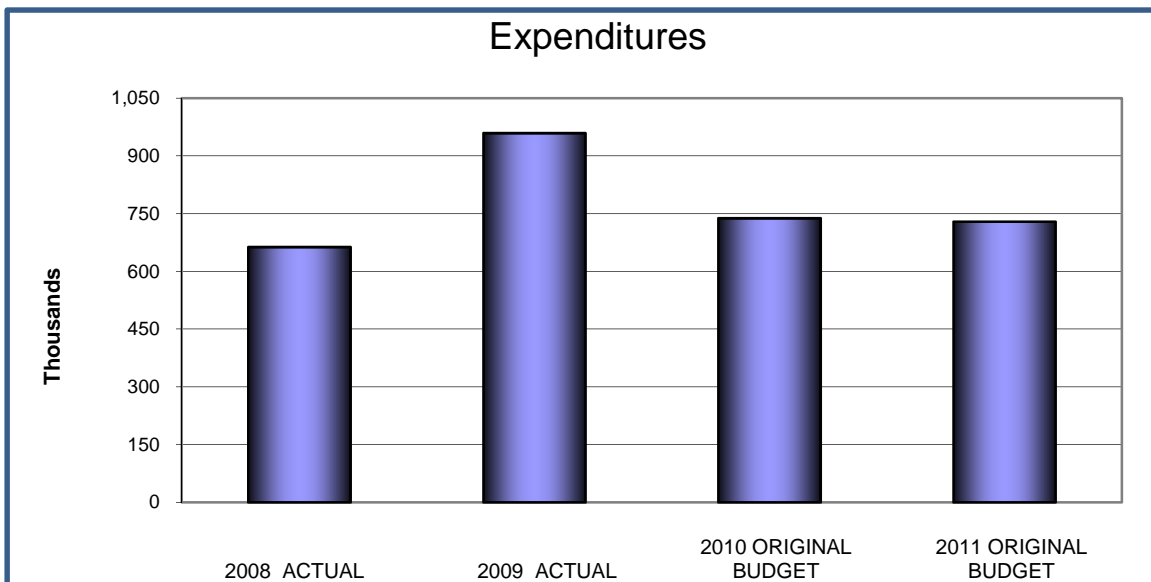


CITY OF ST. FRANCIS, MINNESOTA
GENERAL GOVERNMENT SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
City Council	\$19,337	\$25,883	\$31,520	\$34,090	8.2%
Charter	4,072	30	1,510	1,510	0.0%
City Administration	316,883	322,491	358,630	359,660	0.3%
Elections	6,935	32	10,110	10,040	-0.7%
Finance	107,000	113,101	139,430	119,165	-14.5%
Auditing & Accounting	21,761	20,244	18,010	18,010	0.0%
Assessing	33,203	32,126	34,530	39,800	15.3%
Legal	111,048	91,484	120,080	120,080	0.0%
Government Buildings	42,930	353,789	24,260	27,095	11.7%
Totals	663,168	959,181	738,080	729,450	-1.2%

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	394,904	416,959	469,300	449,380	-4.2%
Commodities	20,354	12,658	18,520	15,400	-16.8%
Contractual Services	204,077	177,630	212,950	220,260	3.4%
Capital Outlay	-	330,823	5,000	10,000	100.0%
Other Charges	43,833	21,110	32,310	34,410	6.5%
Totals	663,168	959,181	738,080	729,450	-1.2%

Staffing	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET
Full-time equivalents	5.00	5.00	5.00	5.00



Department: General Government
Program: City Council
Fund: 101
Cost Center: 41110

Program Description

The Council provides the legislative and policy making activities of the City for the health, safety and welfare of the community. It exercises budgetary control through the adoption of the annual budget, and approval of claims against the City treasury. The Council also annually adopts a five year capital improvement plan identifying the City's infrastructure needs, appoints various citizen committees to render advice on legislative and city issues, and responds to constituent concerns and question by working with City administration to address community service issues.

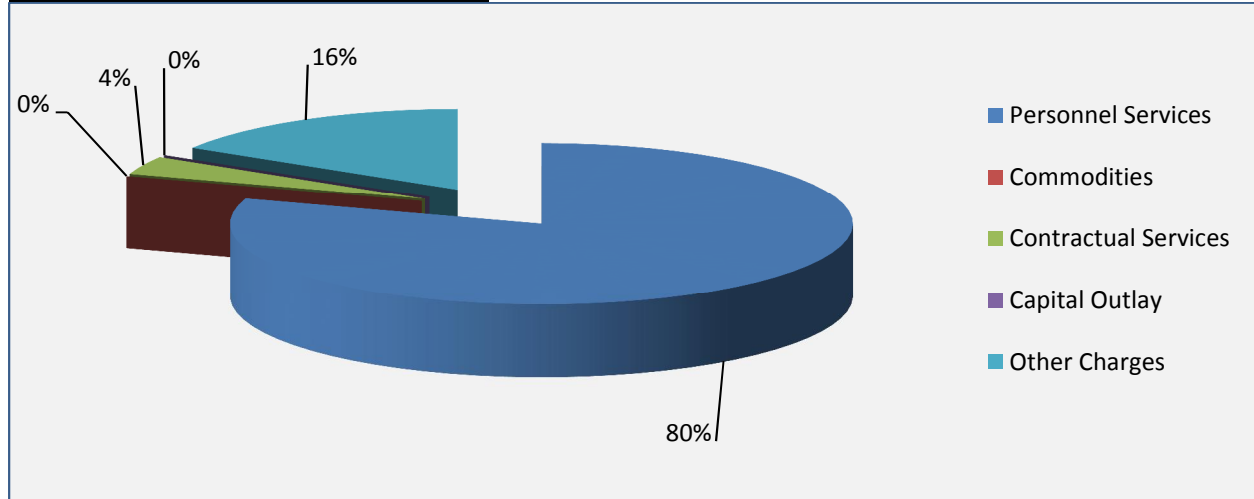
Program Expenditure Highlights

A large portion of Other Charges is allocated to training and travel.

<u>Program Expenditures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$ 17,202	\$ 23,295	\$ 27,360	\$ 27,290	-0.3%
Commodities	-	-	-	-	N/A
Contractual Services	1,398	524	610	1,250	104.9%
Capital Outlay	-	-	-	-	N/A
Other Charges	738	2,064	3,550	5,550	56.3%
Total	<u>\$ 19,338</u>	<u>\$ 25,883</u>	<u>\$ 31,520</u>	<u>\$ 34,090</u>	<u>8.2%</u>

Full-Time Equivalent positions Council consists of one Mayor and four Council Members.

Program Expenditures by Classification



<u>Performance Measures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>
Council meetings	24	24	24	24
Special meetings	0	0	0	0
Special workshops	1	1	5	5
Town Hall meetings	0	1	1	1

Department: General Government **Fund: 101**
Program: Elections **Cost Center: 41410**

Program Description

Conduct national, state and local elections in accordance with statutory requirements. The City does not provide for elections associated with Independent School District #15.

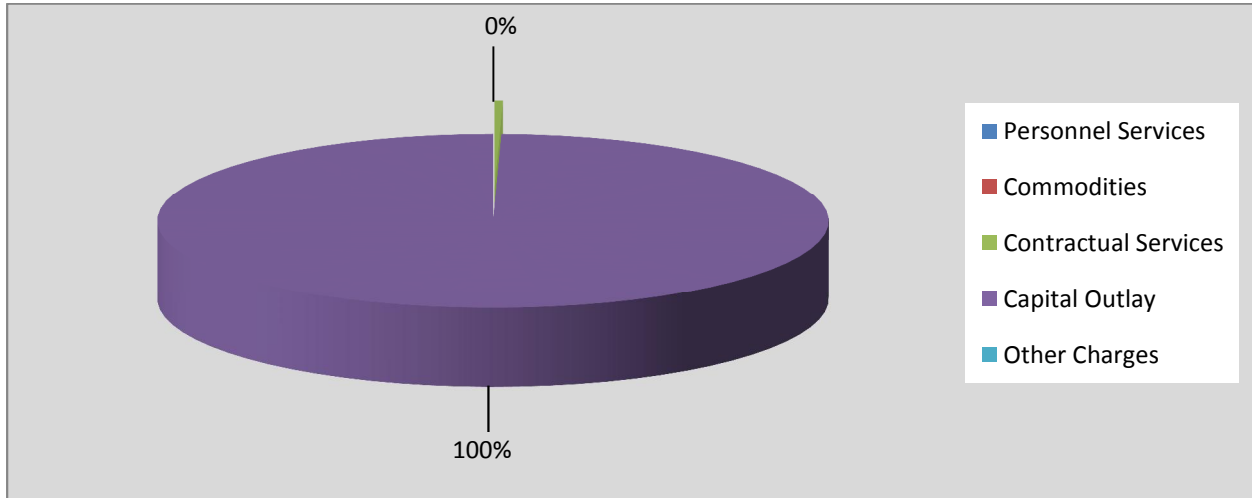
Program Expenditure Highlights

Elections are normally held on even numbered years. New election equipment is anticipated in 2011.

<u>Program Expenditures</u>	2008	2009	2010	2011	PERCENT
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>OVER(UNDER)</u> <u>2010 BUDGET</u>
Personnel Services	\$ 4,603	\$ -	\$ 3,600	\$ -	-100.0%
Commodities	532	-	300	-	-100.0%
Contractual Services	1,294	32	710	40	-94.4%
Capital Outlay	-	-	5,000	10,000	100.0%
Other Charges	506	-	500	-	-100.0%
Total	\$ 6,935	\$ 32	\$ 10,110	\$ 10,040	-0.7%

Full-Time Equivalent positions Election judges are paid based on the number of hours they work.

Program Expenditures by Classification



<u>Performance Measures</u>	2008	2009	2010	2011
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>
Number of registered voters	4,425	N/A	4,500	N/A
Number of votes cast	3,652	N/A	3,700	N/A
Number of precincts	3	N/A	3	N/A
Number of voting locations	2	N/A	2	N/A

Department: General Government **Fund:** 101
Program: Finance **Cost Center:** 41500

Program Description

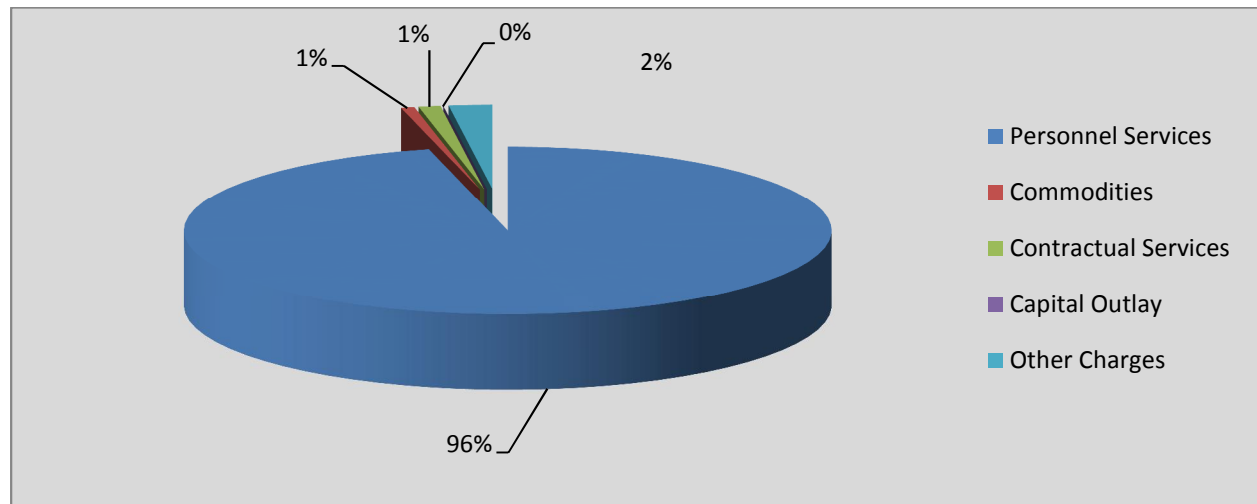
This program is responsible for administration of the City's financial affairs. This includes maintaining accounting records for all operations, investment of funds, supervision of revenue collection, disbursements of city monies, debt administration, payroll, audit and budget preparation, and risk management.

Program Expenditure Highlights

The increase in Commodities in 2010 was mainly due to the need for replacement of a computer.

<u>Program Expenditures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$102,845	\$109,542	\$130,010	\$114,490	-11.9%
Commodities	1,496	581	3,520	800	-77.3%
Contractual Services	1,061	1,346	1,300	1,300	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	1,597	1,633	4,600	2,575	-44.0%
Total	<u><u>\$106,999</u></u>	<u><u>\$113,102</u></u>	<u><u>\$139,430</u></u>	<u><u>\$119,165</u></u>	<u><u>-14.5%</u></u>
Full-Time Equivalent positions	0.83	1.00	1.50	1.50	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>
Number of invoices paid	5,105	5,394	5,250	5,300
Number of payroll direct deposits	1,217	1,229	1,240	1,240
Number of receipts processed	988	944	1,000	950
Number of wires/ACH transactions	245	289	260	290

Department: General Government
Program: Auditing and Accounting

Fund: 101
Cost Center: 41540

Program Description

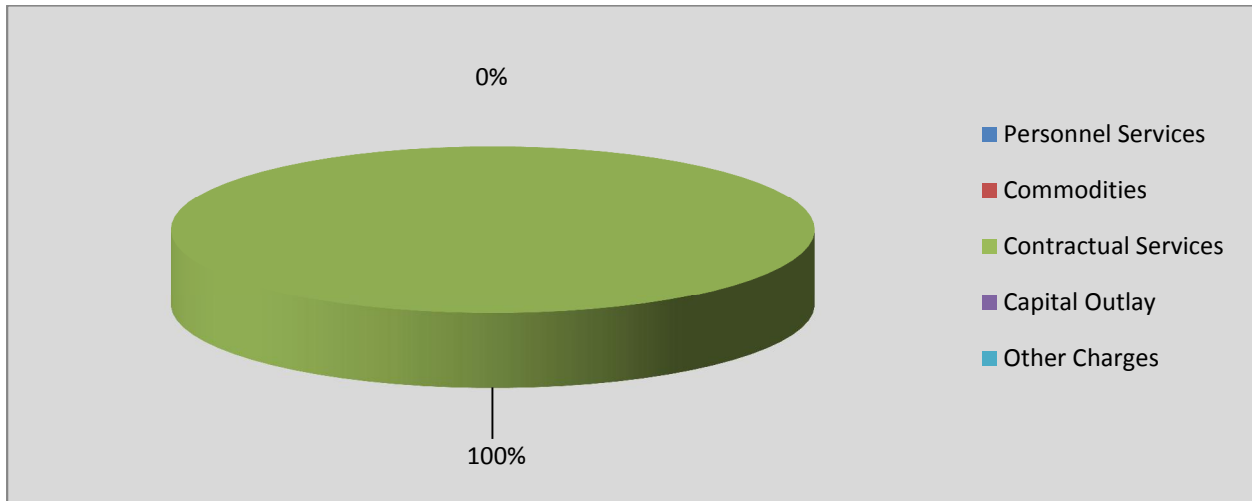
This program accounts for costs associated with the annual audit of the City, our financial accounting software, and administration of our benefit services.

Program Expenditure Highlights

Audit costs are expected to stay relatively the same.

	2008	2009	2010	2011	PERCENT OVER(UNDER) 2010 BUDGET
<u>Program Expenditures</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	21,761	20,244	18,010	18,010	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	<u>\$ 21,761</u>	<u>\$ 20,244</u>	<u>\$ 18,010</u>	<u>\$ 18,010</u>	0.0%

Program Expenditures by Classification



Department: General Government **Fund:** 101
Program: Legal **Cost Center:** 41600

Program Description

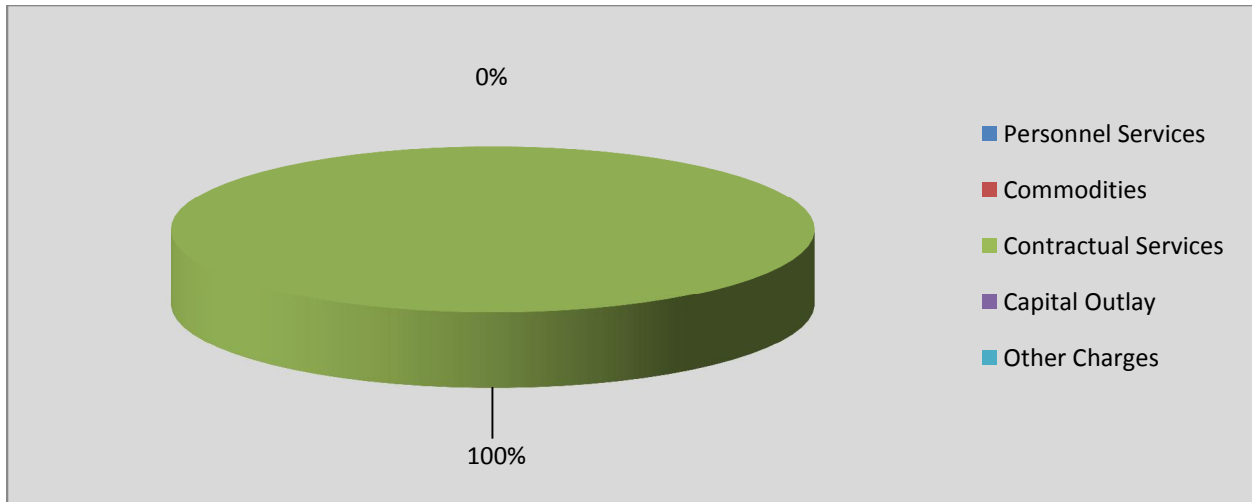
The City Attorney provides City Council and staff with research and support on issues of a legal matter. The City Attorney also serves as the chief prosecuting attorney for the City, attends Council meetings, and serves in an advisory capacity to all City departments on matters coming before the City Council.

Program Expenditure Highlights

Do not anticipate an increase from 2010 to 2011.

<u>Program Expenditures</u>	2008	2009	2010	2011	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2010 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	111,048	91,484	120,080	120,080	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$111,048	\$ 91,484	\$120,080	\$120,080	0.0%

Program Expenditures by Classification



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Department: General Government
Program: Government Buildings

Fund: 101
Cost Center: 41940

Program Description

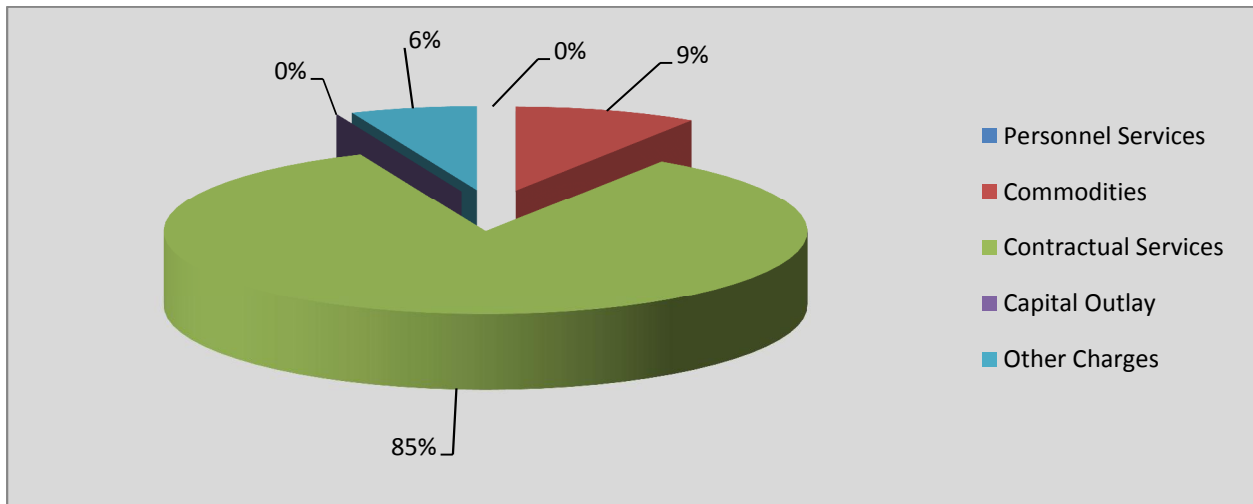
Provide for a clean, well-maintained and comfortable environment for building users of City Hall.

Program Expenditure Highlights

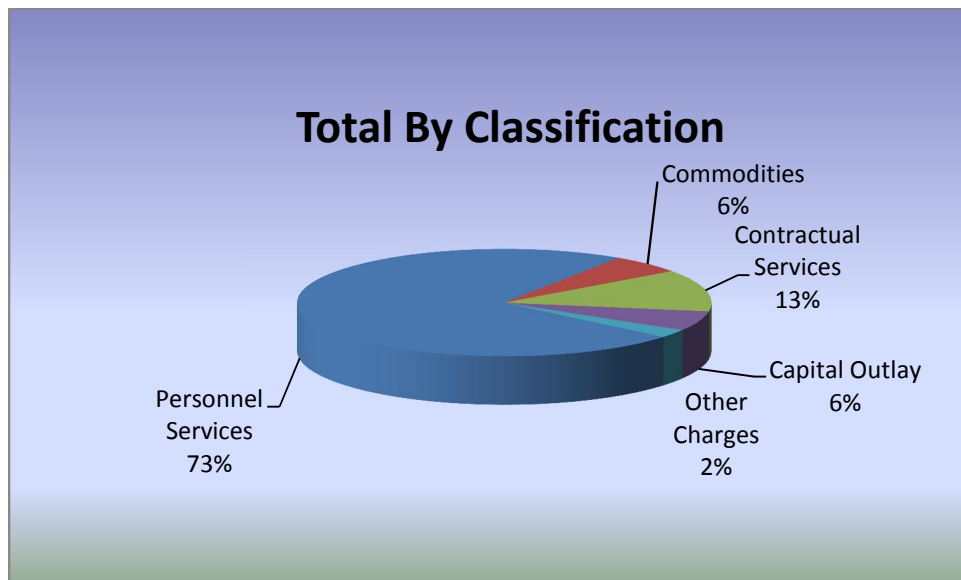
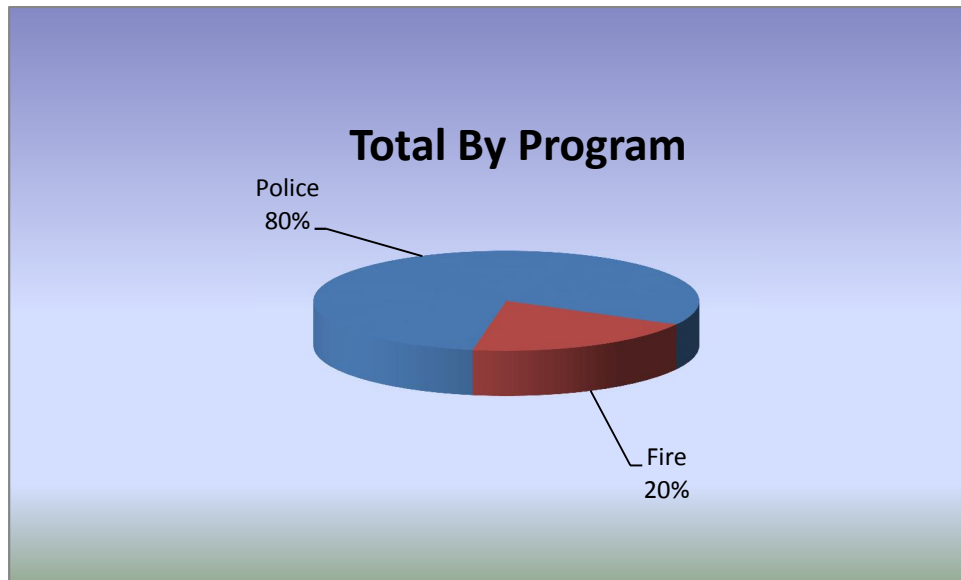
The costs for this program are anticipated to remain fairly flat.

<u>Program Expenditures</u>	2008	2009	2010	2011	PERCENT
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>OVER(UNDER)</u> <u>2010 BUDGET</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	4,137	1,808	2,500	2,500	0.0%
Contractual Services	20,646	19,877	21,360	22,870	7.1%
Capital Outlay	-	330,823	-	-	N/A
Other Charges	18,147	1,281	400	1,725	331.3%
Total	\$ 42,930	\$353,789	\$ 24,260	\$ 27,095	11.7%

Program Expenditures by Classification



PUBLIC SAFETY 2011 BUDGET

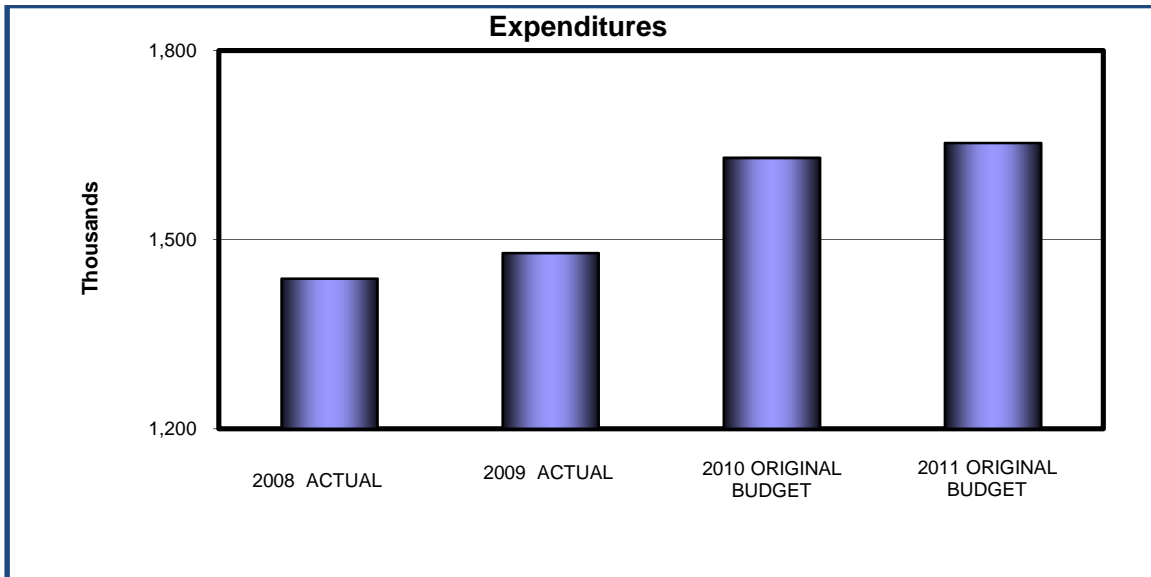


CITY OF ST. FRANCIS, MINNESOTA
PUBLIC SAFETY SUMMARY

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Police	\$1,153,714	\$1,167,439	\$1,294,710	\$1,323,988	2.3%
Fire	284,540	311,319	335,230	329,410	-1.7%
Totals	1,438,254	1,478,758	1,629,940	1,653,398	1.4%

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	1,033,047	1,105,040	1,185,170	1,210,670	2.2%
Commodities	86,893	60,160	106,410	94,110	-11.6%
Contractual Services	182,481	165,121	190,710	207,908	9.0%
Capital Outlay	102,169	117,468	109,980	98,540	-10.4%
Other Charges	33,665	30,969	37,670	42,170	11.9%
Totals	1,438,254	1,478,758	1,629,940	1,653,398	1.4%

Staffing	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET
Full-time equivalents	13.00	12.00	12.00	12.00



Department: Public Safety **Fund:** 101
Program: Police **Cost Center:** 42110

Program Description

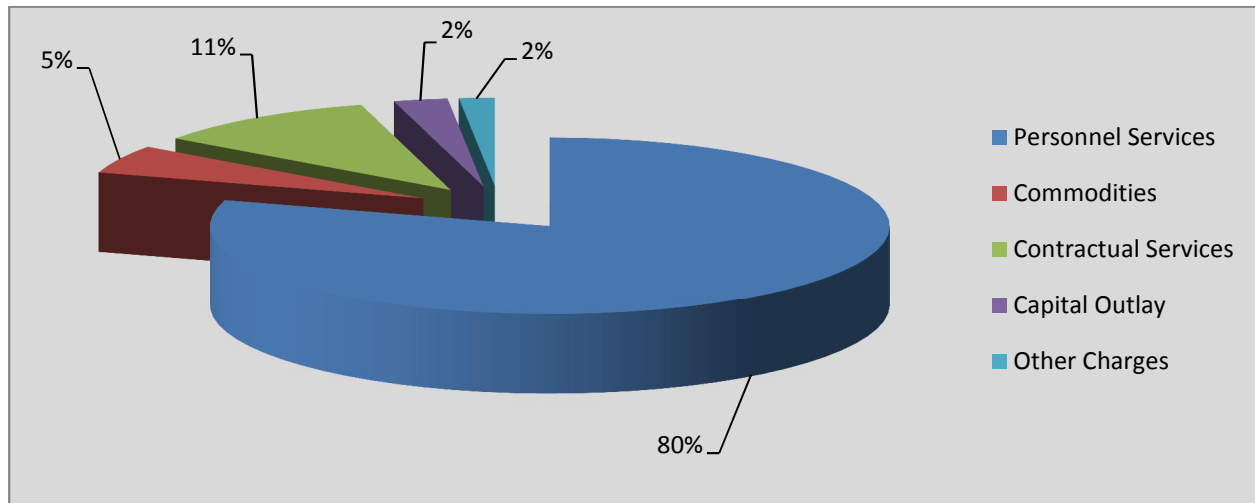
Enforce state laws and city ordinances as directed to provide the public with law enforcement services in the areas of patrol, investigation, school liaison, crime prevention and traffic control. Animal control is also accounted for in this program.

Program Expenditure Highlights

The increase in Personnel Services represents step increases. Contractual Services is increasing due to an increase in insurance and maintenance of building costs.

<u>Program Expenditures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$ 928,420	\$ 969,185	\$1,046,020	\$1,055,690	0.9%
Commodities	60,496	38,824	68,610	68,610	0.0%
Contractual Services	112,108	117,458	121,510	143,208	17.9%
Capital Outlay	30,335	29,101	38,150	34,060	-10.7%
Other Charges	22,356	12,871	20,420	22,420	9.8%
Total	\$1,153,715	\$1,167,439	\$1,294,710	\$1,323,988	2.3%
Full-Time Equivalent positions	12.00	12.00	12.00	12.00	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>
Total calls for service	6,776	5,995	7,000	6,500
Citations issued	1,076	960	1,200	1,100
Chargeable offenses (Parts 1 & 2)	1,073	1,042	1,200	1,200
Miscellaneous offenses (Parts 3 & 4)	4,627	3,993	4,600	4,600

Department: Public Safety **Fund:** 101
Program: Fire **Cost Center:** 42210

Program Description

Responds to all fire and emergency medical incidents in the City. Paid on-call firefighters are alerted to an incident via a pager dispatched through the Anoka County Central Communications System. The fire department is responsible for performing new building plan reviews and existing building inspections to ensure compliance with State and Federal Fire Codes and Standards.

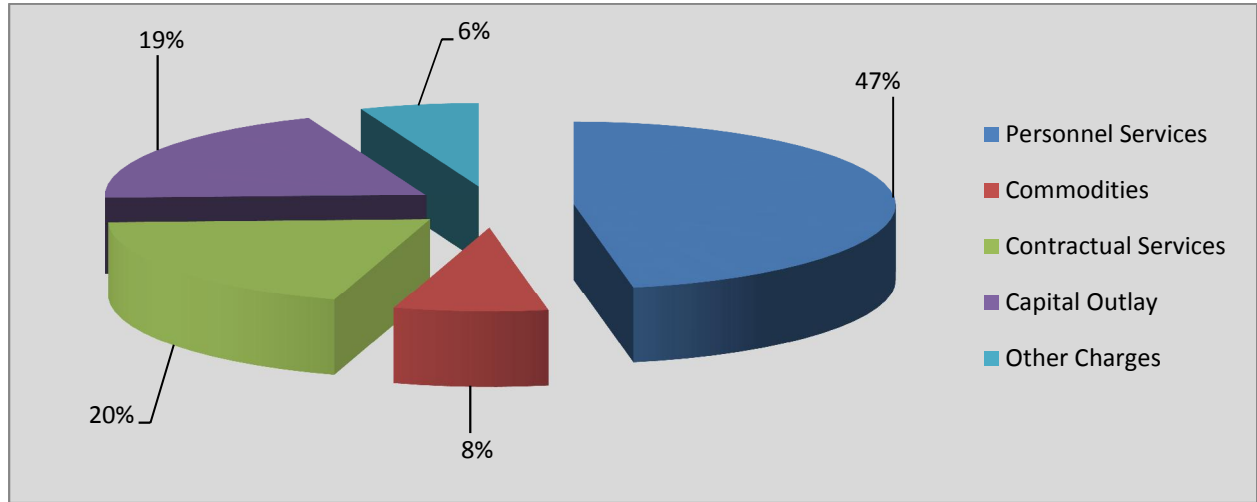
Program Expenditure Highlights

Personnel Services are tied to the number of calls the volunteer firefighters respond to.

<u>Program Expenditures</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2011 BUDGET</u>	<u>PERCENT OVER(UNDER) 2010 BUDGET</u>
Personnel Services	\$104,627	\$135,855	\$139,150	\$154,980	11.4%
Commodities	26,397	21,336	37,800	25,500	-32.5%
Contractual Services	70,373	47,663	69,200	64,700	-6.5%
Capital Outlay	71,834	88,367	71,830	64,480	-10.2%
Other Charges	11,309	18,098	17,250	19,750	14.5%
Total	\$284,540	\$311,319	\$335,230	\$329,410	-1.7%

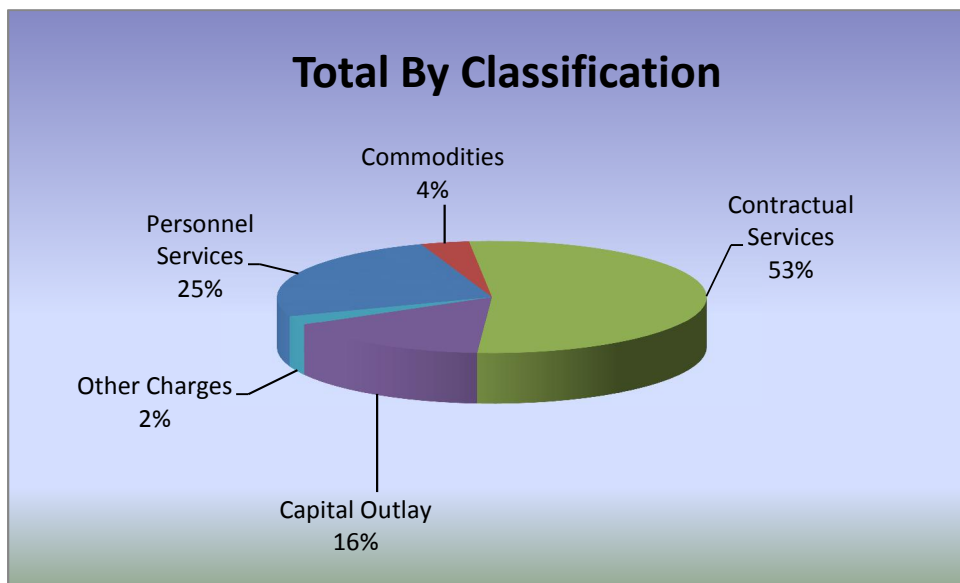
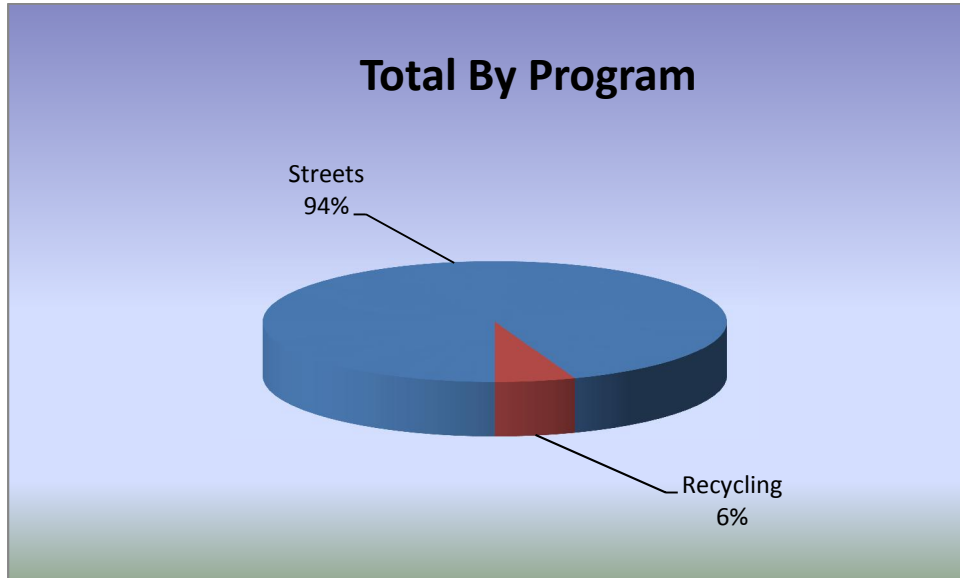
Full-Time Equivalent positions: Paid on-call fire department.

Program Expenditures by Classification



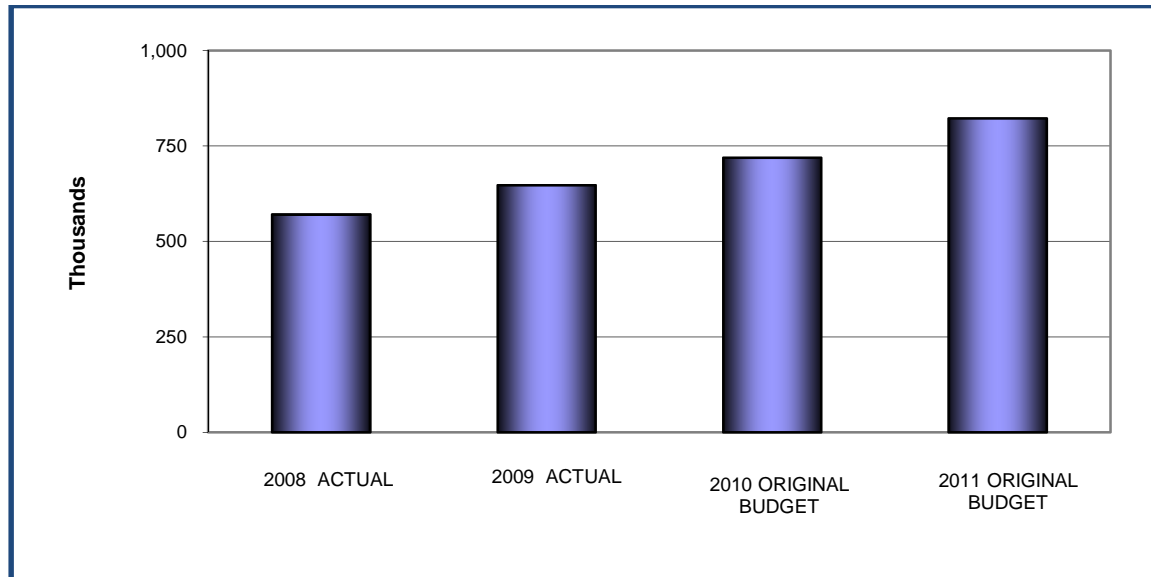
<u>Performance Measures</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2011 BUDGET</u>
Total calls	371	462	400	400
Emergency medical responses	271	326	280	300
Fire inspection hours	73	153	140	500
Firefighter training hours	2188	2792	2500	2500

PUBLIC WORKS 2011 BUDGET



CITY OF ST. FRANCIS, MINNESOTA
PUBLIC WORKS SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Streets	\$536,450	\$608,048	\$671,230	\$776,440	15.7%
Recycling	34,301	39,619	48,310	46,120	-4.5%
Totals	570,751	647,667	719,540	822,560	14.3%
Total By Classification					
Personnel Services	167,464	198,113	207,170	207,200	0.0%
Commodities	21,742	15,084	31,910	30,050	-5.8%
Contractual Services	221,020	368,446	434,710	434,360	-0.1%
Capital Outlay	137,993	44,098	22,000	129,700	489.5%
Other Charges	22,533	21,927	23,750	21,250	-10.5%
Totals	570,751	647,667	719,540	822,560	14.3%
Staffing					
Full-time equivalents	2.95	3.03	2.87	3.04	



Department: Public Works **Fund:** 101
Program: Streets **Cost Center:** 43100

Program Description

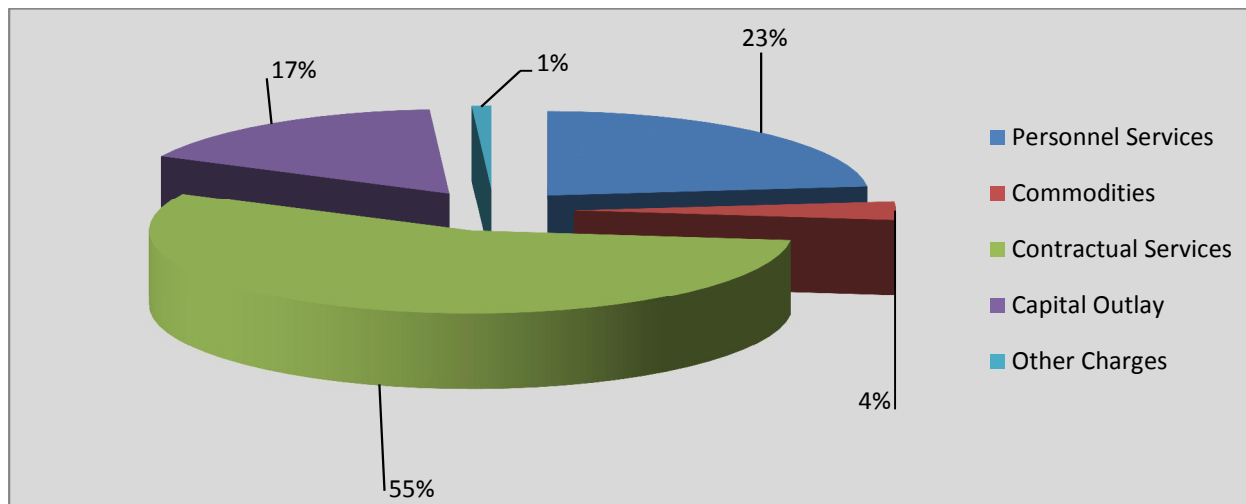
Maintains all City streets to minimize deterioration. Maintenance includes seal coating, crack sealing, pothole patching, sweeping, plowing, gravel road maintenance, and repairs of the storm drainage system. This program is also responsible for traffic control devices such as street signs, pavement markings, and guard rails on all City roadways.

Program Expenditure Highlights

Contractual Services are increasing to reflect the improvements needed to our paved and gravel roads. FTE's are adjusted annually to more accurately reflect where employees are spending their time.

Program Expenditures	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$147,134	\$177,297	\$180,940	\$180,780	-0.1%
Commodities	21,184	14,273	30,680	27,700	-9.7%
Contractual Services	219,581	362,698	429,610	430,610	0.2%
Capital Outlay	137,993	44,098	22,000	129,700	489.5%
Other Charges	10,558	9,683	8,000	7,650	-4.4%
Total	\$536,450	\$608,049	\$671,230	\$776,440	15.7%
Full-Time Equivalent positions	2.55	2.55	2.76	2.60	-5.9%

Program Expenditures by Classification



Performance Measures	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET
Asphalt street miles maintained	36	36	36	36
Gravel road miles maintained	11	11	11	11
Street sweeping hours	68	64	60	60
Gravel usage (tons)	3899	7465	6500	7000
Sand/salt usage (tons)	190	129	175	180

Department: Public Works **Fund:** 101
Program: Recycling **Cost Center:** 43210

Program Description

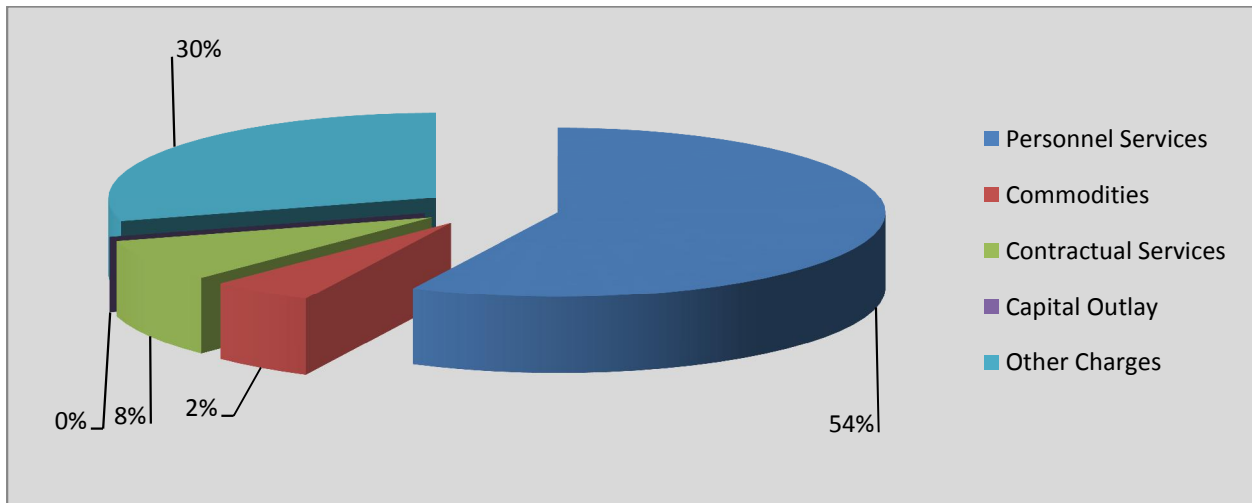
This program provides recycling opportunities to all city residents and surrounding areas. The goal is to provide this service in a cost effective manner while ensuring compliance with state rules and regulations.

Program Expenditure Highlights

Other Charges reflects a line item for equipment rentals.

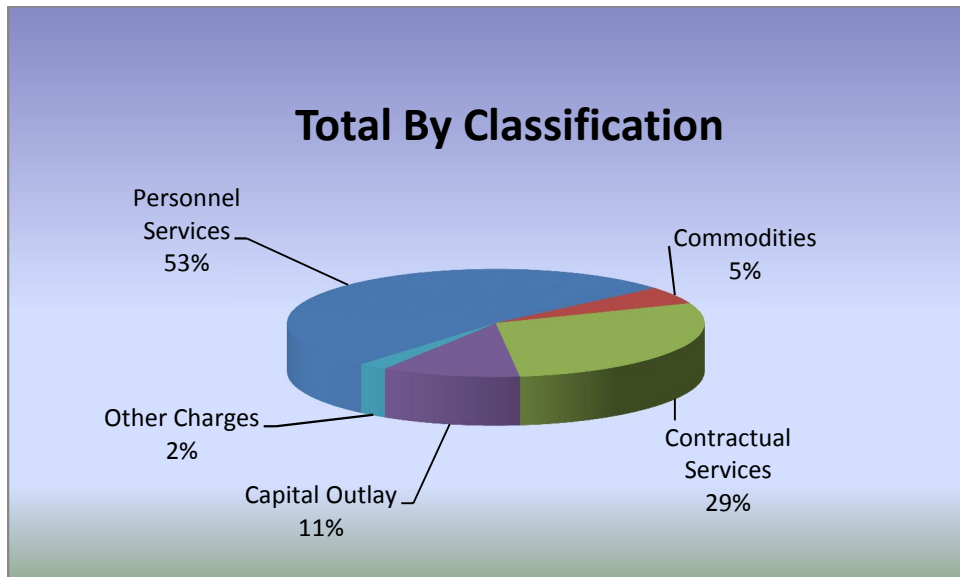
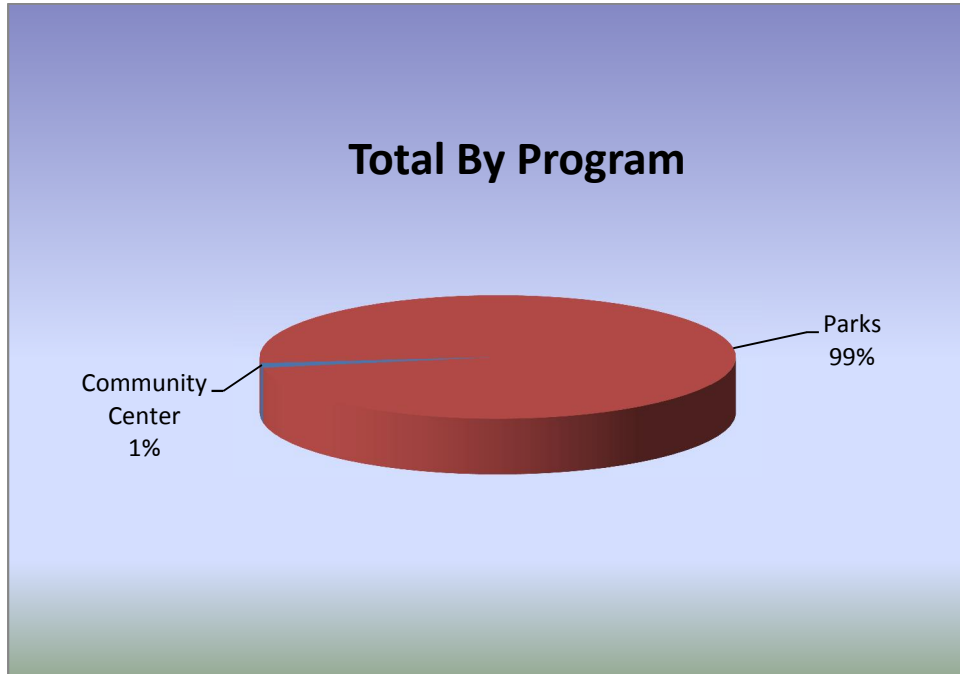
	2008	2009	2010	2011	PERCENT
<u>Program Expenditures</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>OVER(UNDER)</u>
					<u>2010 BUDGET</u>
Personnel Services	\$ 18,329	\$ 20,816	\$ 26,230	\$ 26,420	0.7%
Commodities	557	812	1,230	2,350	91.1%
Contractual Services	3,440	5,748	5,100	3,750	-26.5%
Capital Outlay	-	-	-	-	N/A
Other Charges	11,975	12,244	15,750	13,600	-13.7%
Total	\$ 34,301	\$ 39,620	\$ 48,310	\$ 46,120	-4.5%
Full-Time Equivalent positions	0.40	0.40	0.27	0.27	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2008	2009	2010	2011
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>
Recycling days	2	2	2	3
Recycling collection tonnage	546	490	500	500

CULTURE & RECREATION 2011 BUDGET

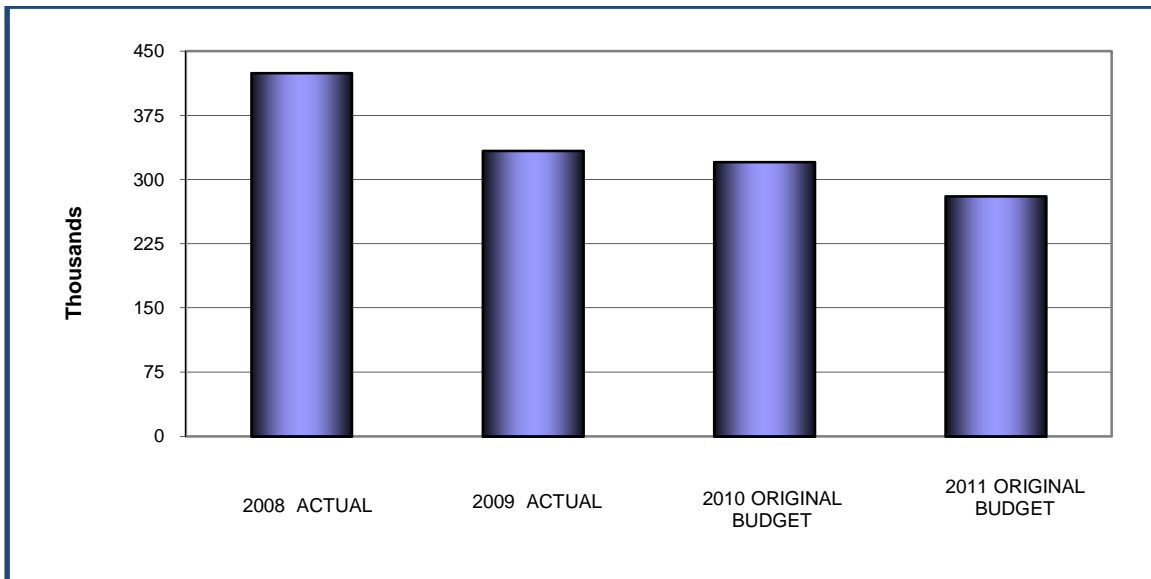


CITY OF ST. FRANCIS, MINNESOTA
CULTURE & RECREATION SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Community Center	\$486	\$357	\$960	\$3,370	251.0%
Parks	423,893	333,272	319,700	277,180	-13.3%
Totals	424,378	333,629	320,660	280,550	-12.5%

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	133,378	144,094	163,720	147,770	-9.7%
Commodities	12,149	10,670	14,880	14,700	-1.2%
Contractual Services	70,256	79,705	79,330	81,720	3.0%
Capital Outlay	199,094	89,559	54,730	30,110	-45.0%
Other Charges	9,501	9,602	8,000	6,250	-21.9%
Totals	424,378	333,629	320,660	280,550	-12.5%

Staffing	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET
Full-time equivalents	2.55	2.78	2.85	2.52



Department: Culture & Recreation **Fund:** 101
Program: Parks **Cost Center:** 45200

Program Description

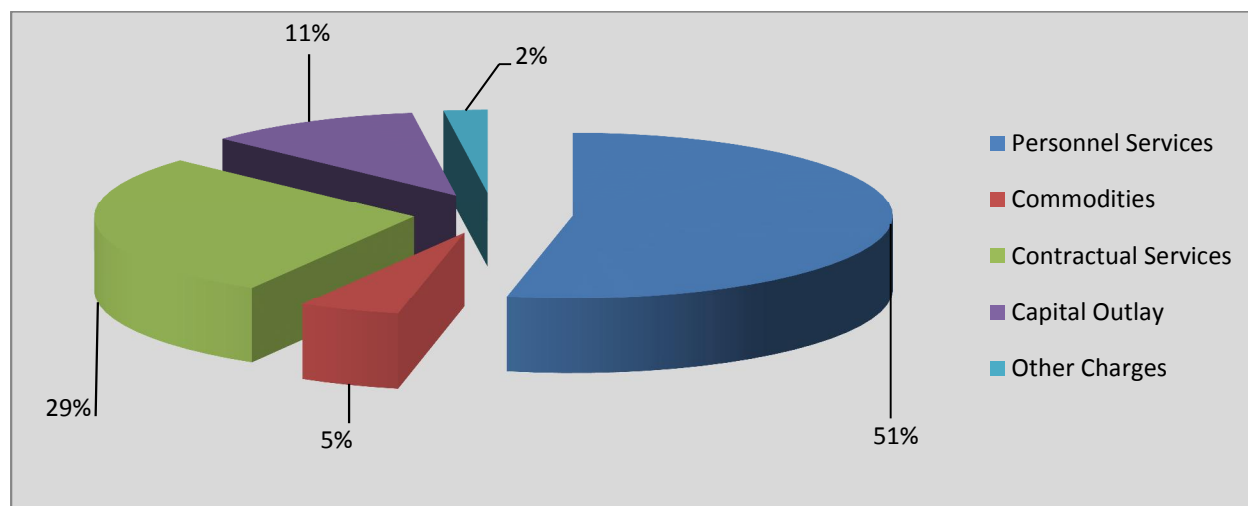
Provides for the overall planning, management and administrative activities of the park facilities and for the maintenance and improvement of park and recreational facilities, including skating rinks, athletic fields and neighborhood parks.

Program Expenditure Highlights

Capital Outlay is decreased in 2010 due to the maturity of a note in 2009. FTE's are adjusted annually to more accurately reflect where employees are spending their time.

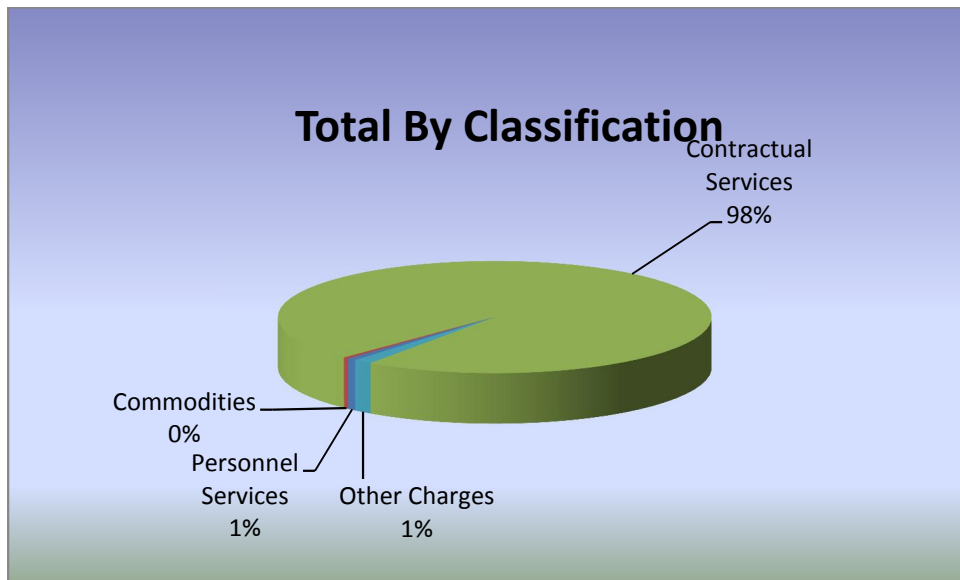
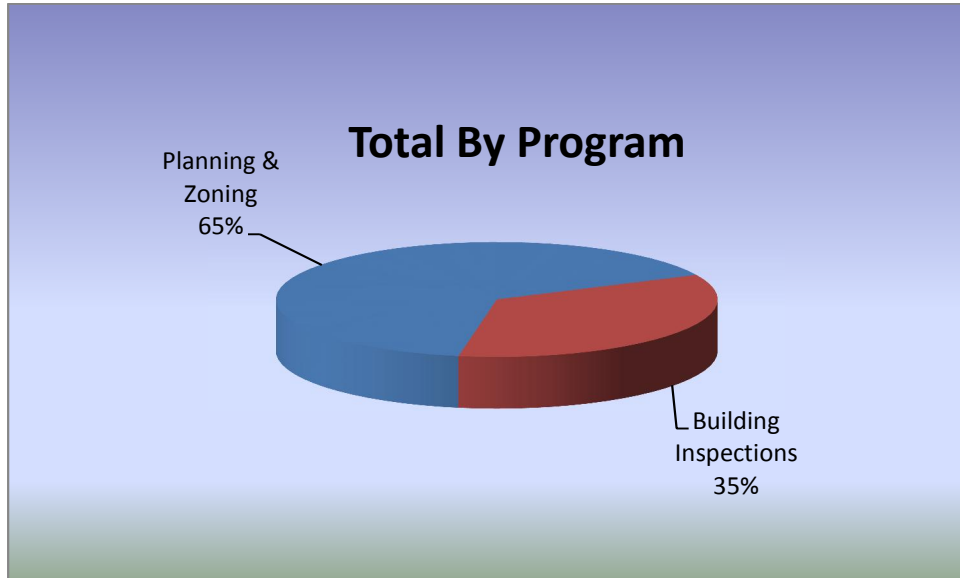
<u>Program Expenditures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$133,378	\$144,094	\$163,720	\$147,770	-9.7%
Commodities	12,145	10,670	14,630	14,200	-2.9%
Contractual Services	69,774	79,348	78,620	78,950	0.4%
Capital Outlay	199,094	89,559	54,730	30,110	-45.0%
Other Charges	9,501	9,602	8,000	6,150	-23.1%
Total	\$423,892	\$333,273	\$319,700	\$277,180	-13.3%
Full-Time Equivalent positions	2.55	2.55	2.78	2.85	2.2%

Program Expenditures by Classification



<u>Performance Measures</u>	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>
Number of parks maintained	14	14	14	14
Total acreage mowed	58	58	58	58
Ballfields maintained	2	2	2	2
Number of playgrounds	8	8	8	8
Miles of trail maintained	7	7	7	7

COMMUNITY DEVELOPMENT 2011 BUDGET

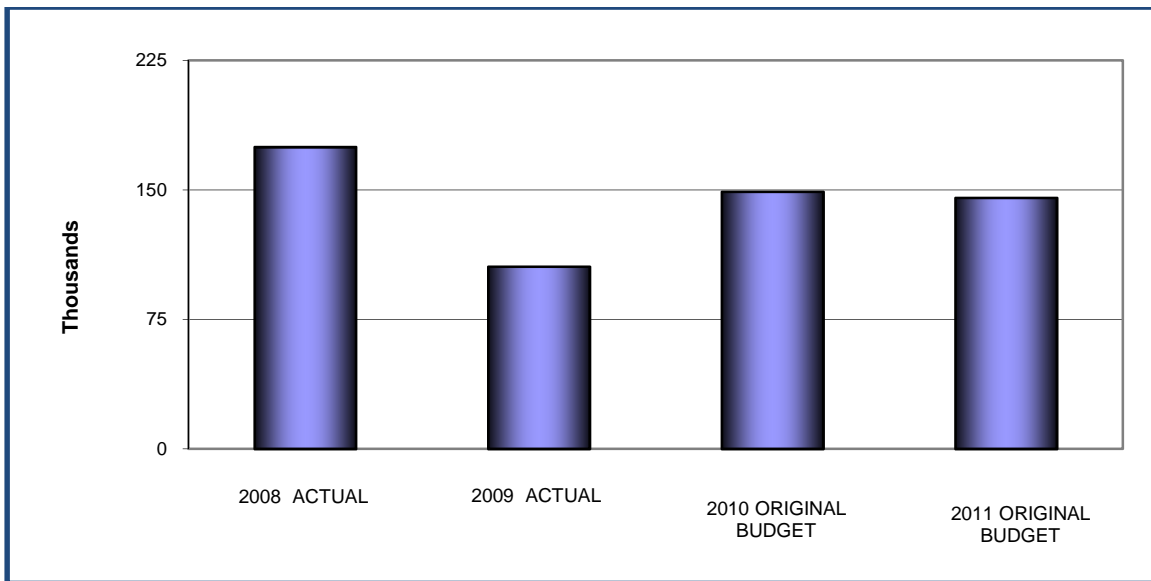


CITY OF ST. FRANCIS, MINNESOTA
COMMUNITY DEVELOPMENT SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Planning & Zoning	\$143,826	\$86,632	\$97,500	\$94,800	-2.8%
Building Inspections	30,883	18,879	51,320	50,570	-1.5%
Totals	174,709	105,511	148,820	145,370	-2.3%

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	795	740	2,000	1,000	-50.0%
Commodities	1,006	0	1,000	600	-40.0%
Contractual Services	172,628	103,708	143,970	141,720	-1.6%
Capital Outlay	0	0	0	0	N/A
Other Charges	280	1,063	1,850	2,050	10.8%
Totals	174,709	105,511	148,820	145,370	-2.3%

Staffing	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET
Full-time equivalents	0.00	0.00	0.00	0.00



Department: General Government
Program: Planning and Zoning

Fund: 101
Cost Center: 41910

Program Description

Performs long range planning, develops and implements zoning and subdivision ordinances, and reviews development proposals.

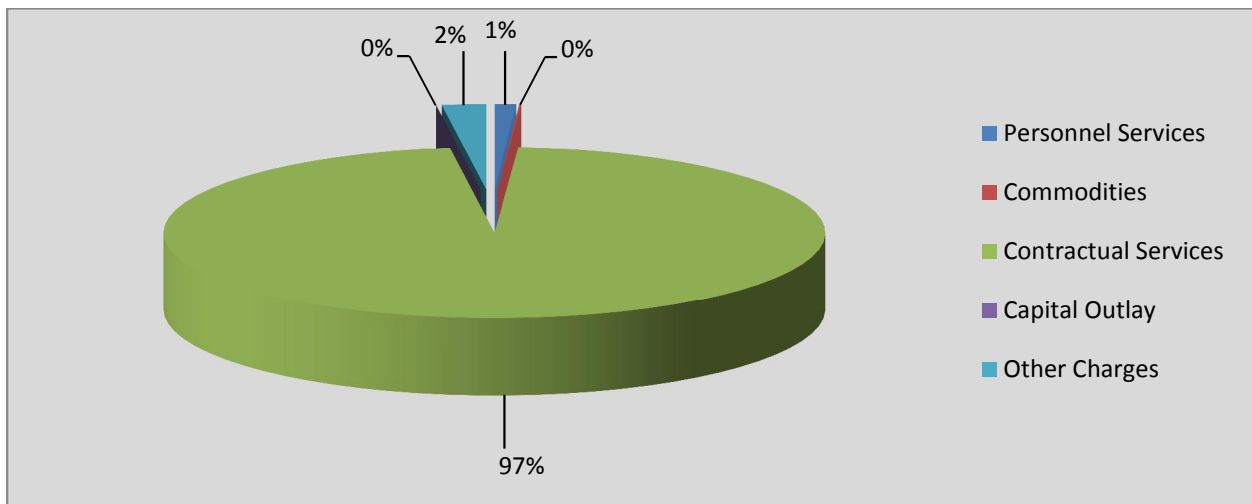
Program Expenditure Highlights

The 2008 amounts included costs associated with the update of the City's Comprehensive Plan and related zoning and subdivision ordinances.

<u>Program Expenditures</u>	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	\$ 795	\$ 740	\$ 2,000	\$ 1,000	-50.0%
Commodities	-	-	500	100	-80.0%
Contractual Services	142,751	84,829	93,150	91,650	-1.6%
Capital Outlay	-	-	-	-	N/A
Other Charges	280	1,063	1,850	2,050	10.8%
Total	\$143,826	\$ 86,632	\$ 97,500	\$ 94,800	-2.8%

Full-Time Equivalent positions Commission members are paid based on number of meetings attended.

Program Expenditures by Classification



Performance Measures

	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET
Special use permits	2	0	3	3
Ordinance amendments	8	1	2	2
Rezoning	0	0	1	1
Comp Plan amendments	0	0	0	0
Subdivisions processed	1	0	0	0
Concept plan review	0	0	0	0
Site plan review	1	0	1	1
Variations	1	1	0	0

Department: Community Development **Fund:** 101
Program: Building Inspections **Cost Center:** 42400

Program Description

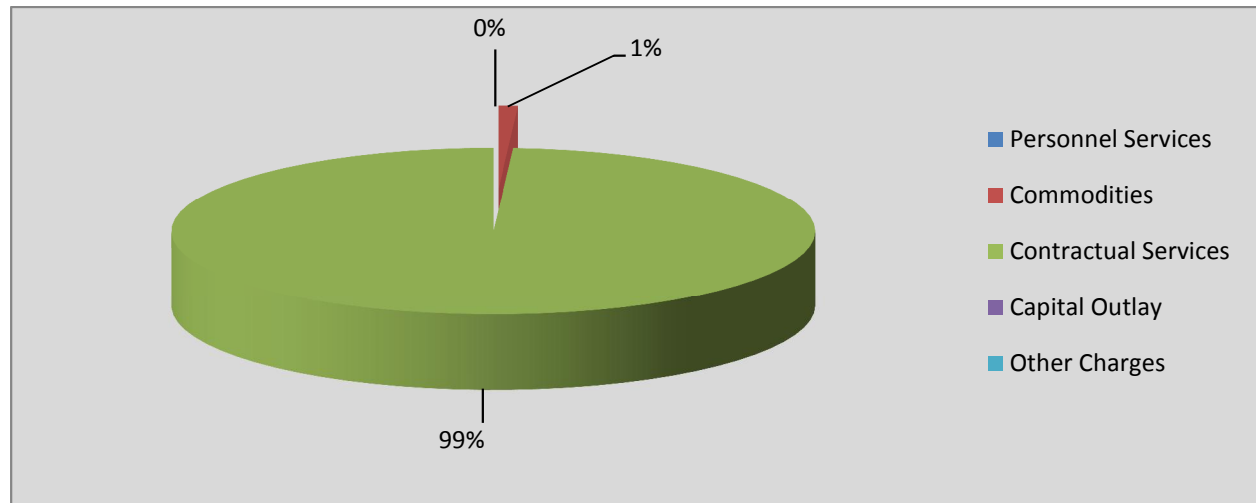
Provide for the administration of the Uniform Building Code requirements and related ordinances to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all building and structures within the City of St. Francis. These services are currently contracted through Metro West Inspections.

Program Expenditure Highlights

Costs have been adjusted to reflect the down turn in the building industry.

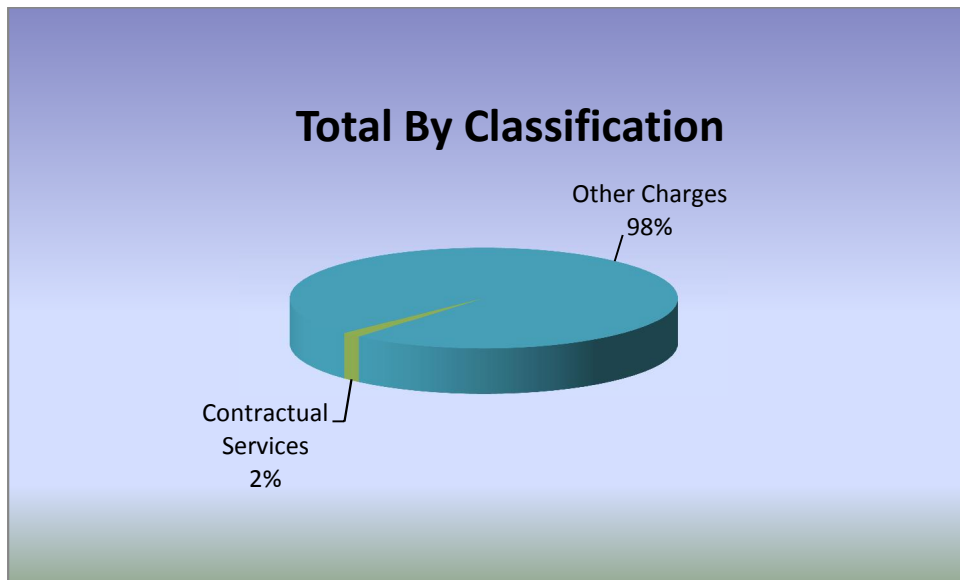
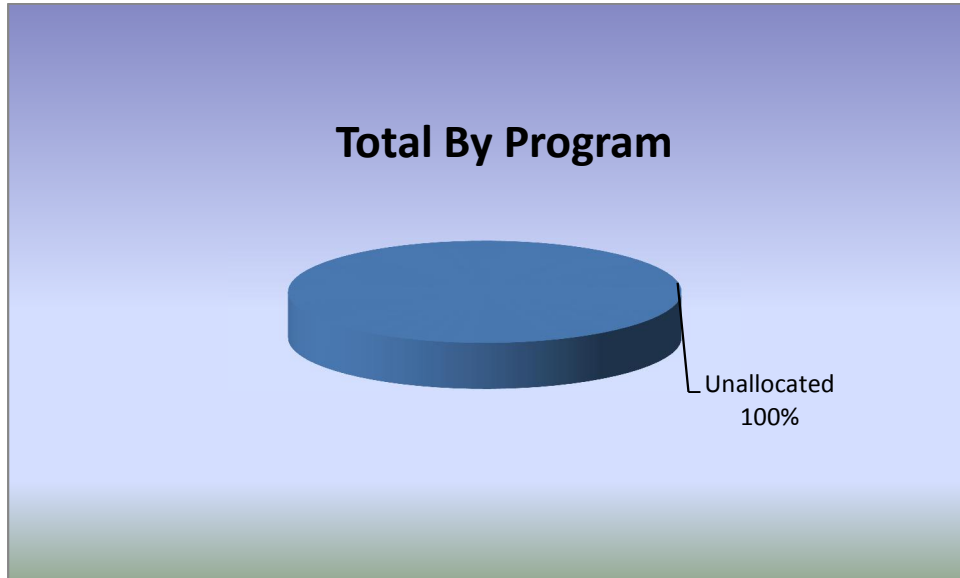
<u>Program Expenditures</u>	2008	2009	2010	2011	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2010 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	1,006	-	500	500	0.0%
Contractual Services	29,877	18,879	50,820	50,070	-1.5%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 30,883	\$ 18,879	\$ 51,320	\$ 50,570	-1.5%

Program Expenditures by Classification



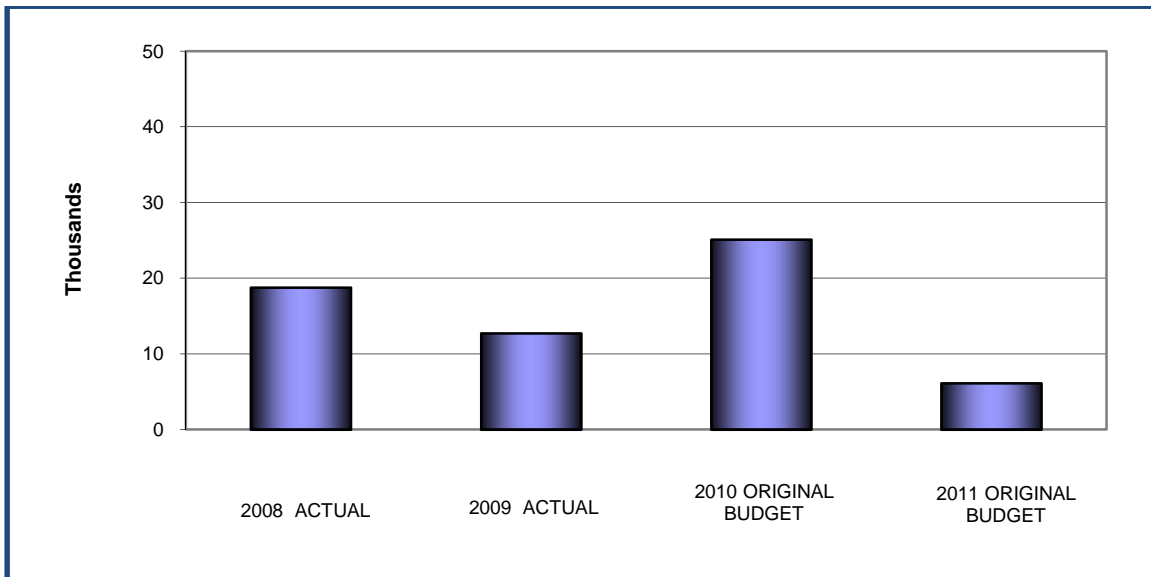
<u>Performance Measures</u>	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET
Single family	4	10	10	10
Townhomes/Manufactured homes	0	0	0	0
Commercial/Industrial	0	0	1	1
Miscellaneous building permits	446	254	440	300

MISCELLANEOUS 2011 BUDGET



**CITY OF ST. FRANCIS, MINNESOTA
MISCELLANEOUS SUMMARY
EXPENDITURE ANALYSIS**

Total By Program	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Unallocated	\$18,754	\$12,704	\$25,100	\$6,100	-75.7%
Totals	18,754	12,704	25,100	6,100	-75.7%
Total By Classification					
Personnel Services	0	0	0	0	N/A
Commodities	0	0	0	0	N/A
Contractual Services	389	103	100	100	0.0%
Capital Outlay	0	0	0	0	N/A
Other Charges	18,365	12,602	25,000	6,000	-76.0%
Totals	18,754	12,704	25,100	6,100	-75.7%
Staffing					
Full-time equivalents	0.00	0.00	0.00	0.00	



Department: Miscellaneous
Program: Unallocated

Fund: 101
Cost Center: 49200

Program Description

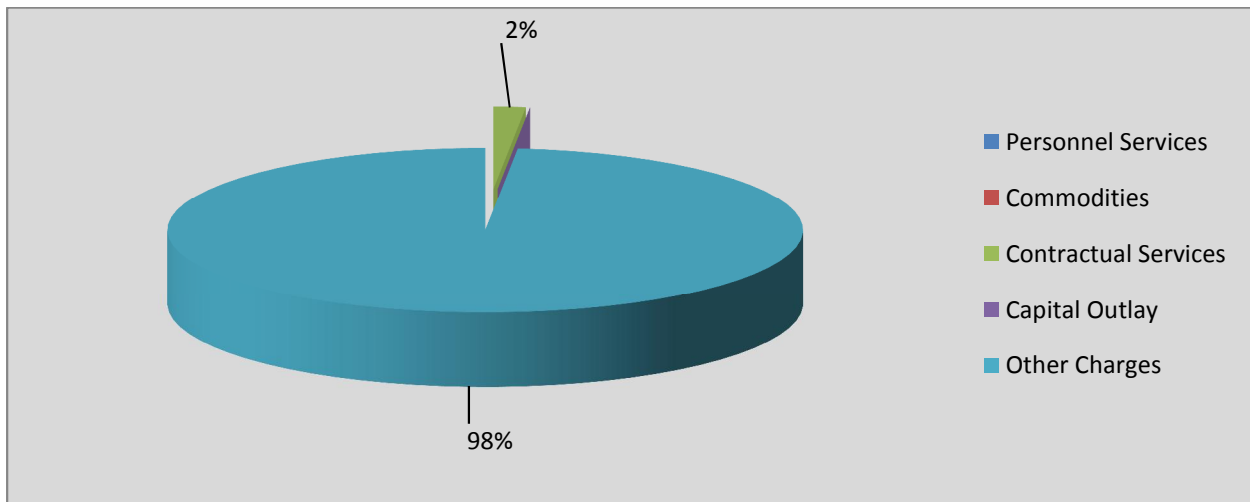
Contains funding for the unexpected and miscellaneous items not directly associated with a specific program.

Program Expenditure Highlights

The costs for this program are anticipated to remain stable.

<u>Program Expenditures</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2011 BUDGET</u>	<u>PERCENT OVER(UNDER) 2010 BUDGET</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	389	103	100	100	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	18,365	12,602	25,000	6,000	-76.0%
Total	<u>\$ 18,754</u>	<u>\$ 12,705</u>	<u>\$ 25,100</u>	<u>\$ 6,100</u>	<u>-75.7%</u>

Program Expenditures by Classification





**SPECIAL REVENUE
FUNDS**

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CITY OF ST. FRANCIS, MINNESOTA
BI-CENTENNIAL FUND (851)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Miscellaneous Revenue:</u>					
36210 Investment earnings	\$253	\$187	\$100	\$120	\$100
Total revenues	253	187	100	120	100
<u>Expenditures:</u>					
Program supplies	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficit) of revenues over expenditures	253	187	100	120	100
Fund balance - January 1	7,375	7,628	7,728	7,815	7,935
Fund balance - December 31	<u>\$7,628</u>	<u>\$7,815</u>	<u>\$7,828</u>	<u>\$7,935</u>	<u>\$8,035</u>

This fund was established to account for donations received for a future City celebration.

CITY OF ST. FRANCIS, MINNESOTA
FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUND (202)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Intergovernmental Revenue:</u>					
33130	\$-	\$-	\$-	\$-	\$-
<u>Miscellaneous:</u>					
39101	-	-	-	-	-
<hr/>					
Total revenues	-	-	-	-	-
<u>Expenditures:</u>					
Economic development					
<hr/>					
Total expenditures	-	-	-	-	-
<hr/>					
Excess (deficit) of revenues over expenditures					
-					
Other financing sources (uses):					
Transfers in (out):					
Stark Drive					
-					
General Fund					
-					
<hr/>					
Net increase (decrease) in fund balance					
-					
<hr/>					
Fund balance - January 1					
-					
<hr/>					
Fund balance - December 31					
\$- \$- \$- \$- \$-					

This fund accounts for grant money received through the Community Development Block Grant (CDBG) program.

The CDBG program is the federal government's primary program for promoting community revitalization for low and moderate income persons.

CDBG funds are used for a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Activities that can be funded with CDBG dollars include, but are not limited to, acquisition of real property, acquisition and construction of public works and facilities, code enforcement, reconstruction and rehabilitation of residential and nonresidential properties, homeownership assistance, micro enterprise assistance, and public services that address issues such as employment, crime prevention, childcare, physical and mental health, drug abuse, education and fair housing counseling.

CITY OF ST. FRANCIS, MINNESOTA
PARK DEVELOPMENT FUND (225)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Miscellaneous Revenue:</u>					
34730	\$1,250	\$1,555	\$1,000	\$1,425	\$1,000
34780	0	0	0	0	0
36210	4,234	4,320	1,000	1,650	1,000
36230	3,639	243	500	0	500
Total revenues	9,124	6,117	2,500	3,075	2,500
<u>Expenditures:</u>					
Park development projects	25,626	3,883	269,000	0	269,000
Total expenditures	25,626	3,883	269,000	0	269,000
Excess (deficit) of revenues over expenditures	(16,503)	2,234	(266,500)	3,075	(266,500)
<u>Other financing sources (uses):</u>					
Transfers in (out): General Fund	0	150,000	0	0	0
Net increase (decrease) in fund balance	(16,503)	152,234	(266,500)	3,075	(266,500)
Fund balance - January 1	133,622	117,119	266,695	269,353	272,428
Fund balance - December 31	\$117,119	\$269,353	\$195	\$272,428	\$5,928

This fund accounts for the use of park availability charges, grants and tax revenues that are dedicated for the acquisition and improvement of City parks. Park availability charges are levied against all new buildings constructed.

The \$269,000 budgeted in 2011 is for the construction of Pederson Path along Pederson Drive. The City continues its efforts to secure grant funding to help with the financing of this project. This was also budget for in 2010 but was not authorized by the council to be completed.

CITY OF ST. FRANCIS, MINNESOTA
PIONEER DAYS FUND (230)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Miscellaneous Revenue:</u>					
36210	\$28	\$-	\$-	\$-	\$-
36230	17,302	19,297	18,000	16,900	18,000
Total revenues	17,330	19,297	18,000	16,900	18,000
<u>Expenditures:</u>					
Program supplies	29,982	29,706	26,800	32,400	30,400
Total expenditures	29,982	29,706	26,800	32,400	30,400
Excess (deficit) of revenues over expenditures	(12,652)	(10,409)	(8,800)	(15,500)	(12,400)
Other financing sources (uses):					
Transfers in (out):					
Municipal Liquor Operations Fund	7,500	7,500	10,000	10,000	10,000
Net increase (decrease) in fund balance	(5,152)	(2,909)	1,200	(5,500)	(2,400)
Fund balance - January 1	6,955	1,803	(1,070)	(1,106)	(6,606)
Fund balance - December 31	\$1,803	(\$1,106)	\$130	(\$6,606)	(\$9,006)

This fund accounts for the costs associated with the City's annual Pioneer Days celebration which is held in June each year. Revenue is primarily from donations and a transfer from the Liquor Store Fund.

CITY OF ST. FRANCIS, MINNESOTA
POLICE FORFEITURE FUND (208)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
	<u>Fines and Forfeits:</u>					
34208	Confiscated property	\$10,928	\$723	\$-	\$11,090	\$-
	<u>Miscellaneous:</u>					
36200	Miscellaneous	-	203	-	-	-
	Total revenues	10,928	926	-	11,090	-
	<u>Expenditures:</u>					
	Commodities	4,913	1,134	2,590	1,687	11,110
	Contractual services	-	488	-	-	-
	Other charges	2,720	1,565	-	-	-
	Total expenditures	7,634	3,186	2,590	1,687	11,110
	Excess (deficit) of revenues over expenditures	3,294	(2,260)	(2,590)	9,403	(11,110)
	Fund balance - January 1	672	3,966	2,590	1,707	11,110
	Fund balance - December 31	\$3,966	\$1,707	\$-	\$11,110	\$-

This fund was established to account for money that is legally restricted for police services. Most of the revenues for this fund are from confiscated money that is split between the city, county and state based on a statutory formula. The city's share is 70%. The balance in this fund will fluctuate greatly.

CITY OF ST. FRANCIS, MINNESOTA
TAX INCREMENT TURTLE RIDGE FUND (250)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010		2011 BUDGET
				ORIGINAL BUDGET	2010 RE-EST.	
<u>Revenues:</u>						
31050	Tax increments	\$16,429	\$15,317	\$15,320	\$18,280	\$18,290
36210	Investment earnings	476	362	270	230	0
	Total revenues	16,905	15,678	15,590	18,510	18,290
<u>Expenditures:</u>						
	Miscellaneous	399	428	450	430	450
	Interest payments	14,786	13,785	13,780	16,455	16,470
	Total expenditures	15,186	14,213	14,230	16,885	16,920
	Excess (deficit) of revenues over expenditures	1,720	1,465	1,360	1,625	1,370
	Fund balance - January 1	11,086	12,806	14,096	14,271	15,896
	Fund balance - December 31	\$12,806	\$14,271	\$15,456	\$15,896	\$17,266

This fund is used to account for activity associated with the City's only Tax Increment Financing District which was established for the Turtle Ridge Townhome project.



ENTERPRISE FUNDS

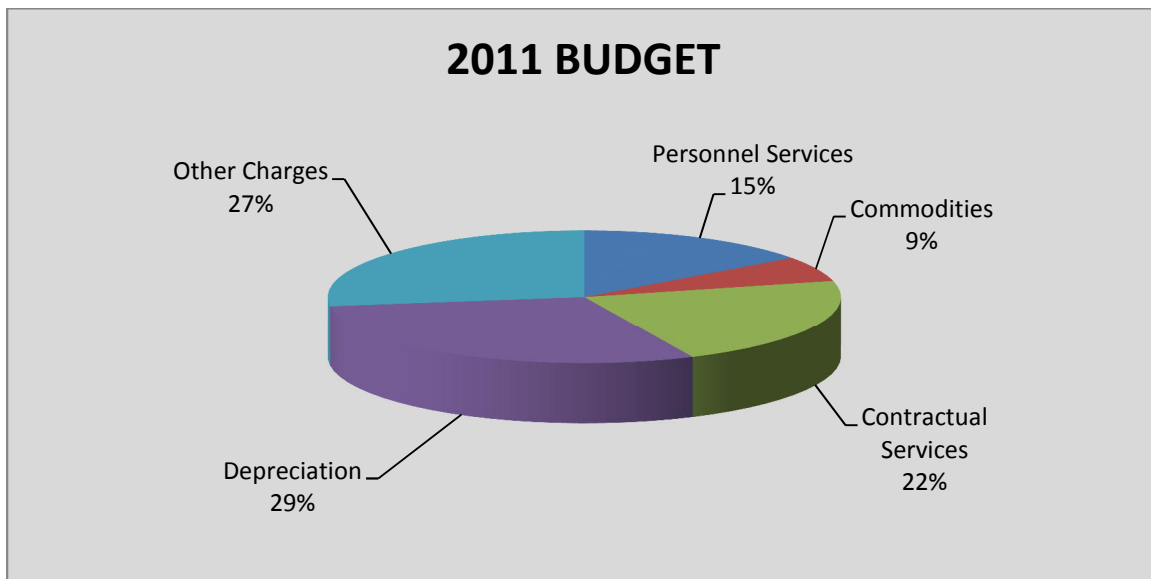
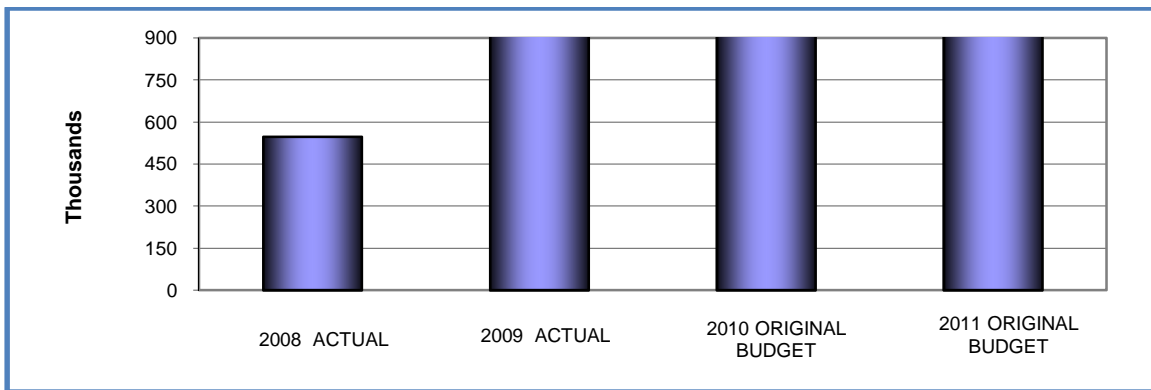
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**CITY OF ST. FRANCIS, MINNESOTA
WATER FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	123,402	135,160	145,790	152,450	4.6%
Commodities	38,370	43,172	88,200	62,000	-29.7%
Contractual Services	129,618	181,373	212,820	223,500	5.0%
Depreciation	101,311	300,377	300,500	302,000	0.5%
Other Charges	155,170	275,868	293,950	276,780	-5.8%
Totals	547,871	935,950	1,041,260	1,016,730	-2.4%

Staffing

Full-time equivalents	2.00	1.97	1.97	1.97
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CITY OF ST. FRANCIS, MINNESOTA
WATER FUND (601)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST	2011 BUDGET
<u>Operating revenues:</u>					
37100	\$1,005,574	\$1,054,887	\$1,030,000	\$1,155,907	\$1,080,000
37150	33,600	33,600	-	28,000	-
37160	23,973	29,194	23,970	22,940	29,190
37179	1,674	3,204	-	2,757	-
	1,064,822	1,120,885	1,053,970	1,209,604	1,109,190
<u>Operating expenses:</u>					
	123,402	135,160	145,790	145,790	152,450
	38,370	43,172	88,200	50,000	62,000
	83,483	93,083	124,220	120,000	134,900
	46,135	88,290	88,600	88,600	88,600
	9,727	6,280	13,520	13,520	12,750
	32,520	47,530	47,530	47,530	47,530
	101,311	300,377	300,500	300,500	302,000
	434,947	713,892	808,360	765,940	800,230
	629,875	406,994	245,610	443,664	308,960
<u>Nonoperating revenues (expenses):</u>					
36210	82,606	95,359	82,610	81,250	83,000
	(112,923)	(222,058)	(232,900)	(223,190)	(216,500)
	48	560	-	-	-
	2,116	1,568	1,280	50,000	1,280
	(28,153)	(124,571)	(149,010)	(91,940)	(132,220)
	601,722	282,423	96,600	(91,940)	176,740
<u>Transfers in (out):</u>					
	(292,825)	(292,830)	(292,830)	(292,830)	(292,830)
	-	-	-	-	-
	(28,666)	(80,358)	(43,740)	(43,740)	-
	741,564	-	-	-	-
	1,021,794	(90,765)	(239,970)	(428,510)	(116,090)
	5,922,383	6,944,178	6,853,412	6,853,412	6,424,902
	\$6,944,178	\$6,853,412	\$6,613,442	\$6,424,902	\$6,308,812

CITY OF ST. FRANCIS, MINNESOTA
WATER FUND (601)
 STATEMENT OF SOURCES AND APPLICATIONS OF CASH

	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST	2011 BUDGET
<u>Sources of cash:</u>					
Income (loss) before contribution and transfers	\$601,722	\$282,423	\$96,600	(\$91,940)	\$176,740
Add depreciation	101,311	300,377	300,500	300,500	302,000
Decrease in current assets	-	324,173	-	-	-
Increase in current liabilities	81,243	68,794	-	-	-
Transfers in	-	-	-	-	-
Non cash activity: Disposal of fixed assets	-	-	-	-	-
Total	784,276	975,766	397,100	208,560	478,740
<u>Applications of cash:</u>					
Purchase of fixed assets	152,935	264,365	8,750	-	34,250
Principal payments on PFA Loan	-	284,808	292,100	281,660	288,000
Increase in current assets	33,691	(500,054)	-	-	-
Decrease in current liabilities	-	-	-	-	-
Transfers out	321,491	373,188	336,570	336,570	292,830
Total	508,117	422,308	637,420	618,230	615,080
Net increase (decrease) in cash	276,159	553,458	(240,320)	33,994	(136,340)
Cash balance - January 1	2,184,356	2,460,515	1,994,345	3,013,973	3,047,967
Cash balance - December 31	\$2,460,515	\$3,013,973	\$1,754,025	\$3,047,967	\$2,911,627
Cash balance/working capital	95.6%	99.6%			
Working capital:					
Current assets					
Cash and investments	2,460,515	3,013,973			
Other assets	211,679	88,205			
Current liabilities					
Due to other funds	-	-			
Other liabilities	(99,739)	(74,688)			
Net total	2,572,455	3,027,490			

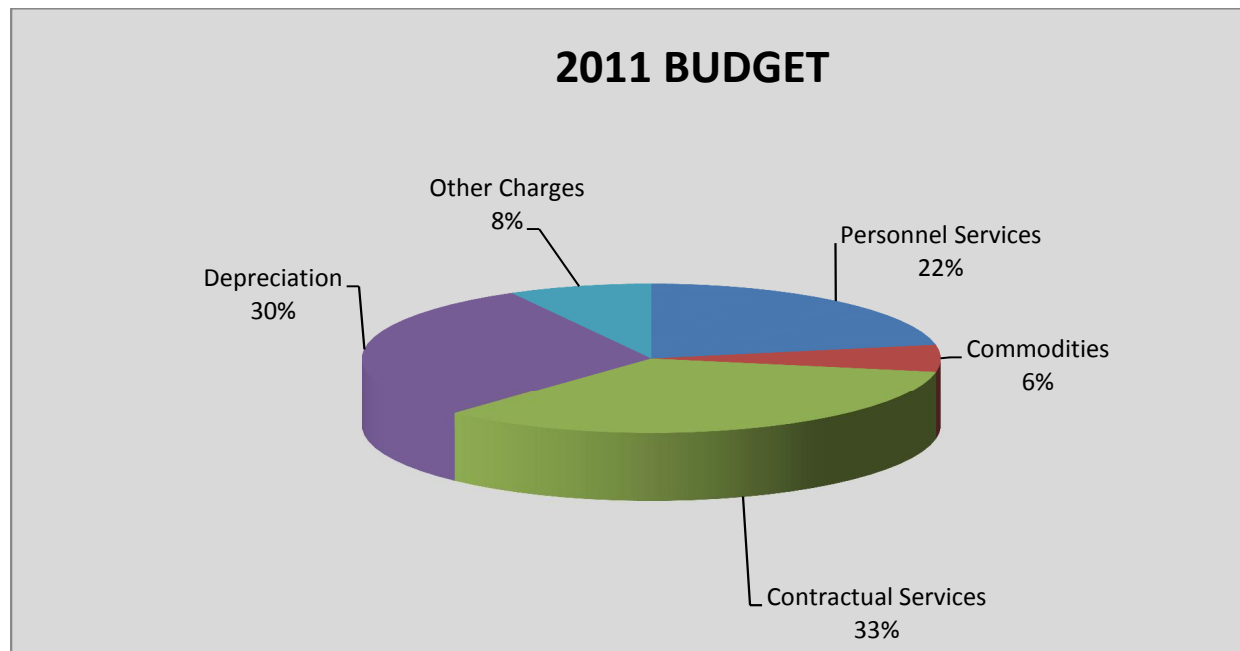
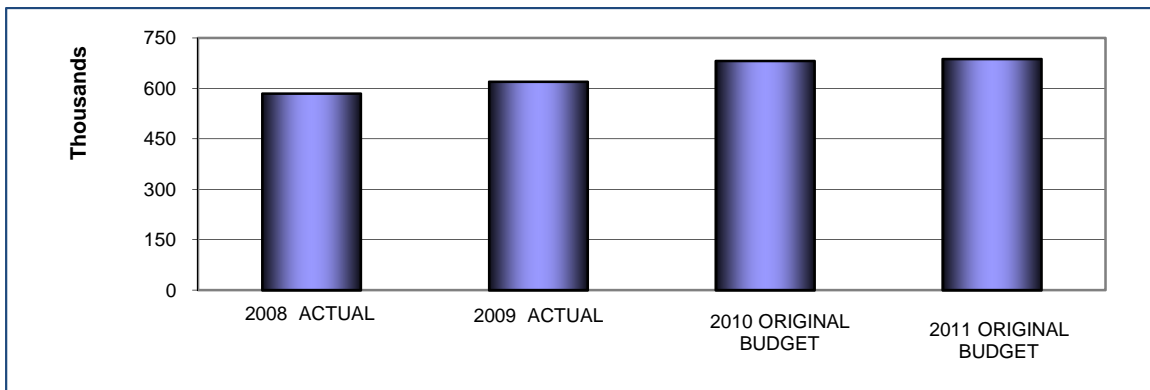
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**CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	123,703	132,934	145,790	151,750	4.1%
Commodities	29,628	36,367	53,050	40,000	-24.6%
Contractual Services	186,843	197,560	226,390	233,800	3.3%
Depreciation	199,233	204,660	201,000	207,000	3.0%
Other Charges	45,534	48,628	55,850	55,330	-0.9%
Totals	584,941	620,149	682,080	687,880	.9%

Staffing

Full-time equivalents	2.00	1.97	1.97	1.97
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CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND (602)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010		2011 BUDGET
				ORIGINAL BUDGET	2010 RE-EST.	
	<u>Operating revenues:</u>					
37200	Sewer sales	\$717,674	\$758,319	\$750,000	\$766,728	\$780,000
37150	Connection charges	36,000	44,000	-	40,000	-
37260	Sewer penalty	21,475	26,053	21,480	18,590	21,480
	Total revenues	775,149	828,372	771,480	825,318	801,480
	<u>Operating expenses:</u>					
	Personnel services	123,703	132,934	145,790	145,790	151,750
	Commodities	29,628	36,367	53,050	32,000	40,000
	Contractual services	94,703	87,047	117,790	90,000	126,200
	Utilities	92,140	110,513	108,600	108,600	107,600
	Other charges	6,204	4,048	11,270	11,270	10,750
	Administrative charges	39,330	44,580	44,580	44,580	44,580
	Depreciation	199,233	204,660	201,000	201,000	207,000
	Total expenses	584,941	620,149	682,080	633,240	687,880
	Operating income (loss)	190,208	208,223	89,400	192,078	113,600
	<u>Nonoperating revenues (expenses):</u>					
36210	Investment earnings	20,629	21,499	20,630	20,000	21,400
	Interest Expense	-	-	-	-	(41,190)
	Special assessments	108	299	-	-	-
	Miscellaneous revenues	2,196	1,559	1,310	5,671	1,330
	Total nonoperating revenues (expenses)	22,934	23,357	21,940	25,671	(18,460)
	Net income (loss) before contributions and transfers	213,142	231,581	111,340	217,749	95,140
	<u>Transfers in (out):</u>					
	Debt Service Fund	(174,800)	(174,800)	(174,800)	(174,800)	(174,800)
	General Fund	-	-	-	-	-
	1997 W/S Improvement Fund	-	-	-	-	-
	Utility Trunk Fund	-	-	-	-	-
	Improvement Projects	-	-	-	-	-
	Capital contributions	-	-	-	-	-
	Change in fund equity	38,342	56,781	(63,460)	42,949	(79,660)
	Fund equity - January 1	8,220,889	8,259,231	8,286,031	8,316,012	8,358,961
	Fund equity - December 31	<u>\$8,259,231</u>	<u>\$8,316,012</u>	<u>\$8,222,571</u>	<u>\$8,358,961</u>	<u>\$8,279,301</u>

CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND (602)
 STATEMENT OF SOURCES AND APPLICATIONS OF CASH

	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Sources of cash:</u>					
Income (loss) before contribution and transfers	\$213,142	\$231,581	\$111,340	\$217,749	\$95,140
Add depreciation	199,233	204,660	201,000	201,000	207,000
Decrease in current assets	-	33,297	-	-	-
Increase in current liabilities	4,321	16,069	-	-	-
Transfers in	-	-	-	-	-
Non cash activity: Disposal of fixed assets	-	-	-	-	-
Total	416,696	485,607	312,340	418,749	302,140
<u>Applications of cash:</u>					
Purchase of fixed assets	38,638	109,813	44,750	-	34,250
Increase in current assets	47,429	-	-	-	-
Decrease in current liabilities	-	-	-	-	-
Transfers out	174,800	211,906	244,770	244,770	174,800
Total	260,868	321,719	289,520	244,770	174,800
Net increase (decrease) in cash	155,828	163,888	22,820	173,979	93,090
Cash balance - January 1	454,588	610,416	761,606	774,304	948,283
Cash balance - December 31	\$610,416	\$774,304	\$784,426	\$948,283	\$1,041,373
Cash balance/working capital	80.6%	88.8%			
Working capital:					
Current assets					
Cash and investments	610,416	774,304			
Other assets	178,546	145,249			
Current liabilities					
Due to other funds	-	-			
Other liabilities	(31,258)	(47,327)			
Net total	\$757,704	\$872,225			

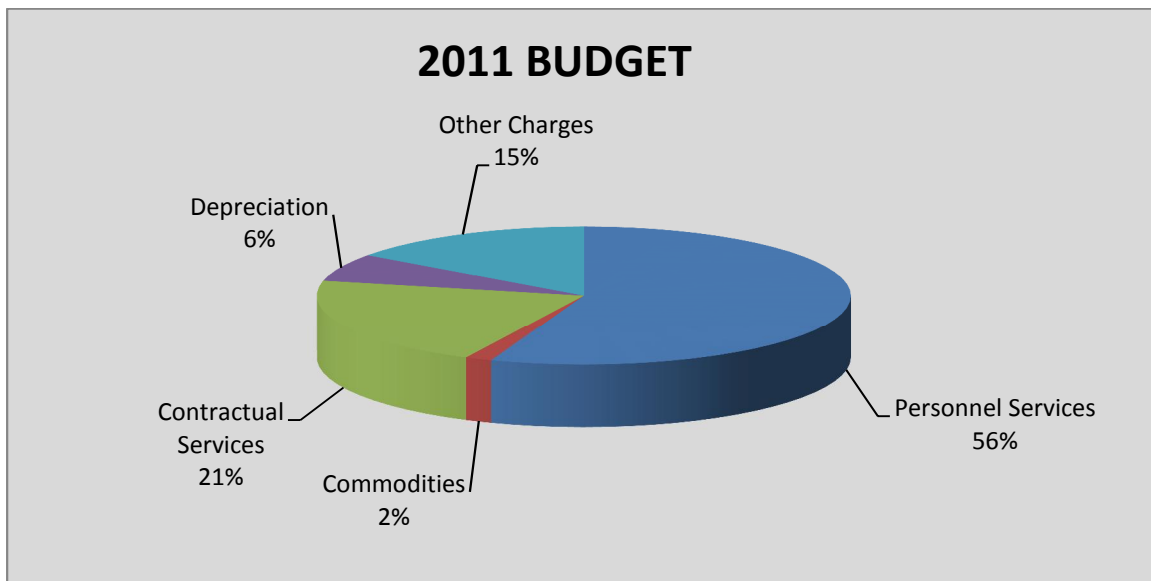
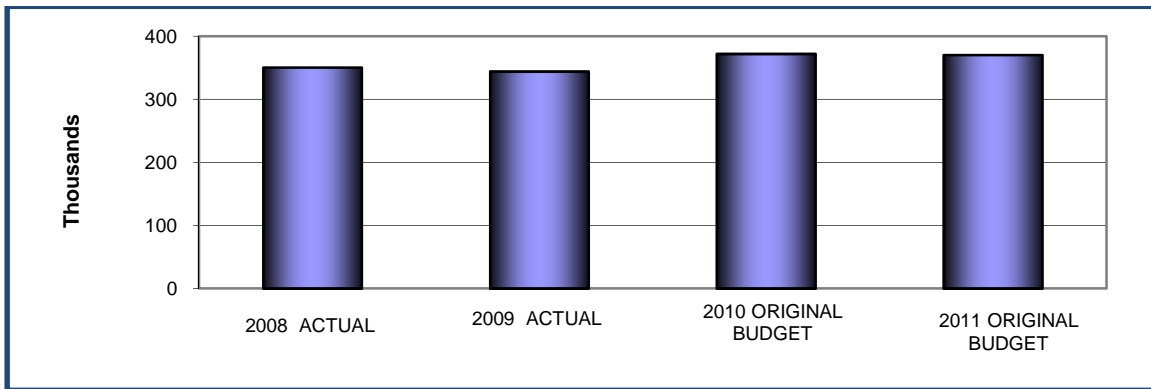
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**CITY OF ST. FRANCIS, MINNESOTA
LIQUOR STORE FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2011 BUDGET	PERCENT OVER(UNDER) 2010 BUDGET
Personnel Services	172,332	182,035	201,090	206,050	2.5%
Commodities	5,231	6,263	5,700	6,000	5.3%
Contractual Services	87,485	73,058	84,650	78,600	-7.1%
Depreciation	24,951	23,951	23,950	23,950	0.0%
Other Charges	60,649	58,881	56,720	55,720	-1.8%
Totals	350,648	344,188	372,110	370,320	-0.5%

Staffing

Full-time equivalents	4.58	4.25	4.25	4.25
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CITY OF ST. FRANCIS, MINNESOTA
MUNICIPAL LIQUOR OPERATIONS FUND (609)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Operating revenues:</u>					
37811	\$621,760	\$627,540	\$693,140	\$611,631	\$638,570
37812	1,116,187	1,144,786	1,145,020	1,168,523	1,204,200
37813	164,935	173,921	214,470	159,000	193,390
37814	56,581	54,466	64,490	48,043	50,470
37815	4,624	5,411	4,620	4,097	5,780
37816	65,490	61,393	65,490	55,106	61,390
	<u>2,029,576</u>	<u>2,067,517</u>	<u>2,187,230</u>	<u>2,046,400</u>	<u>2,153,800</u>
<u>Cost of sales:</u>					
	<u>(1,522,706)</u>	<u>(1,548,837)</u>	<u>(1,664,700)</u>	<u>(1,510,000)</u>	<u>(1,690,500)</u>
	506,870	518,680	522,530	536,400	463,300
<u>Operating expenses:</u>					
	172,332	182,035	201,090	186,499	206,050
	5,231	6,263	5,700	3,766	6,000
	31,861	26,050	29,150	82,676	28,600
	16,326	16,988	19,500	19,500	18,000
	21,359	19,361	16,000	114,605	15,000
	39,298	30,020	36,000	33,661	32,000
	39,290	39,520	40,720	40,720	41,050
	24,951	23,951	23,950	23,950	23,950
	<u>350,648</u>	<u>344,188</u>	<u>372,110</u>	<u>505,377</u>	<u>370,650</u>
	156,222	174,492	150,420	31,023	92,650
<u>Other revenues (expenses):</u>					
36210	25,758	21,999	25,760	22,000	22,000
	2,473	1,253	-	235	-
	<u>28,231</u>	<u>23,252</u>	<u>25,760</u>	<u>22,235</u>	<u>22,000</u>
	184,453	197,745	176,180	53,258	114,650
<u>Transfers in (out):</u>					
	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
	-	(38,037)	-	-	-
	-	(45,101)	-	-	-
	<u>(7,500)</u>	<u>(7,500)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
	126,953	57,106	116,180	(6,742)	54,650
	<u>1,181,039</u>	<u>1,307,992</u>	<u>1,387,752</u>	<u>1,365,098</u>	<u>1,358,356</u>
	<u>\$1,307,992</u>	<u>\$1,365,098</u>	<u>\$1,503,932</u>	<u>\$1,358,356</u>	<u>\$1,413,006</u>

CITY OF ST. FRANCIS, MINNESOTA
MUNICIPAL LIQUOR OPERATIONS FUND (609)
 STATEMENT OF SOURCES AND APPLICATIONS OF CASH

	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Sources of cash:</u>					
Income (loss) before contribution and transfers	\$184,453	\$197,745	\$176,180	\$53,258	\$114,650
Add depreciation	24,951	23,951	23,950	23,950	23,950
Increase in deferred revenue	-	-	-	-	-
Decrease in current assets	-	-	-	-	-
Increase in other liabilities	23,158	-	-	-	-
Non cash activity: Disposal of fixed assets	-	-	-	-	-
Total	232,562	221,695	200,130	77,208	138,600
<u>Applications of cash:</u>					
Purchase of fixed assets	-	-	85,000	85,000	-
Decrease in deferred revenue	-	-	-	-	-
Increase in current assets	57,076	968	-	-	-
Decrease in other liabilities	-	50,397	-	-	-
Transfers out	57,500	140,639	60,000	60,000	60,000
Total	114,576	192,004	145,000	145,000	60,000
Net increase (decrease) in cash	117,986	29,691	55,130	(67,792)	78,600
Cash balance - January 1	704,233	822,219	926,929	851,910	784,118
Cash balance - December 31	<u>\$822,219</u>	<u>\$851,910</u>	<u>\$982,059</u>	<u>\$784,118</u>	<u>\$862,718</u>
Cash balance/working capital	89.0%	84.7%			
Working capital:					
Current assets					
Cash and investments	822,219	851,910			
Other assets	220,759	221,727			
Current liabilities					
Due to other funds	-	-			
Other liabilities	(118,783)	(68,386)			
Net total	\$924,194	\$1,005,251			

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**CAPITAL OUTLAY
FUNDS**

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CAPITAL OUTLAY

This section provides an overview of Capital Outlay projects for the City of St. Francis. Projects include those within the Capital Improvement Plan, Departmental Operating Budgets and Capital Projects Fund.

Capital Improvement Plan

The Capital Improvement Plan (CIP) is a schedule of proposed public projects and purchases over a five-year period. Capital improvements are normally non-routine projects costing \$5,000 or more, which require acquisition, construction, or replacement of various equipment or facilities, including public buildings, infrastructure, utilities and parks.

The plan is not intended to provide for precise budgeting. Capital costs are projected as estimates. Upon each update of the plan, deletions, additions, delays, or other revisions may occur, reflecting changing community needs. These changes allow for budget refinements as a particular project nears actual construction. Only after incorporation within successive budgets or as approved separately by the City Council will these items be considered funded.

Some of the items contained in the CIP will require on-going operational costs and in some cases produce operational savings. However, given the speculative nature of latter-year purchases, the exact cost cannot be reasonably quantified beyond next year. The 2011-2015 CIP was adopted by the Council on August 2, 2010. The following provides a summary of projects included in the City's Capital Improvement Plan along with project year. Overall the 2011 budget provided for in the Capital Improvement plan is \$17,635,520. The following shows a breakdown by year.

FIVE-YEAR CAPITAL IMPROVEMENT PLAN PROJECTS						
BY PROJECT CATEGORY						
PROJECT CATEGORY	ALLOCATION OF COSTS BY YEAR					
	TOTAL	2011	2012	2013	2014	2015
BUILDINGS	8,274,580	6,615,000	330,000	275,000	325,000	325,000
COMPUTERS	0	0	0	0	0	0
EQUIPMENT	1,030,500	218,420	138,220	255,850	71,010	347,000
LAND	0	0	0	0	0	0
PARKS	2,617,000	1,857,000	320,000	90,000	350,000	0
STREETS	14,941,000	4,781,000	804,000	567,000	3,709,000	5,080,000
TRAILS	310,000	270,000	0	0	0	0
UTILITIES	16,047,000	3,675,700	371,300	12,000,000	0	0
VEHICLES	1,113,840	218,400	180,590	153,950	133,940	134,960
TOTALS	44,333,920	17,635,520	2,144,110	13,341,800	4,588,950	5,886,960

<u>YEAR</u>	<u>COST</u>	<u>DESCRIPTION</u>	<u>YEAR</u>	<u>COST</u>	<u>DESCRIPTION</u>
<u>WATER & SEWER</u>			<u>HWYS, STREETS & ROADS</u>		
2011-2015	190,550	Water Meter Changeout	2011	2,700	Wire Feed Welder
2011	3,675,700	Hwy 47 Trunk Utilities	2011	6,000,000	Public Works Facility
2011	47,000	Portable Genset	2011	630,000	239 th & Bittersweet
2012	371,300	Well #5	2011	3,224,000	241 st Avenue
2012	28,600	½ Ton Truck	2011	927,000	245 th & Kings Hwy
2013	12,000,000	Sewer Treatment Plant	2011	310,000	Pederson Path
2013	21,000	Vehicle	2011	19,000	Air Compressor
2015	275,000	Vac/Jetter Truck	2011	24,000	Safety Trailer
	<u>16,609,150</u>		2011	58,000	Truck
<u>ADMINISTRATION</u>			2011	47,500	Woodchipper
2010-11	10,000	Voting Booths	2012	5,800	Bandsaw
2011	20,000	Vehicle	2012	804,000	Tamarack Street
unknown	999,580	City Hall	2013	567,000	Butterfield Drive
	<u>1,029,580</u>		2013	180,000	Front End Loader
<u>FIRE</u>			2014	3,709,000	Bridge Street Traffic
2012	110,000	Training/Meeting Room	2014	3,020,000	Bridge Street Extension
2012	100,000	Roof Replacement	2015	2,060,000	Rum River Woods Addition
2013	550,000	Pumper Truck/Tanker		<u>21,585,300</u>	
Unknown	242,000	Future Fire Truck Replace	<u>PARKS</u>		
	<u>1,002,000</u>		2011	335,000	Community Park Building
<u>POLICE</u>			2011	30,110	Bobcat Replacement
2011	60,400	Squad Cars	2011	1,857,000	40 Acre Athletic Complex
2012	31,990	Squad Car	2012	320,000	Deer Creek Trail
2013	32,950	Squad Car	2012	31,010	Bobcat Replacement
2014	33,940	Squad Car	2012	9,100	Infield Groomer
2015	34,960	Squad Car	2012	60,000	Bobcat Tool
unknown	730,000	Police Station	2013	90,000	Edgewild Park
	<u>924,240</u>		2013	31,940	Bobcat Replacement
			2014	350,000	Smith Lake Park
			2014	32,900	Bobcat Replacement
			2015	33,890	Bobcat Replacement
				<u>3,180,950</u>	

Some of the projects listed above are not included in our annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Councils, economic conditions and priorities are always changing and these types of projects seem to be postponed or modified more than once. If they were included in our budget each year we feel it would misrepresent what is actually occurring.

2011 projects from the 2011-2015 CIP which are not included in the 2011 budget because a budget will not be established until the Council approves the project are:

Trunk Hwy 47 Water & Sewer extension	\$3,675,700
Public Works Facility	6,000,000
239 th & Bittersweet mill and overlay	630,000
241 st Avenue	3,224,000
245 th & Kings Hwy realignment	927,000
Community Park Building	335,000
40 Acre Athletic Complex	1,857,000

Departmental Operating Budgets

Listed below are the capital outlay items included within the operating budgets of the governmental funds.

General Government (Elections) - \$10,000: Voting booths are scheduled to be replaced through Anoka County. The total cost is anticipated to be \$10,000 with \$5,000 which had been set aside in 2010 and the total payment being made in 2011. This change should only have a small impact on the operating budget for training.

Public Safety (Police) - \$60,400: Replacement of an Investigator vehicle is planned for 2011 in the amount of \$60,400. Replacement of the vehicle will lessen the need for repairs and maintenance.

Public Works (Streets) - \$129,700: Public works is requesting an air compressor at a cost to improve safety by reducing the amount of time workers are in the traffic zone to conduct repairs. The total costs is \$19,000 with \$9,500 paid from Water and Sewer Funds. A safety trailer is planned at a cost of \$24,000. This is an addition will improve safety by not have to load and unload gear in emergency situations. Replacement of a 2000 Truck is scheduled in 2011 at a cost of \$58,000. This will be equipped to handle more repairs in the field. A wire feed welder is also scheduled to be purchase for \$2,700 to improve efficiency of welding type repairs.

Culture & Recreation (Parks) - \$30,110: The annual bobcat replacement program is being continued with the cost of the new bobcat projected to be \$30,110. With the trade in of the old unit, the net cost will be \$1,875.

Park Development Fund - \$269,000: The Pederson Path project has been discussed and desired for the past two years to provide a safe route for students and residents. The city is attempting to secure grant funds to help with the financing of the project with \$150,000 of the cost being funded by a transfer from the General Fund.

Listed below are the capital outlay items included within the operating budgets of the enterprise funds.

Water - \$23,500: One half of the cost of a new portable generator. The current generator is 18 years old and it is used to power lift stations and wells when needed.

Sewer - \$23,500: One half of the cost of a new portable generator. The current generator is 18 years old and it is used to power lift stations and wells when needed.

Liquor Store - \$0: No capital expenditures are planned from the Liquor Store.

Capital Projects Fund

The only planned expenditure from the Capital Projects Fund is for the \$29,340 for replacement of the investigator's vehicle. This will save on repairs and maintenance in the General Fund expenditures.

CITY OF ST. FRANCIS, MINNESOTA
235th AVENUE IMPROVEMENTS FUND (502)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010		
			ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
Investment earnings	\$1,686	\$107	\$-	\$-	\$-
Total revenues	1,686	107	-	-	-
<u>Expenditures:</u>					
Miscellaneous	40	37	-	-	-
Engineering	13,330	153	-	-	-
Construction	52,003	0	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	65,373	189	-	-	-
Excess (deficit) of revenues over expenditures	(63,687)	(82)	-	-	-
<u>Other financing sources (uses):</u>					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
Water Fund	-	-	-	-	-
Sanitary Sewer Fund	-	-	-	-	-
Net increase (decrease) in fund balance	(63,687)	(82)	-	-	-
Fund balance - January 1	68,268	4,581	4,691	4,499	4,499
Fund balance - December 31	\$4,581	\$4,499	\$4,691	\$4,499	\$4,499

Accounted for financial resources used to finance the 2007 street reconstruction project.

CITY OF ST. FRANCIS, MINNESOTA
CAPITAL PROJECTS FUND (402)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010		2011 BUDGET	
			ORIGINAL BUDGET	2010 RE-EST.		
<u>Miscellaneous Revenue:</u>						
36210	Investment earnings	\$27,199	\$18,056	\$17,000	\$-	\$13,000
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	Total revenues	27,199	18,056	17,000	-	13,000
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<u>Expenditures:</u>						
	Building & Structures	-	-	-	-	-
	Motor Vehicles	-	-	-	-	29,340
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	Total expenditures	-	-	-	-	29,340
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	Excess (deficit) of revenues over expenditures	27,199	18,056	17,000	-	(16,340)
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Other financing sources (uses):						
Transfers in (out):						
	Fire Truck Replacement Fund	-	(122,073)	-	-	-
	General Fund	20,000	140,380	134,780	-	289,780
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	Net increase (decrease) in fund balance	47,199	36,363	151,780	-	273,440
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	Fund balance - January 1	789,300	836,499	872,756	872,862	872,862
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	Fund balance - December 31	\$836,499	\$872,862	\$1,024,536	\$872,862	\$1,146,302

Accounts for funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.

CITY OF ST. FRANCIS, MINNESOTA
CREEKVIEW ESTATES FUND (505)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010		2011 BUDGET
			ORIGINAL BUDGET	2010 RE-EST.	
<u>Revenues:</u>					
Special Assessments	\$27,176	\$43,362	\$16,780	\$13,660	\$11,000
Total revenues	27,176	43,362	16,780	13,660	11,000
<u>Expenditures:</u>					
Miscellaneous	72	62	-	-	-
Engineering	-	-	-	-	-
Interest expense	5,452	3,683	3,500	3,800	3,800
Total expenditures	5,524	3,744	3,500	3,800	3,800
Excess (deficit) of revenues over expenditures	21,652	39,617	13,280	9,860	7,200
Fund balance - January 1	(207,211)	(185,559)	(162,889)	(145,942)	(136,082)
Fund balance - December 31	(\$185,559)	(\$145,942)	(\$149,609)	(\$136,082)	(\$128,882)

Accounts for the accumulation of resources to finance the 2006 street reconstruction project. There was no debt taken out to finance this project. The deficit will be eliminated through future collections of special assessments.

CITY OF ST. FRANCIS, MINNESOTA
FIRE TRUCK REPLACEMENT FUND (403)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010		2011 BUDGET
				ORIGINAL BUDGET	2010 RE-EST.	
	<u>Miscellaneous Revenue:</u>					
36210	Investment earnings	\$-	\$4,550	\$3,000	\$3,000	\$3,200
	Total revenues	-	4,550	3,000	3,000	3,200
	<u>Expenditures:</u>					
	Vehicles and equipment	-	-	-	-	-
	Total expenditures	-	-	-	-	-
	Excess (deficit) of revenues over expenditures	-	4,550	3,000	3,000	3,200
	Other financing sources (uses):					
	Transfers in (out):					
	General Fund	-	70,000	100,000	100,000	100,000
	Capital Projects Fund	-	122,073	-	-	-
	Net increase (decrease) in fund balance	-	196,623	103,000	103,000	103,200
	Fund balance - January 1	-	-	194,773	196,623	299,623
	Fund balance - December 31	\$-	\$196,623	\$297,773	\$299,623	\$402,823

Accounts for funds set aside for future purchases fire trucks. Resources are currently provided by transfers from other funds.

CITY OF ST. FRANCIS, MINNESOTA
IVYWOOD STREET & 230TH LANE FUND (507)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
Special Assessments	\$-	\$-	\$-	\$-	\$14,250
Total revenues	-	-	-	-	14,250
<u>Expenditures:</u>					
Miscellaneous	-	82	-	1,025	-
Engineering	3,970	42,074	-	57,765	-
Construction	-	-	-	335,258	-
Interest expense	64	213	-	-	-
Total expenditures	4,034	42,368	-	394,048	-
Excess (deficit) of revenues over expenditures	(4,034)	(42,368)	-	(394,048)	14,250
<u>Other financing sources (uses):</u>					
Transfers in (out):					
Water Fund	-	-	43,740	43,740	-
Sewer Fund	-	-	69,970	69,970	-
General Fund	-	-	223,240	223,240	-
Net increase (decrease) in fund balance	(4,034)	(42,368)	336,950	(57,098)	14,250
Fund balance - January 1	-	(4,034)	(10,380)	(46,402)	(103,500)
Fund balance - December 31	(\$4,034)	(\$46,402)	\$326,570	(\$103,500)	(\$89,250)

Accounts for financial resources used to finance a future street reconstruction project. The Council is currently looking at approving this project with an estimated cost of \$440,180 in 2010. The budget will be established upon final approval.

CITY OF ST. FRANCIS, MINNESOTA
POPPY STREET IMPROVEMENTS FUND (504)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
Investment earnings	\$1,496	\$-	\$-	\$-	\$-
MSA State Aid	145,691	269,449	-	-	-
Total revenues	147,187	269,449	-	-	-
<u>Expenditures:</u>					
Miscellaneous	694	175	-	-	-
Engineering	102,036	370	-	-	-
Construction	351,934	-	-	-	-
Interest expense	0	871	-	-	-
Total expenditures	454,664	1,415	-	-	-
Excess (deficit) of revenues over expenditures	(307,478)	268,034	-	-	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
MSA State Aid Fund	-	-	-	-	-
Net increase (decrease) in fund balance	(307,478)	268,034	-	-	-
Fund balance - January 1	21,593	(285,885)	(17,525)	(17,851)	(17,851)
Fund balance - December 31	(\$285,885)	(\$17,851)	(\$17,525)	(\$17,851)	(\$17,851)

Accounted for financial resources used to finance the 2007 street reconstruction project south of 227th.

CITY OF ST. FRANCIS, MINNESOTA
RUM RIVER BLVD IMPROVEMENTS FUND (503)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
Investment earnings	\$1,579	\$1,516	\$-	\$-	\$-
MSA State Aid	380,838	-	-	-	-
Total revenues	382,417	1,516	-	-	-
<u>Expenditures:</u>					
Miscellaneous	415	62	-	-	-
Engineering	25,141	3,228	-	-	-
Construction	101,446	2,270	-	-	-
Land	-	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	127,003	5,559	-	-	-
Excess (deficit) of revenues over expenditures	255,414	(4,043)	-	-	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
MSA State Aid Fund	-	-	-	-	-
Net increase (decrease) in fund balance	255,414	(4,043)	-	-	-
Fund balance - January 1	(200,932)	54,482	54,452	50,440	50,440
Fund balance - December 31	\$54,482	\$50,440	\$54,452	\$50,440	\$50,440

Accounted for financial resources used to finance the 2007 street reconstruction project.

CITY OF ST. FRANCIS, MINNESOTA
STARK DRIVE FUND (506)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
36210 Investment earnings	\$4,355	\$-	\$-	\$-	\$-
Total revenues	4,355	-	-	-	-
<u>Expenditures:</u>					
Miscellaneous	-	-	-	-	-
Engineering	32,118	-	-	-	-
Construction	237,273	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	269,390	-	-	-	-
Excess (deficit) of revenues over expenditures	(265,036)	-	-	-	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
Water Fund	26,278	-	-	-	-
CDBG Grant Fund	-	-	-	-	-
Net increase (decrease) in fund balance	(238,757)	-	-	-	-
Fund balance - January 1	238,757	-	-	-	-
Fund balance - December 31	\$-	\$-	\$-	\$-	\$-

Accounted for financial resources used to finance the 2007 street and watermain project. A Community Development Block Grant was received to assist with the financing of this project.

CITY OF ST. FRANCIS, MINNESOTA
STREET CONSTRUCTION STATE AID FUND (420)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
	<u>Intergovernmental Revenue:</u>					
33400	Anoka County	\$-	\$-	\$-	\$-	\$-
33419	MSA state aid	-	16,212	-	-	-
	<u>Miscellaneous:</u>					
36200	Miscellaneous	-	-	-	-	-
	Total revenues	-	16,212	-	-	-
	<u>Expenditures:</u>					
	Engineering	-	0	-	-	-
	Construction	-	164,769	-	-	-
	Total expenditures	-	164,769	-	-	-
	Excess (deficit) of revenues over expenditures	-	(148,558)	-	-	-
	Other financing sources (uses):					
	Transfers in (out):					
	General Fund	-	85,208	-	-	-
	Sewer Fund	-	37,106	-	-	-
	Liquor Fund	-	45,101	-	-	-
	Net increase (decrease) in fund balance	-	18,858	-	-	-
	Fund balance - January 1	(18,858)	(18,858)	(18,858)	-	-
	Fund balance - December 31	(\$18,858)	\$-	(\$18,858)	\$-	\$-

This fund was used to account for the annual State Street Construction Aid allotment. Instead of booking the revenue here and showing a transfer from this fund to the Capital Funds the money was requested for, we are now booking the revenue directly into the Capital Funds.

CITY OF ST. FRANCIS, MINNESOTA
TRUNK UTILITIES AMBASSADOR BLVD FUND (426)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
	\$-	\$-	\$-	\$-	\$-
36210 Developer costs	-	-	-	-	-
Investment earnings	-	-	-	-	-
<hr/>					
Total revenues	-	-	-	-	-
<hr/>					
<u>Expenditures:</u>					
Miscellaneous	-	-	-	-	-
Engineering	-	16,109	-	-	-
Construction	-	-	-	-	-
Land	-	-	-	-	-
Interest expense	-	35	-	-	-
<hr/>					
Total expenditures	-	16,143	-	-	-
<hr/>					
Excess (deficit) of revenues over expenditures	-	(16,143)	-	-	-
 Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
Water Fund	-	-	-	-	-
<hr/>					
Net increase (decrease) in fund balance	-	(16,143)	-	-	-
 Fund balance - January 1					
	-	-	(5,016)	(16,143)	(16,143)
<hr/>					
Fund balance - December 31	\$-	(\$16,143)	(\$5,016)	(\$16,143)	(\$16,143)
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Accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve properties along Ambassador Boulevard as well as provide development opportunities for existing undeveloped properties along Ambassador Boulevard.

CITY OF ST. FRANCIS, MINNESOTA
TRUNK UTILITIES HWY 47 FUND (424)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
36210	\$-	\$-	\$-	\$-	\$-
37150	-	-	-	-	-
<hr/>					
Total revenues	-	-	-	-	-
<hr/>					
<u>Expenditures:</u>					
Engineering	-	-	-	-	-
Construction	-	-	-	-	-
Interest expense	538	435	-	-	-
<hr/>					
Total expenditures	538	435	-	-	-
<hr/>					
Excess (deficit) of revenues over expenditures	(538)	(435)	-	-	-
<hr/>					
Other financing sources (uses):					
Transfers in (out):					
Water Fund	-	-	-	-	-
<hr/>					
Net increase (decrease) in fund balance	(538)	(435)	-	-	-
<hr/>					
Fund balance - January 1	(19,758)	(20,296)	(20,806)	(20,730)	(20,730)
<hr/>					
Fund balance - December 31	(\$20,296)	(\$20,730)	(\$20,806)	(\$20,730)	(\$20,730)
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Accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve future development along State Highway 47.

CITY OF ST. FRANCIS, MINNESOTA
TRUNK UTILITIES RIVER'S EDGE FUND (423)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
	\$-	\$-	\$-	\$-	\$-
36210 Developer costs	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total revenues	-	-	-	-	-
<u>Expenditures:</u>					
Miscellaneous	403	-	-	-	-
Engineering	21,898	853	-	-	-
Construction	32,819	-	-	-	-
Land	-	20,813	-	-	-
Interest expense	10,232	10,014	-	-	-
Total expenditures	65,351	31,679	-	-	-
Excess (deficit) of revenues over expenditures	(65,351)	(31,679)	-	-	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers in (out):					
Water Fund	-	-	-	-	-
Net increase (decrease) in fund balance	(65,351)	(31,679)	-	-	-
Fund balance - January 1	(405,742)	(471,093)	(483,716)	(502,772)	(502,772)
Fund balance - December 31	(\$471,093)	(\$502,772)	(\$483,716)	(\$502,772)	(\$502,772)

Accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve the new River's Edge development and Rum River Bluffs development.

CITY OF ST. FRANCIS, MINNESOTA
WASTE WATER TREATMENT FACILITY FUND (422)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>						
31010	Property taxes	\$3,218	\$3,664	\$3,700	\$4,800	\$4,600
32260	Rent/Lease payments	7,100	9,726	10,020	6,000	6,000
36210	Investment earnings	32,445	18,672	10,000	10,000	10,000
	Total revenues	42,762	32,062	23,720	20,800	20,600
<u>Expenditures:</u>						
	Miscellaneous	8,809	9,726	10,020	12,220	12,500
	Engineering	-	-	-	-	-
	Construction	-	-	-	-	-
	Land	-	-	-	-	-
	Interest expense	-	-	-	-	-
	Total expenditures	8,809	9,726	10,020	12,220	12,500
	Excess (deficit) of revenues over expenditures	33,953	22,336	13,700	8,580	8,100
	Other financing sources (uses):					
	Bond proceeds	-	-	-	-	-
	Transfers in (out):					
	Sanitary Sewer Fund	-	-	-	-	-
	Debt Service Fund	(185,500)	(185,500)	(185,500)	-	(185,500)
	Net increase (decrease) in fund balance	(151,547)	(163,164)	(171,800)	8,580	(177,400)
	Fund balance - January 1	984,772	833,225	666,385	670,061	678,641
	Fund balance - December 31	\$833,225	\$670,061	\$494,585	\$678,641	\$501,241

Accounts for the costs associated with the future construction of a wastewater treatment facility.

CITY OF ST. FRANCIS, MINNESOTA
WATERMAIN LOOPING FUND (427)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.		2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
	<u>Revenues:</u>					
36210	Investment earnings	\$-	\$-	\$-	\$-	\$-
	Total revenues	-	-	-	-	-
	<u>Expenditures:</u>					
	Miscellaneous	-	881	-	-	-
	Engineering	-	63,061	-	-	-
	Construction	-	297,742	-	-	-
	Land easement	-	0	-	-	-
	Interest expense	-	1,203	-	-	-
	Total expenditures	-	362,888	-	-	-
	Excess (deficit) of revenues over expenditures	-	(362,888)	-	-	-
	Other financing sources (uses):					
	Transfers in (out):					
	Water Fund	-	80,358	-	-	-
	Net increase (decrease) in fund balance	-	(282,530)	-	-	-
	Fund balance - January 1	-	-	-	(282,530)	(282,530)
	Fund balance - December 31	\$-	(\$282,530)	\$-	(\$282,530)	(\$282,530)

This fund was established to account for costs associated with completing a second river crossing vital for uninterrupted water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance. The project also includes the demolition and abandonment of wellhouse and well number 2.

CITY OF ST. FRANCIS, MINNESOTA
WELL #4 FUND (421)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
36210 Investment earnings	\$26	\$-	\$-	\$-	\$-
Total revenues	26	-	-	-	-
<u>Expenditures:</u>					
Engineering	3,536	-	-	-	-
Construction	9,162	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	12,697	-	-	-	-
Excess (deficit) of revenues over expenditures	(12,672)	-	-	-	-
Other financing sources (uses):					
Transfers in (out):					
Water Fund	2,388	-	-	-	-
Net increase (decrease) in fund balance	(10,283)	-	-	-	-
Fund balance - January 1	10,283	-	-	-	-
Fund balance - December 31	\$-	\$-	\$-	\$-	\$-

Accounted for financial resources used to finance the construction of Well #4 in 2007.

CITY OF ST. FRANCIS, MINNESOTA
WOODBURY PARK PARKING LOT FUND (508)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
<u>Revenues:</u>					
Special Assessments	\$0	\$0	\$0	\$0	\$0
Total revenues	-	-	-	-	-
<u>Expenditures:</u>					
Miscellaneous	-	2,144	-	-	-
Engineering	-	11,940	-	-	-
Construction	-	25,153	-	-	-
Interest expense	-	31	-	-	-
Total expenditures	-	39,268	-	-	-
Excess (deficit) of revenues over expenditures	-	(39,268)	-	-	-
Other financing sources (uses):					
Transfers in (out):					
Liquor Store Fund	-	38,037	-	-	-
Net increase (decrease) in fund balance	-	(1,230)	-	-	-
Fund balance - January 1	-	-	-	(1,230)	(1,230)
Fund balance - December 31	\$-	(\$1,230)	\$-	(\$1,230)	(\$1,230)

This fund was established to account for the construction of a parking lot to provide additional parking for events held at Woodbury Park while not inconveniencing adjacent businesses' parking for their patrons.



**DEBT SERVICE
FUNDS**

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DEBT SERVICE

Debt Service Funds are used to account for the accumulation and use of financial resources to pay principal, interest, and related costs on long-term debt. A separate Debt Service Sub-Fund is required for each bond issue.

The principal sources of revenue are property taxes (debt service levies), special assessments, interest earned on cash balances in funds, and transfers from other funds.

Expenditures include bond principal and interest on City bonds as well as fiscal agent fees and interest on negative cash balances in funds.

The annual debt service tax levy anticipated each year through 2022 on current debt is \$20,900. The balance of the debt will be paid from special assessments, transfers from other funds, and interest earnings.

Legal Debt Limit

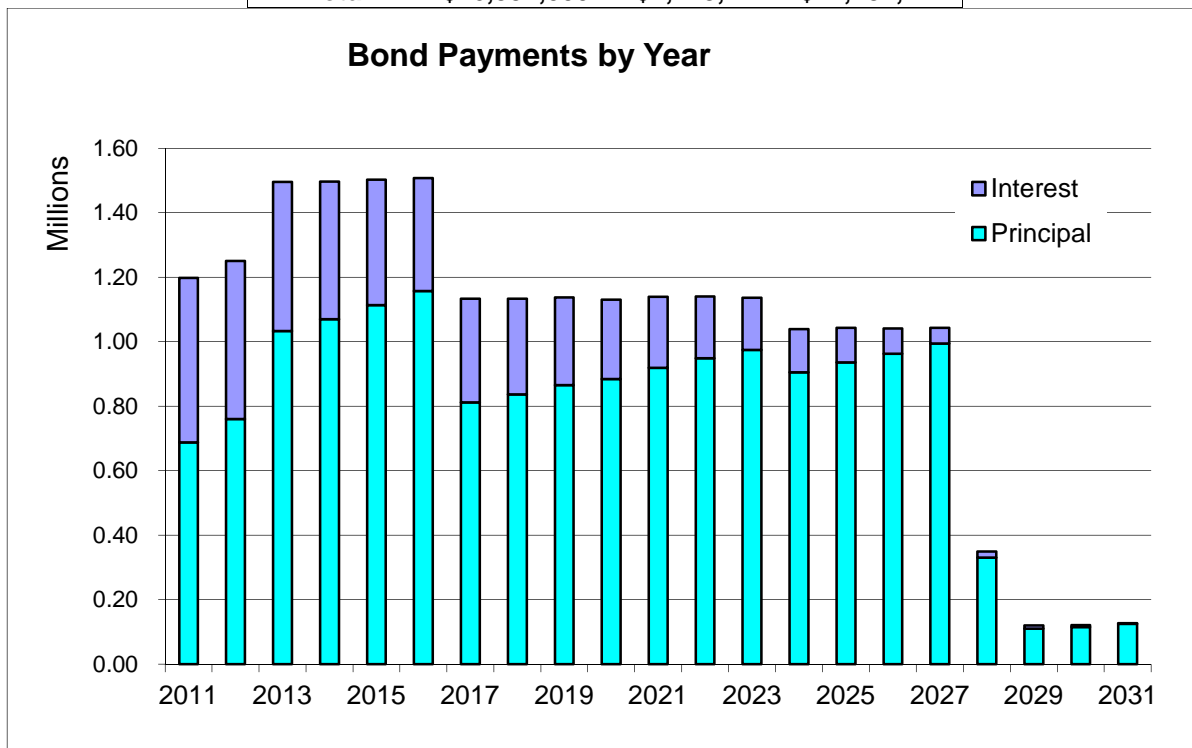
Minnesota State Statutes limits the City's net debt to no more than three percent (3%) of the estimated market value of the taxable property within the municipality. Bond issues covered by this limit are those that are financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments or tax increments. St. Francis has no bond issues subject to the debt limit.

The difference between the statutory debt limit and the bonds outstanding that are covered by the debt limit is referred to as the legal debt margin. The City's debt limit and legal debt margin are both \$15,528,651.

		2010
Estimated market value of taxable property		\$517,621,700
Debt limit (3% of market value)		\$15,528,651
Total bonds outstanding		\$16,537,000
Less:	Special assessment bonds	(1,010,000)
	Water/Sewer revenue bonds	(15,527,000)
Total debt applicable to debt limit		\$0
Legal debt margin		\$15,528,651

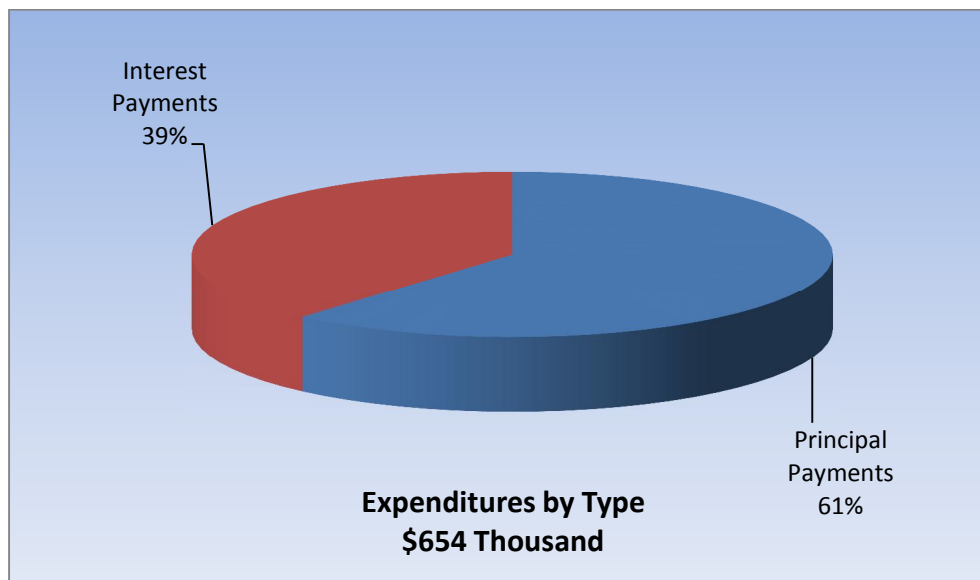
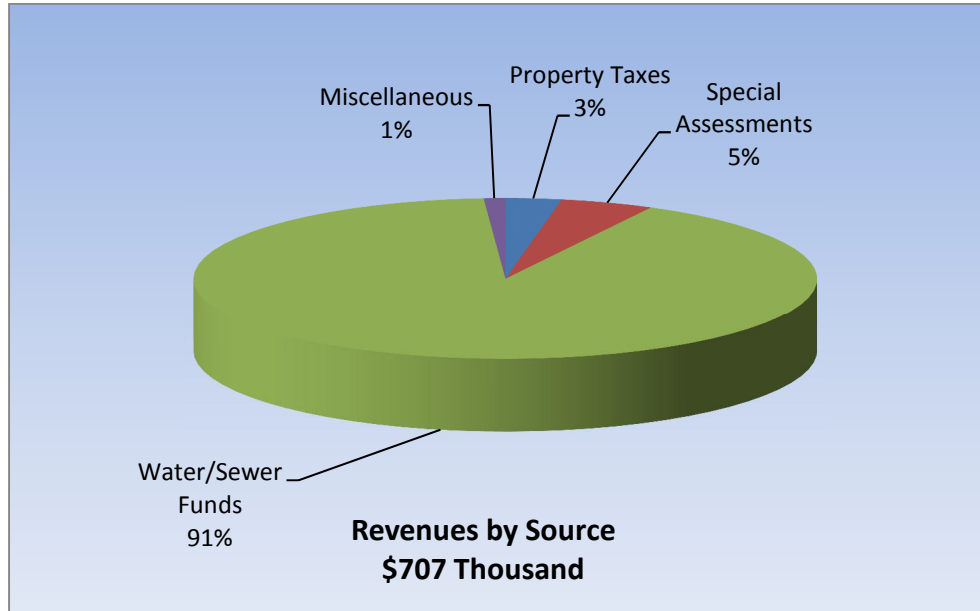
The following tables depict the City's debt service payments by year.

Year	Principal	Interest	Total
2011	688,000	509,832	1,197,832
2012	760,000	490,614	1,250,614
2013	1,033,000	461,953	1,494,953
2014	1,070,000	426,800	1,496,800
2015	1,113,000	388,954	1,501,954
2016	1,157,000	350,269	1,507,269
2017	812,000	321,522	1,133,522
2018	836,000	297,437	1,133,437
2019	865,000	272,358	1,137,358
2020	884,000	246,494	1,130,494
2021	919,000	219,615	1,138,615
2022	949,000	191,444	1,140,444
2023	974,000	162,194	1,136,194
2024	905,000	133,977	1,038,977
2025	936,000	106,771	1,042,771
2026	962,000	78,582	1,040,582
2027	994,000	49,293	1,043,293
2028	330,000	18,806	348,806
2029	110,000	10,256	120,256
2030	115,000	6,388	121,388
2031	125,000	2,188	127,188
Total	\$16,537,000	\$4,745,747	\$21,282,747



2011 DEBT SERVICE BUDGET

Summary of Revenues and Expenditures



CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE BUDGET
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ACCT NO.	2008 ACTUAL	2009 ACTUAL	2010 ORIGINAL BUDGET	2010 RE-EST.	2011 BUDGET
Revenues:					
Property taxes	-	\$12,394	\$20,900	\$20,900	\$20,900
Special assessments	89,740	50,957	27,390	24,800	34,700
36210 Investment earnings	87,130	15,597	7,030	6,880	8,030
Total revenues	176,870	78,948	55,320	52,580	63,630
Expenditures:					
<u>Debt Service:</u>					
Purchased services	-	-	-	-	-
Principal:					
Regular	195,000	330,000	390,000	390,000	400,000
Called bonds	-	2,150,000	-	-	-
Interest	342,926	335,303	266,430	266,430	252,150
Paying agent fees	431	850	860	850	850
Interest expense	-	-	590	580	760
Total expenditures	538,357	2,816,153	657,880	657,860	653,760
Excess (deficit) of revenues over expenditures	(361,487)	(2,737,205)	(602,560)	(605,280)	(590,130)
Other financing sources (uses):					
Bond proceeds (net)	-	-	-	-	-
Transfers in (out):					
Water Fund	292,825	292,830	292,830	292,830	292,830
Sanitary Sewer Fund	360,300	360,300	360,300	360,300	360,300
Net increase (decrease) in fund balance	291,638	(2,084,075)	50,570	47,850	63,000
Fund balance - January 1	2,642,777	2,934,415	857,255	850,340	898,190
Fund balance - December 31	\$2,934,415	\$850,340	\$907,825	\$898,190	\$961,190



**SUPPLEMENTARY
INFORMATION**

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**City of St. Francis, Minnesota
Demographic Statistics**

Characteristics	Year	St. Francis	% Change From 1990	Anoka County	% Change From 1990	Metro Area	% Change From 1990
		#		#		#	
Population	1990	2,538	--	243,641	--	2,288,729	--
	2000	4,910	0.0	298,084	0.0	2,642,056	0.0
	2010	7,700	56.8	362,170	21.5	3,005,000	13.7
	2020	10,400	111.8	407,710	36.8	3,334,000	26.2
	2030	12,800	160.7	425,260	42.7	3,608,000	36.6
Households	1990	760	--	N/A	--	875,504	--
	2000	1,638	-41.5	106,428	-22.0	1,021,456	-14.7
	2010	2,800	0.0	136,370	0.0	1,198,000	0.0
	2020	4,000	42.9	157,760	15.7	1,362,000	13.7
	2030	5,000	78.6	168,690	23.7	1,492,000	24.5
Persons Per Household	1990	3.34	--	N/A	--	2.61	--
	2000	3.00	15.3	2.80	8.4	2.59	5.7
	2010	2.75	5.8	2.66	2.8	2.51	2.5
	2020	2.60	0.0	2.58	0.0	2.45	0.0
	2030	2.56	-1.5	2.52	-2.5	2.42	-1.2
Employment	1990	N/A	--	N/A	--	1,273,773	--
	2000	1,247	-43.8	110,050	-28.5	1,606,263	-24.4
	2010	1,630	-26.6	127,050	-17.4	1,816,000	-14.6
	2020	1,900	-14.4	141,730	-7.9	1,990,000	-6.4
	2030	2,220	0.0	153,810	0.0	2,126,000	0.0

Sources: 1980, 1990 and 2000 -- U.S. Census Bureau;
2010, 2020 and 2030 -- Metropolitan Council Estimates.

**City of St. Francis, Minnesota
Demographic Statistics**

Characteristics	St. Francis In 1980	St. Francis In 1990	St. Francis In 2000	Metro Area In 1980	Metro Area In 1990	Metro Area In 2000
Number of Persons	2,538	4,910	7,700	2,288,729	2,642,056	3,005,000
Persons by Gender						
Female	N/A	N/A	50%	51%	51%	51%
Male	N/A	N/A	50%	49%	49%	49%
Number of Families	N/A	656	1,301	438,402	583,900	658,159
Number of Households (occupied)	1,638	2,800	4,000	1,021,456	1,198,000	1,362,000
Persons per Household	2.75	2.60	2.56	2.51	2.45	2.42
Number of Housing Units	N/A	N/A	1,686	750,228	922,224	1,047,240
Median Age	N/A	N/A	27.9	28.8	31.8	34.3
Number of Persons By Age						
0 - 19			38%			29%
20 - 24			7%			7%
25 - 34	Data Not Available	Data Not Available	20%	Data Not Available	Data Not Available	16%
35 - 64			32%			39%
65 - 74			2%			5%
75+			1%			5%
Persons by Race						
White	Data Not Available	Data Not Available	96%	95%	92%	85%
Non-white			4%	5%	8%	15%
Households by Type						
Family Households						
Married Couples		66%	59%	58%	54%	51%
Female Householder	Data Not Available	15%	14%	9%	10%	10%
Male Householder		5%	6%	2%	3%	4%
Non-family Households		14%	21%	31%	33%	36%
Households with Persons Under Age 18						
Married Couple Family		72%	66%	81%	77%	71%
Other Family						
Female Householder	Data Not Available	21%	21%	15%	16%	18%
Male Householder		5%	8%	3%	3%	5%
Non-family		1%	5%	1%	4%	5%

City of St. Francis, Minnesota

Demographic Statistics

Characteristics	St. Francis In 1980	St. Francis In 1990	St. Francis In 2000	Metro Area In 1980	Metro Area In 1990	Metro Area In 2000
Children By Age						
Under 5 Years Old	Data Not Available	32%	30%	31%	31%	27%
5 to 17 Years Old	Data Not Available	68%	70%	69%	69%	73%
Household Incomes						
Median	Data Not Available	Data Not Available	\$51,982	\$24,794	Data Not Available	\$54,332
Mean	Data Not Available	Data Not Available	\$56,030	\$23,837	Data Not Available	\$67,619
Employed Persons 16 and Over By Occupation						
Managerial, Professional			22%	26%		40%
Technical, Sales, Administration			23%	35%		28%
Service	Data Not Available	Data Not Available	13%	13%	Data Not Available	12%
Farming, Forestry, Fishing	Data Not Available	Data Not Available	0%	1%	Data Not Available	0%
Precision Production, Craft			24%	10%		12%
Operations, Fabrications, Laborers			17%	15%		7%

CITY OF ST. FRANCIS, MINNESOTA
Miscellaneous Statistical Facts
December 31, 2010

Year of incorporation	1974
Area of city	23.7 sq miles
Miles of roads:	
City	47
State/County	26.9
Private	4.5
	78.4
Water system:	
Number of hydrants	
City	269
Private	68
Number of wells	3
Miles of water mains	
City	24.7
Private	7.4
Raw	0.6
Abandoned	0.2
Sewer system:	
Lift stations	
City	12
Private	2
Miles of sewer mains	
City	20.6
Private	5.7
Number of manholes	
City	504
Private	142
Fire protection:	
Number of stations	1
Number of paid-per-call employees	22
Police protection:	
Number of stations	1
Number of full-time police officers	10
Recreation:	
Parks (developed)	83 acres
Number of parks and playgrounds	14
Employees:	
Full time (including police protection)	26
Part time and temporary (including fire protection)	34
Council members	5

	Local	State	National
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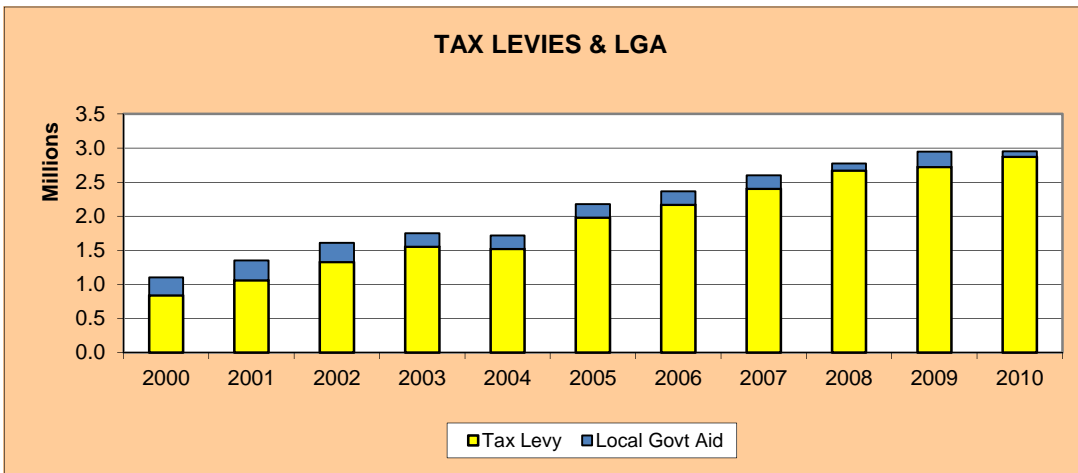
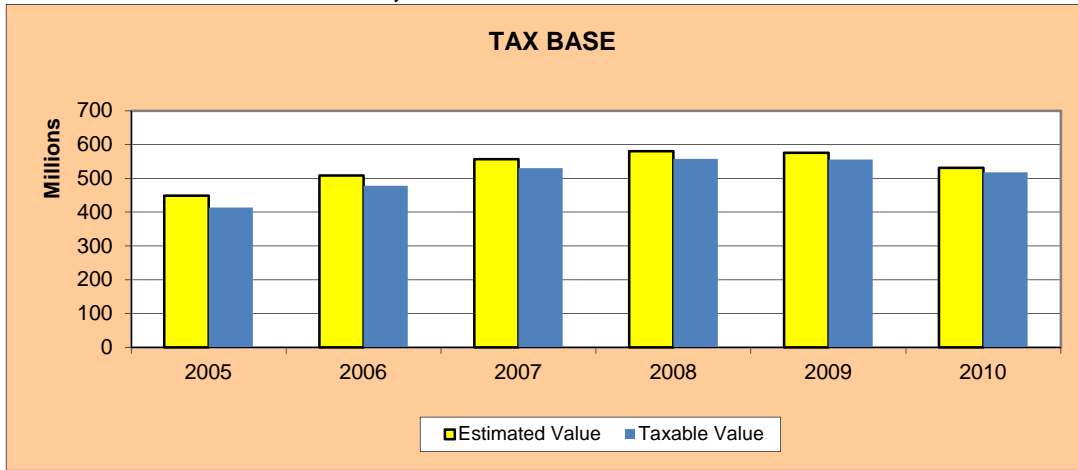
Elections:			
Date of last elections	Nov 02, 2010	Nov 02, 2010	Nov 04, 2008
Number of registered voters	3,925	3,925	4,425
Number of votes cast	2,485	2,485	3,652
Percent of registered voters voting	63%	63%	83%

CITY OF ST. FRANCIS
Principal Taxpayers
December 31, 2010
(Unaudited)

Taxpayer		2009/10	
		Taxable Market Value	Percent of Total Taxable Market Value
Alliant Techsystems	Ammunition manufacturer	16,752,000	3.24%
ALS Properties Woodhaven LLC	Mobile Home Park	8,069,900	1.56%
St. Francis Realty LLC	Shopping Center	5,715,100	1.10%
King Exchange LLC	Shopping Center	3,857,500	0.75%
Connexus Energy	Utility	3,669,100	0.71%
Kerry Street LLC	Non HS Residential	2,466,900	0.48%
Riverview Community Bank	Financial Services	2,218,900	0.43%
Minnegasco Inc.	Utility	2,044,500	0.39%
Jensen Family LP	Commercial	1,754,400	0.34%
Village Bank	Commercial	1,519,700	0.29%
Abbey Field LP	Non HS Residential		
Turtle Ridge Townhomes of St. Francis	Non HS Residential		
Hennen Trustee	Residential		
SMJ Triangle	Commercial		
PRO Properties, Inc.	Apartments		
Rum River Square Associates	Apartments		
JGR Partnership	Apartments		
Individual	Apartments		
		48,068,000	9.29%

CITY OF ST. FRANCIS

**CITY OF ST. FRANCIS, MINNESOTA
TAX BASE, TAX LEVIES AND TAX RATES**



**CITY OF ST. FRANCIS, MINNESOTA
TAX BASE, TAX LEVIES AND TAX RATES**

TAX BASE

Year Payable	Estimated Value	Taxable Value
2005	448,509,600	413,563,100
2006	507,997,000	478,204,200
2007	556,428,900	530,492,500
2008	580,707,700	557,796,700
2009	575,145,900	555,761,400
2010	531,385,600	517,621,700

TAX LEVIES

Year Payable	Tax Levy	Local Govt Aid	Total Levy + LGA
2000	842,220	262,794	1,105,014
2001	1,061,122	290,260	1,351,382
2002	1,328,713	283,385	1,612,098
2003	1,554,373	197,454	1,751,827
2004	1,521,752	197,454	1,719,206
2005	1,979,977	200,000	2,179,977
2006	2,167,157	200,000	2,367,157
2007	2,402,157	200,000	2,602,157
2008	2,672,615	100,000	2,772,615
2009	2,724,202	222,535	2,946,737
2010	2,873,160	80,940	2,954,100

TAX RATES

Year Payable	City Rate	Overlapping Rates*			Special Districts
		Anoka County	ISD #15	ISD #728	
2000	26.380	30.861	59.459	56.138	3.729
2001	29.732	28.859	48.241	64.073	3.455
2002	46.515	37.976	29.061	46.051	4.513
2003	44.264	38.469	28.665	41.428	4.637
2004	34.852	35.765	19.149	31.107	4.233
2005	40.652	33.581	18.598	32.996	4.443
2006	38.145	32.543	23.167	36.105	4.016
2007	36.786	31.094	24.716	33.352	3.912
2008	39.380	31.453	23.269	32.491	5.224
2009	38.401	32.445	20.992	36.300	3.797
2010	44.265	35.574	24.970	40.142	4.317

*-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 (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

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GLOSSARY OF TERMS

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

APPROPRIATION: An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

ASSESSED VALUATION: A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSETS: Property owned by a government which has a monetary value.

BOND: A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date {s}) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

BUDGET DOCUMENT: The official written statement prepared by the budget office and supporting staff which presents the proposed budget to the legislative body.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL IMPROVEMENTS BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget which includes both operating and capital outlays. The capital budget normally is based on a capital improvement program.

CAPITAL IMPROVEMENT PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAYS: Expenditures for the acquisition of capital assets.

CAPITAL PROJECTS: Projects which purchaser construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CONTINGENCY ACCOUNT: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

CONTRACT: A contract, for purposes of the bidding laws, is an agreement for the sale or purchase of supplies, materials, equipment, or the rental thereof or the construction, alteration, repairs or maintenance of real or personal property.

DEBT SERVICE: Payment of interest and repayment of principal to holders of a government's debt instruments.

DEFICIT: (1) The excess of an entity's liabilities over its assets (See Fund Balance); (2) the excess of expenditures or expenses over revenues during a single accounting period.

DEPRECIATION: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) that portion of the cost of a capital asset which is charged as an expense during a particular period.

ENTERPRISE FUND: A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purchases are made.

FISCAL DISPARITIES: A distribution of 40% of the growth in commercial and industrial properties within the seven-county metropolitan area since 1971

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The excess of a fund's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GENERAL FUND: The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GAAP.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

GOVERNMENTAL FUNDS: Funds used to account for the acquisition, use and balance of expendable financial resources and the related current liabilities-except those accounted for in proprietary funds and fiduciary funds. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

HOME RULE CHARTER: A home rule charter City is one that has its powers and structure determined by an election of its citizens in adopting a charter, as opposed to a statutory City whose structure and powers are fairly well proscribed by state statute.

HOMESTEAD AND AGRICULTURAL CREDIT AID (HACA): A property tax relief program that replaced the former homestead credit program and the agricultural credit program. HACA is tied to class rate reductions for certain classes of property.

INFRASTRUCTURE: The basic facilities, equipment, services and installations needed for the growth and functioning of a community. Includes roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entities, shared revenues or payments in lieu of taxes.

INTERNAL SERVICE FUND: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

LEGAL DEBT LIMIT: The maximum amount of outstanding gross or net debt legally permitted.

LEGAL DEBT MARGIN: The legal debt limit less outstanding debt subject to limitation.

LEGISLATIVE: Having the power to create laws.

LEVY: (1) (Verb) To impose taxes, special assessments or service charges for the support of government activities. (2) (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

LOCAL GOVERNMENT AID (LGA): A state government revenue sharing program for cities and townships that is intended to provide an alternative to the property tax. LGA is distributed through a formula based on tax base, population, population decline, age of housing and the percent of market value classified as commercial or industrial.

MARKET VALUE: An assessor's estimate of what property would be worth on the open market if sold. The market value is set on January 2 of the year before taxes are payable.

MARKET VALUE HOMESTEAD CREDIT (MVHC): A property tax relief program devised by the State government to give local property tax payers relief from the burden of local property taxes.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MATURITIES: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

OPERATING BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenue estimates).

PERA: Public Employees Retirement Association

PERSONAL SERVICES: A level of budgetary appropriations, which includes expenses for salaries, wages, and related employee benefits such as the City's share of retirement and insurance.

POLICE DEPARTMENT AID: An intergovernmental revenue from the State to be used to maintain the Police Department. A premium tax of two percent is imposed on automobile insurance and apportioned to qualifying cities.

POLICY: A set of guidelines used for making decisions.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of the City's Water, Sanitary Sewer and Liquor Store Fund.

REVENUE: The term designates an increase to a fund's assets which:

- does not increase a liability (e.g., proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

SUPPLIES: A level of budgetary appropriations, which includes expenses for commodities that are used such as office supplies, operating supplies, repair and maintenance supplies.

TAX CAPACITY: A valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes. The assessor determines the estimated market (resale) value of property. This value is converted to tax capacity by a formula specified in state law.

TAX CAPACITY RATE: The property tax rate which is based on the taxes levied as a proportion of the property value. A tax rate of 30.751% produces \$30.75 of taxes on each \$100 of tax capacity that a property is valued at.

TAX LEVY: The total amount to be raised by general property taxes for the purposes stated in the resolution certified to the County Auditor.

TRANSFER: Transfers of assets between funds.