



City of
St. Francis



2012 ADOPTED BUDGET

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INTRODUCTION

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Letter of Transmittal

Honorable Mayor and Council Members:

In compliance with State Statutes, I am pleased to present the 2012 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 2012 budget, in the amount of \$8,303,741 includes all of the funds for the City of St. Francis and reflects a 2.3% 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 2012 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:

Development of a Public Works Building – The City has been planning to build a Public Works Facility for over a decade. The City developed a plan in 1011 to accomplish this goal with no increase in taxes.

Development of a Police Station – The City has recognized for numerous years their police station is inadequate for the size of department we enjoy. Through cooperative efforts with other city departments, the police department joined the construction project of the public works facility. This too was completed without an increase in property taxes.

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.

Enhancing City Communication with Citizens – Effort has been placed to improve the frequency and content of our community newsletter. New communication strategies are always being sought.

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. Effort has been undertaken to have updated information and study to extend Bridge Street. Plans will be revisited on how to proceed.

The adopted budget provides for no increase in property taxes. The levy of \$2,873,160 represents a 0% increase over 2011. This translates to a 5.40% decrease on a median value home.

This past year, the State of MN has replaced the Market Value Homestead Credit with a new program called the Market Value Homestead Exclusion. While this terminology seems harmless, the projected taxes payable for our residents probably will be increasing, even with a 0% tax levy increase. 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 taken 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 2012 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. The Council will continue to hold discussions on how Federal, State, County and local financing will evolve in the future. Current statewide discussions are being held to describe the future on government finance "as-is" versus what state and local government finance will be in the future. Through these discussions and studies we will be able to better refine exactly what service we can afford to provide in the future. These studies will continue to ensure 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. Hylen
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 7,218. 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 2011

CITY COUNCIL

JERRY TVEIT, MAYOR
Term Expires 12-31-2012

STEVE KANE, COUNCILMEMBER
Term Expires 12-31-2012

JEFFREY SANDOVAL, COUNCILMEMBER
Term Expires 12-31-2012

TIM BROWN, COUNCILMEMBER
Term Expires 12-31-2012

CHRISTOPHER MCCLISH, COUNCILMEMBER
Term Expires 12-31-2014

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
Dean Kapler	Fire Chief	May 16, 2011
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 2012 Budget

Challenges that frame the development of the 2012 Budget include:

Levy limits – For the 2012 tax levy, the Legislature allowed levy limits to sunset. This being said the Legislature also eliminated the market value credit program which lowered property taxes by giving the residents a credit of which the state was to reimburse the city. The state only **fully** reimbursed the city the amount due in 2 of the 9 years the program was in place. The Legislature now has implemented a new program called market value exclusion. This program gives homestead properties valued at less than \$413,778, an exclusion of the market value from property taxes. This shifted the taxes onto non-homestead properties. Even though the city did not raise the tax levy, the tax rate increased from 47.139% in 2011 to 53.34% in 2012.

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.

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 expired at the end of 2011. Current negotiations are underway with both unions. 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 .09%

The 2012 budget anticipates revenues (net of transfers and debt proceeds) in the amount of \$8,018,947, an increase of \$6,877 (less than 1%) from 2011. The primary reason for this increase is the anticipated increase in the tax revenues due to the homestead credit not be removed from the levy by the state and then in turn not reimbursed. There was also a decrease in sales at the liquor store based on current sales. The sales figures each year are analyzed to try and set reasonable budgets. The City also continues to review its fee schedule to determine what, if any, changes need to be implemented in future years for water and sewer rates.

Revenue Comparison

	2011	2012	\$ Change	% Change
General	\$3,690,260	\$3,780,137	\$89,877	2.44%
Special Revenue	38,890	35,480	(3,410)	-8.77%
Debt	47,990	47,400	(590)	-1.23%
Capital	41,450	46,250	4,800	11.58%
Enterprise	4,193,480	4,109,680	(83,800)	-2.00%
TOTAL	\$8,012,070	\$8,018,847	\$6,777	0.09%

Expenditures (net of transfers and refunded debt service) down 2.91%

Expenditures (net of transfers and refunded debt service) in the 2012 Budget are 2.91% \$234,200 less than 2011.

Expenditure Comparison

Fund	2011	2012	\$ Change	% Change
General	\$3,637,428	\$3,535,337	\$-102,091	-2.81%
Special Revenue	327,430	54,955	-272,475	-83.22%
Debt	100,700	103,208	2,508	2.49%
Capital	33,140	46,090	12,950	39.08%
Enterprise	3,949,243	4,074,151	124,908	3.16%
TOTAL	\$8,047,941	\$7,813,741	\$-234,200	-2.91%

Tax levy for 2012 is 0% change

The City's tax levy for 2012 is \$2,873,160 which is the same as 2011. The median home value in the City of St. Francis dropped from \$156,500 in 2011 to \$133,200 in 2012. A median home will pay \$576.00/year in city taxes.

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 2011 are the basis for the taxes payable in 2012. 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 2010 Class Rate	Payable 2011 Class Rate	Payable 2012 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 2012 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:

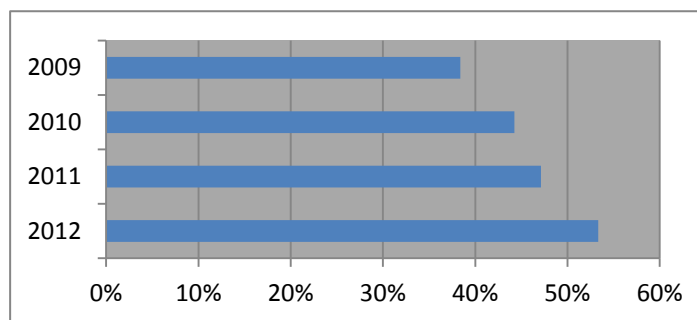
$$\$200,000 \times 1.00\% = \$2,000$$

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	2010	2011	2012
Real Estate/Personal Property	5,601,863	5,001,114	4,491,688
Tax Increment Districts	(16,833)	(12,820)	(12,628)
Sub-Total	5,585,030	4,988,294	4,479,060
Fiscal Disparities:			
Contribution	(377,469)	(341,228)	(323,392)
Distribution	1,470,600	1,531,408	1,383,468
Total Tax Capacity	6,678,161	6,178,474	5,539,136
Percent change	-5.25%	-7.48%	-10.35%

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:

2008	39.39%
2009	38.39%
2010	44.24%
2011	47.13%
2012	53.34%



Using the prior example of a single family home with an estimated market value of \$200,000, the approximate city tax for 2012 would be:

$$\$2,000 \times 53.34\% = \$1,066.80$$

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 2012 budget year.

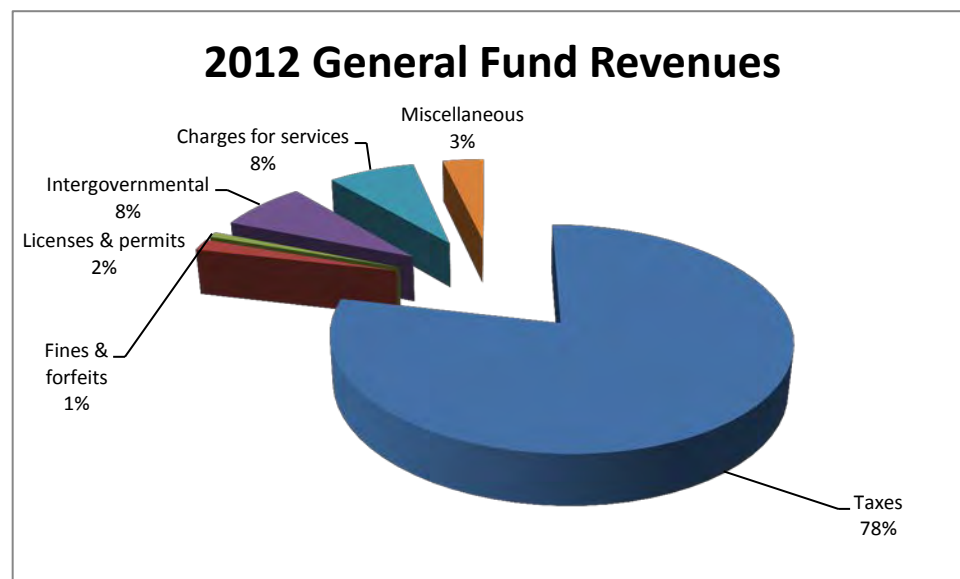
Three additional employees were requested by departments during the budget process, but none of them are included in the 2012 Budget even though the need is there. Staff currently needed by the City includes:

Police Officers
 Community Development Director/EDA
 Streets and Parks Worker

General Fund Revenues (net of transfers) up 2.44%

The 2.44% increase in General Fund revenues (net of transfers) amounts to \$89,877 more. The revenue categories with the largest changes are taxes and miscellaneous revenues. Taxes are \$104,473 higher than the 2011 Budget and they represent 78% of the revenues for the General Fund. Local Government aid, which is part of Intergovernmental Revenue, was budgeted at \$80,930 which was the amount received in 2011 after the state's unallotments.

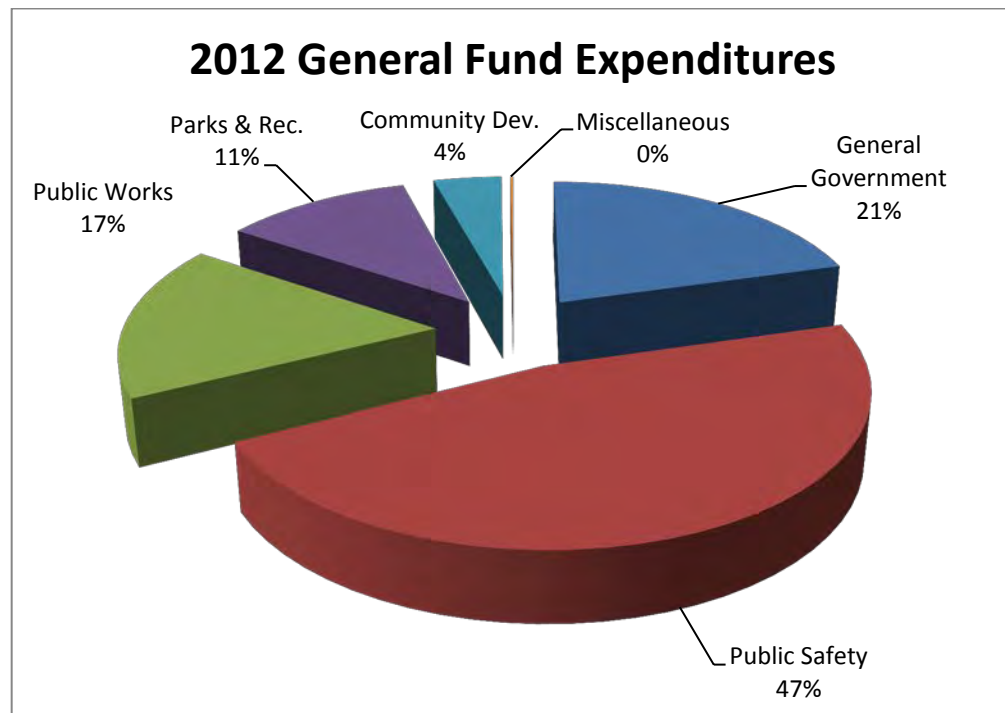
	2011	2012	\$ Change	% Change
Taxes	2,866,050	2,970,523	104,473	3.65%
Licenses & permits	71,350	66,330	(5,020)	-7.04%
Fines & forfeits	37,550	31,260	(6,290)	-16.75%
Intergovernmental	292,500	289,080	(3,420)	-1.17%
Charges for services	285,860	287,179	1,319	0.46%
Miscellaneous	136,950	135,765	(1,185)	-0.87%
TOTAL	3,690,260	3,780,137	89,877	2.44%



General Fund Expenditures (net of transfers) down 2.81%

The 2012 Budget includes recommended expenditures (net of transfers) that are 2.81% lower than the 2011 Budget. This is a decrease of \$102,091 over the previous year with the largest increase being recognized in the Public Works budget.

	2011	2012	\$ Change	% Change
General Government	729,450	727,685	(1,765)	-0.24%
Public Safety	1,653,398	1,660,072	6,674	0.40%
Public Works	822,560	595,940	(226,620)	-27.55%
Parks & Rec.	280,550	400,170	119,620	42.64%
Community Dev.	145,370	145,370	-	0.00%
Miscellaneous	6,100	6,100	-	0.00%
TOTAL	3,637,428	3,535,337	(102,091)	-2.81%



**General Fund
Fund Balance
will be 52.1%
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 2012 budget projects a fund balance of 52.1% of fund operating revenues and 6.7 months of operating expenditures. This should provide a sufficient balance to cover cash flow needs and unexpected expenditures.

**Debt Service
Fund**

Revenues for 2012 are \$590 (1.2%) less than 2011 due to a decrease in special assessments.

Expenditures for 2012 are \$2,508 (2.5%) more than 2011 due to the more in Principal being paid.

Outstanding debt at December 31, 2011 is calculated at \$15,849,000.

Capital Improvements

The 2012 Budget implements the first year of the 2012-2016 Capital Improvement Plan (CIP) adopted by the City Council on August 1, 2011. 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 the 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 2012-2016 CIP which are included in the 2012 Budget are:

Voting equipment	\$10,000
Police squad car	\$38,990
Truck with Service Bed	\$86,540
Bobcat annual replacement	\$31,010
Infield Groomer	\$9,400
Bobcat Tool	\$62,000
Meter Changeout	\$39,260
½ ton Truck	\$31,000

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.

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>	<u>2011</u>
Water							
Base	10.00	10.00	11.00	11.50	11.50	11.50	11.75
Usage	3.00	3.00	3.50	3.50	Tiered	Tiered	Tiered
MN Test Fee				.53	.53	.53	.53
Sewer							
Base	10.00	10.00	11.00	12.00	12.00	12.00	12.25
Usage	2.00	2.00	2.50	3.50	3.85	4.20	4.55

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. The following tiered rate system is in place for water usage

<u>Gallons per Equivalent Connection</u>	<u>Fee per 1,000 gallons</u>
0 – 14,999	\$4.05
15,000 – 29,999	\$4.25
30,000 – 44,999	\$4.95
>= 45,000	\$5.95

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.
- Construction of sanitary sewer and water mains to serve properties along Ambassador Boulevard as well as providing development opportunities for existing undeveloped properties was completed 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

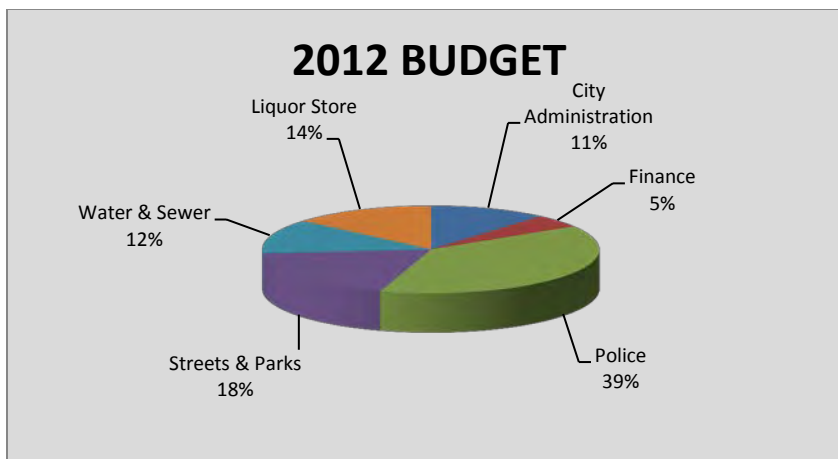
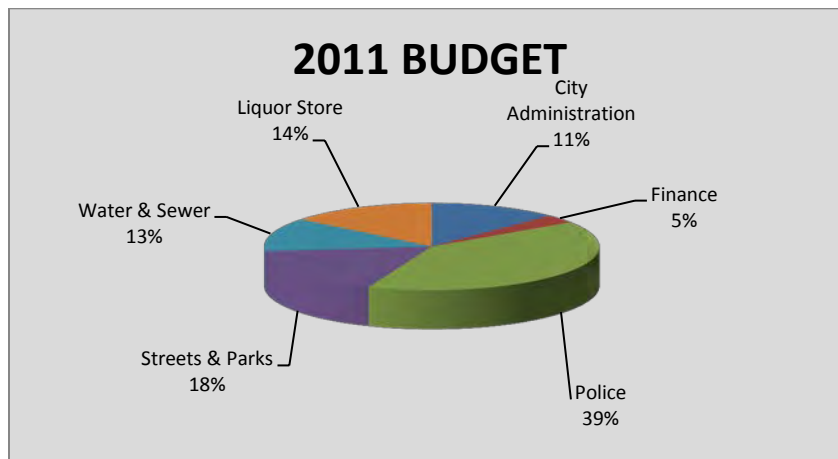


CITY OF ST. FRANCIS, MINNESOTA
SUMMARY OF PERSONNEL

NUMBER OF BUDGETED REGULAR EMPLOYEES

	2011		2012	
	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>2010</u>	<u>2011</u>	<u>2012</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	0.00	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	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
	<u>FINANCE</u>			
101-41500	Finance Director	1.00	1.00	1.00
	Accounting Clerk	0.00	0.00	0.00
	Finance Department Total	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
	<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	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>
	<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	<u>4.06</u>	<u>4.06</u>	<u>4.06</u>
	<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	<u>3.94</u>	<u>3.94</u>	<u>3.94</u>
	<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	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
	TOTAL	<u>26.00</u>	<u>26.00</u>	<u>26.00</u>



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, 2011. 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:

- **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.
- **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.
- **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.

DEBT SERVICE FUNDS

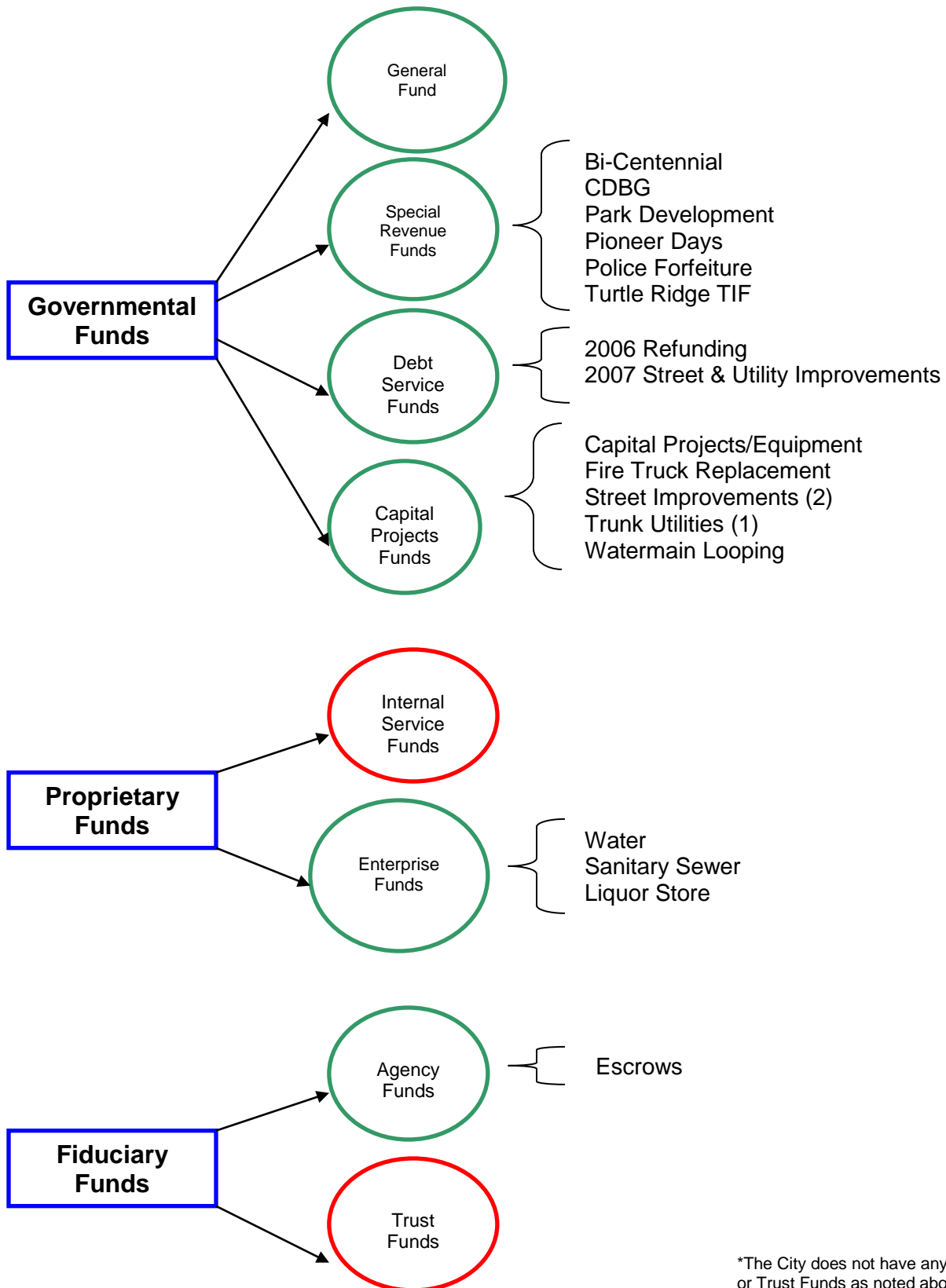
Debt service funds account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal, interest and fiscal agents' fees. Enterprise fund debt is accounted for in the individual enterprise fund. This was changed for the 2010 financial statements, therefore the budget has reflected the changes in debt being accounted for in those funds.

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



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BUDGET SUMMARY

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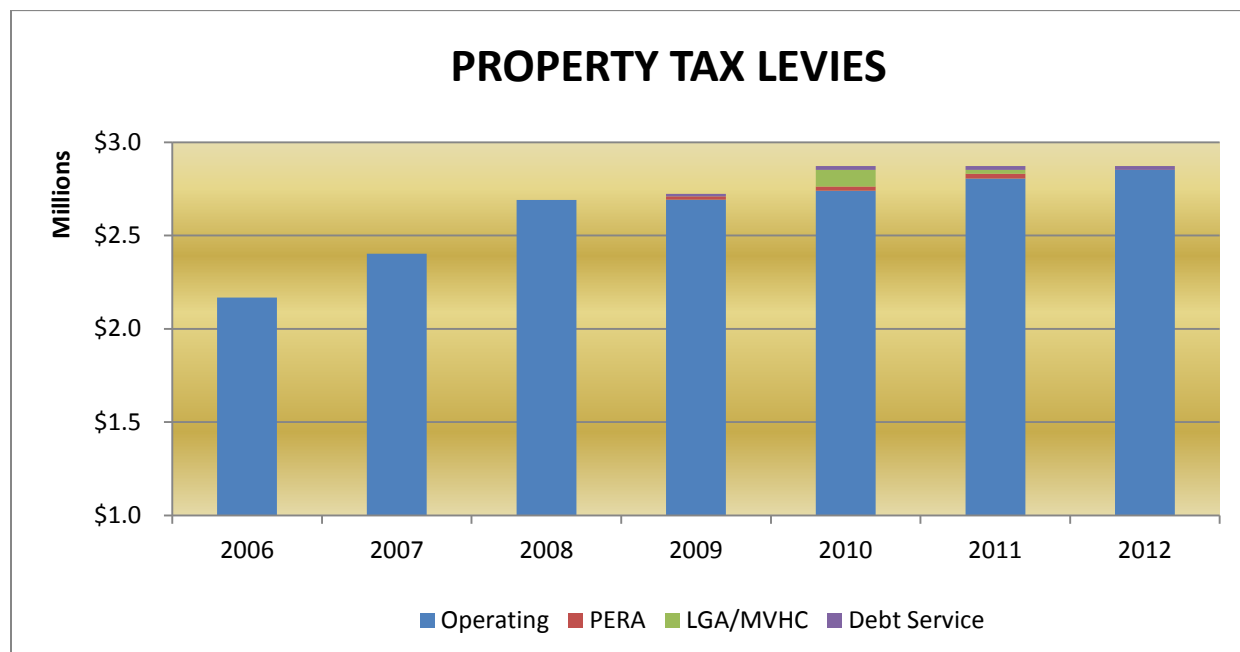
REVENUE SOURCES

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 - \$3,006,803 (35.3%)

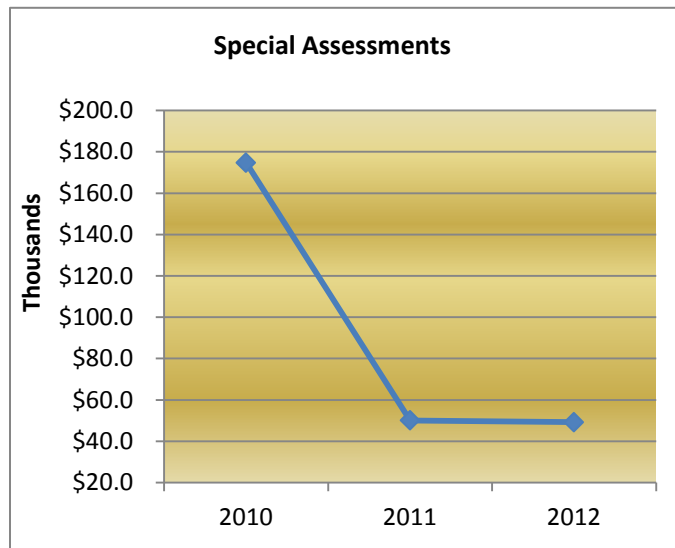
Tax revenues consist of property taxes (current and delinquent), tax increments and penalties and interest. This revenue source is primarily used in the General Fund and is set at a level to raise adequate revenue for the operating budget when combined with other expected revenues. The final level of 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 were in place for taxes payable in years 2009 through 2011, but have expired for tax year 2012. The Minnesota State Legislature eliminated the Market Value Credit Program for 2012 and replaced it with the Market Value Exclusion Program.

The City relies on property taxes for 78% of the total General Fund revenues, supporting such functions as public safety, public works, and general government. There was a zero percent increase in the levy for 2012.



Special Assessments - \$49,250 (0.6%)

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.

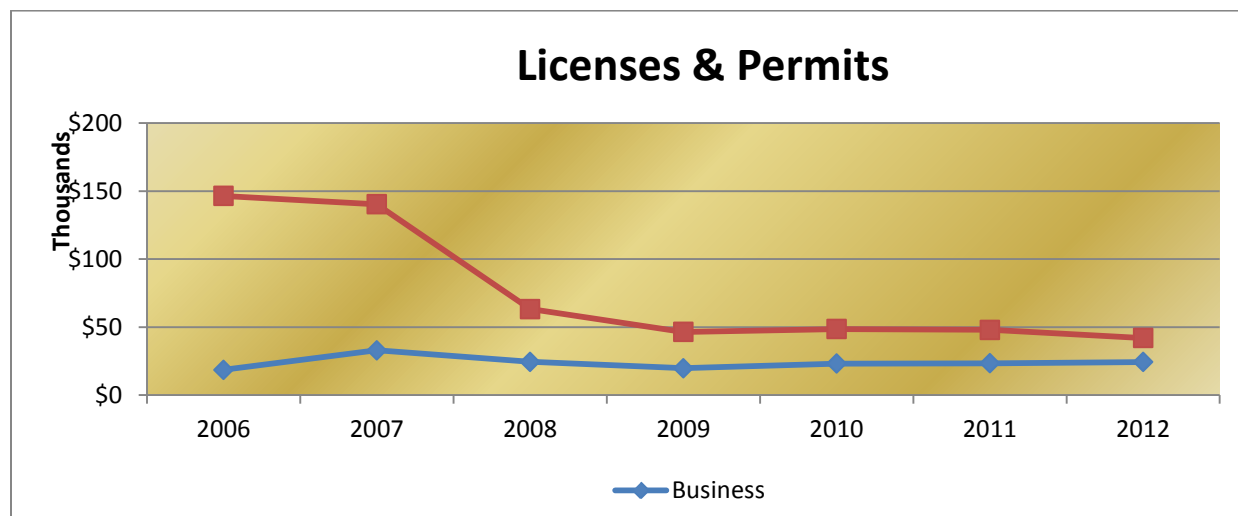


Special assessment collections for 2012 will be \$810 less than the 2011 budget based on an analysis of new rolls, scheduled installments and historical collection rates.

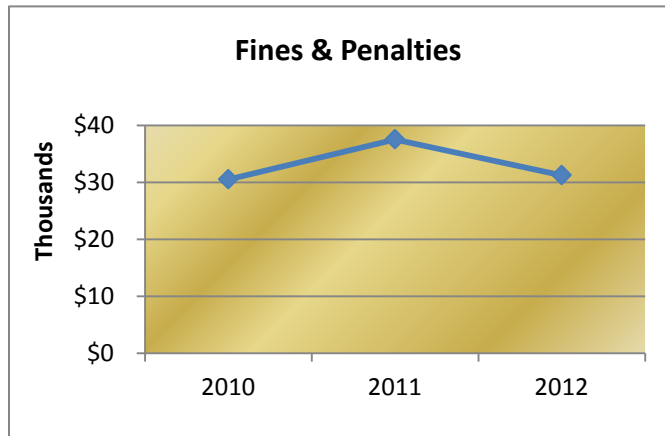
Licenses and Permits - \$66,330 (0.8%)

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 - \$31,260 (0.4%)



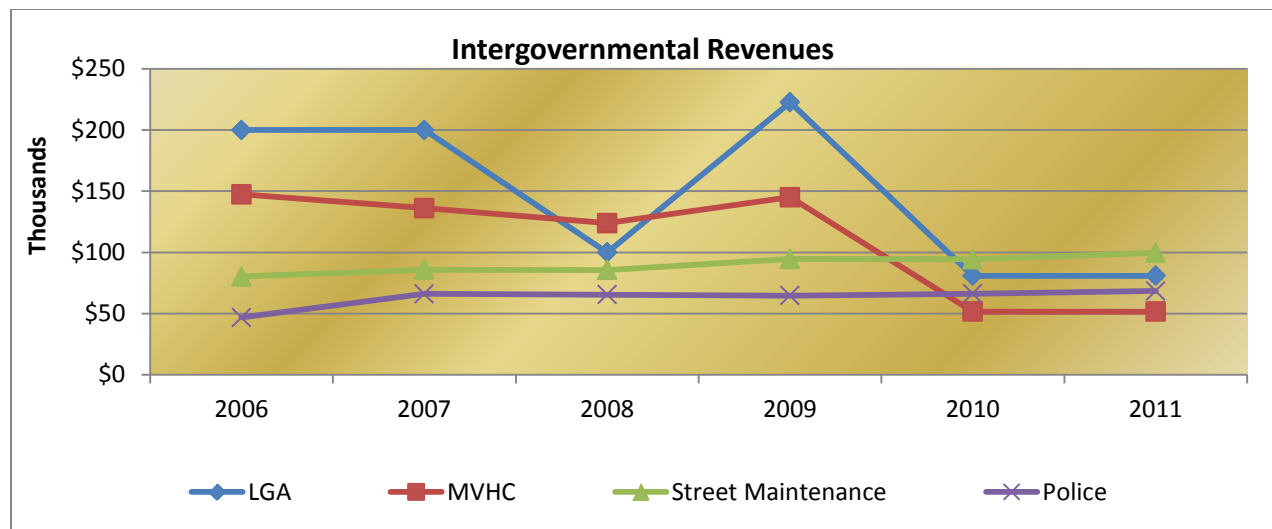
Fines and penalties consist of the City's share of fines collected by the County for court actions, animal impound fees, and revenue from drug forfeiture proceeds. The budget is based on a review of the prior three years actuals.

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, in 2010 were \$11,093 and in 2011 were \$651.

Intergovernmental - \$289,080 (3.4%)

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.

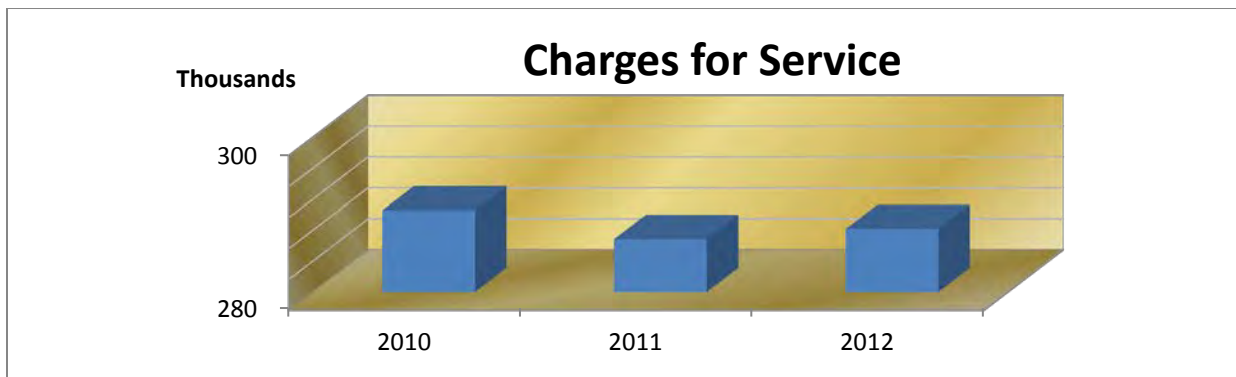


Charges for Services - \$285,860 (3.1%)

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:

2007	\$166,288
2008	\$129,909
2009	\$114,258
2010	\$116,379
2011	\$122,880

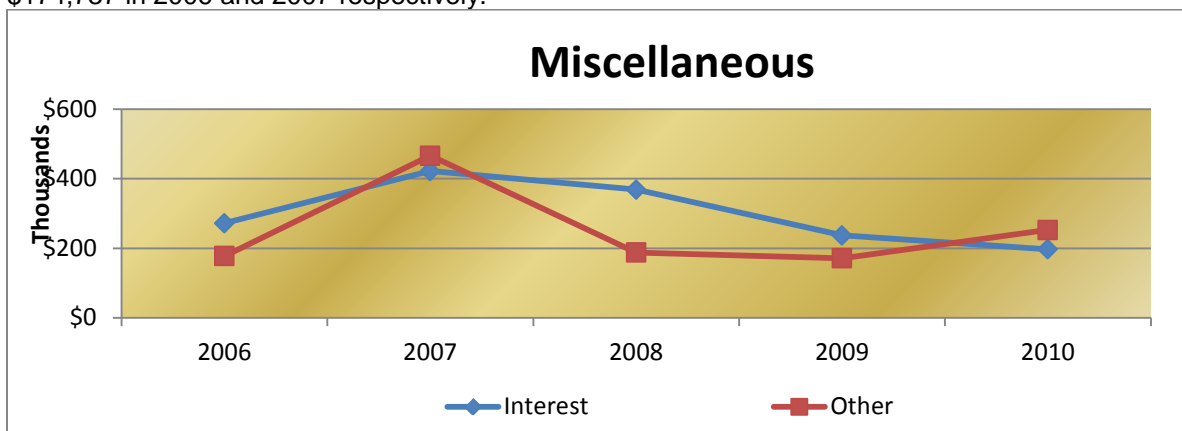


Miscellaneous - \$305,865 (3.6%)

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.



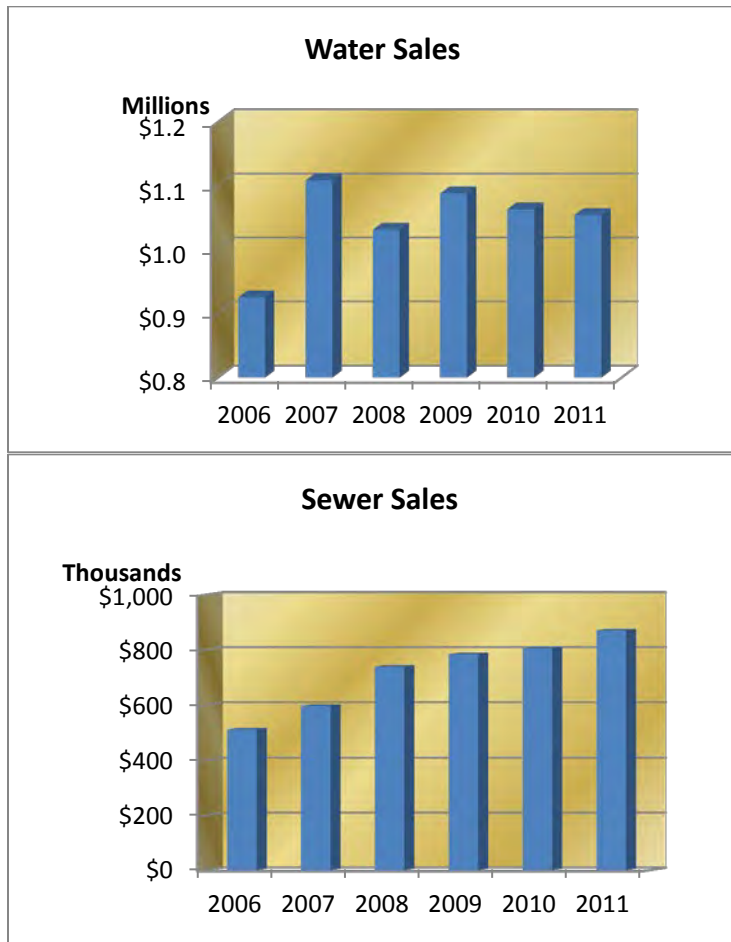
Sales - Water, Sewer, Liquor - \$3,982,180 (46.8%)

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:

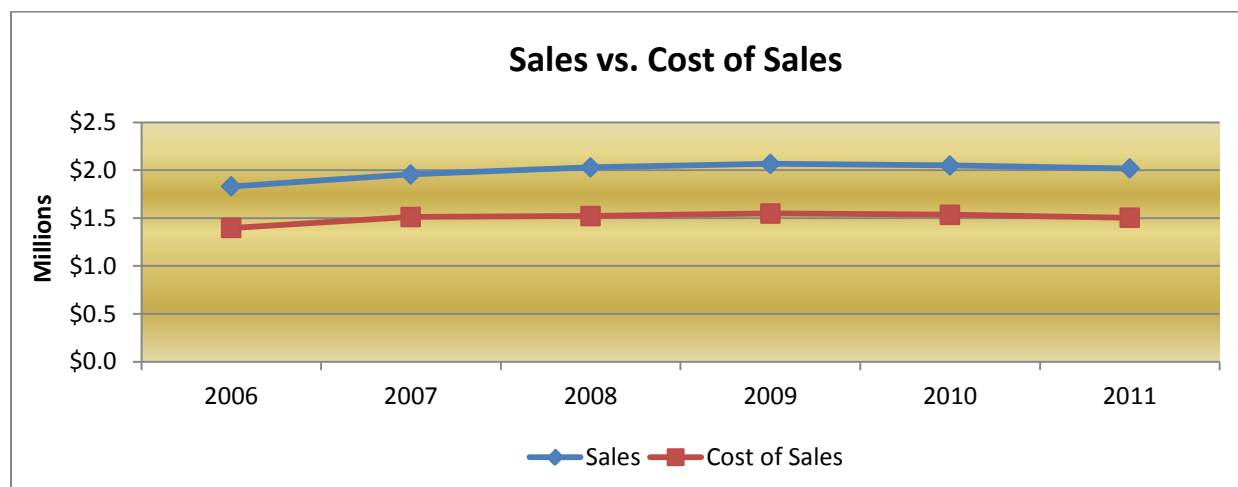
	<u>Water</u>	<u>Sewer</u>
2003	\$26.25	\$21.45
2004	\$27.40	\$22.00
2005	\$28.00	\$22.00
2006	\$28.00	\$22.00
2007	\$32.00	\$26.00
2008	\$33.03	\$33.00
2009	\$35.13	\$35.10
2010	\$35.73	\$37.20
2011	\$35.73	\$37.20



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	2007		2008		2009		2010		2011	
Liquor	588,876	29.0%	621,760	30.1%	627,313	31.1%	630,168	31.2%	656,175	32.5%
Beer	1,102,016	54.3%	1,116,187	54.0%	1,144,786	56.7%	1,134,912	56.2%	1,075,743	53.3%
Wine	139,925	6.9%	164,935	8.0%	173,921	8.6%	175,410	8.7%	183,453	9.1%
Miscellaneous	67,812	3.3%	65,489	3.2%	61,393	3.0%	55,831	2.8%	56,250	2.8%
Tobacco	57,873	2.9%	61,205	3.0%	59,878	3.0%	53,821	2.7%	46,063	2.3%
Total Sales	1,956,502		2,029,576		2,067,291		2,050,142		2,017,684	



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 2012.

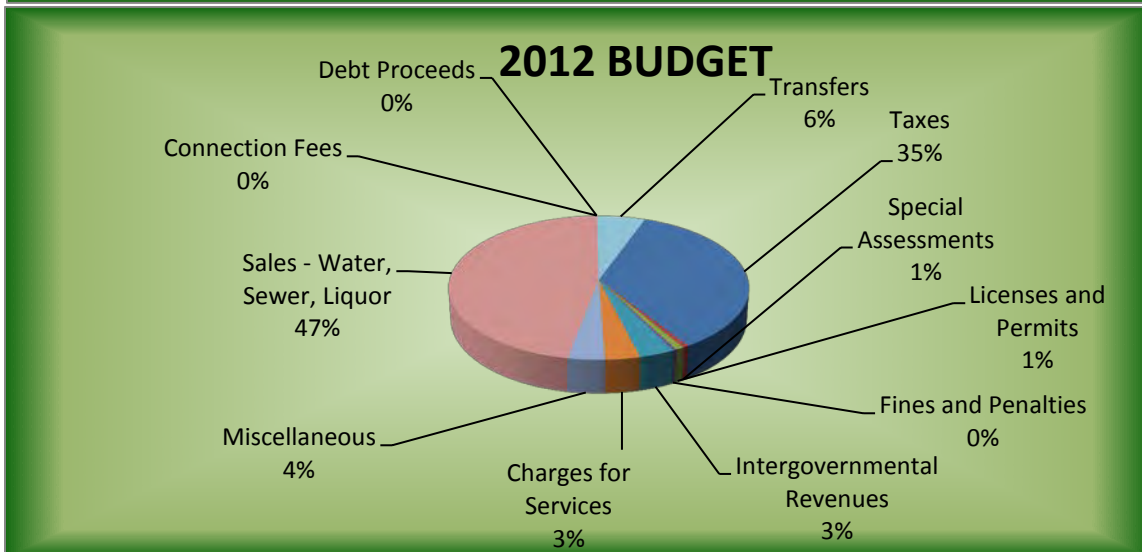
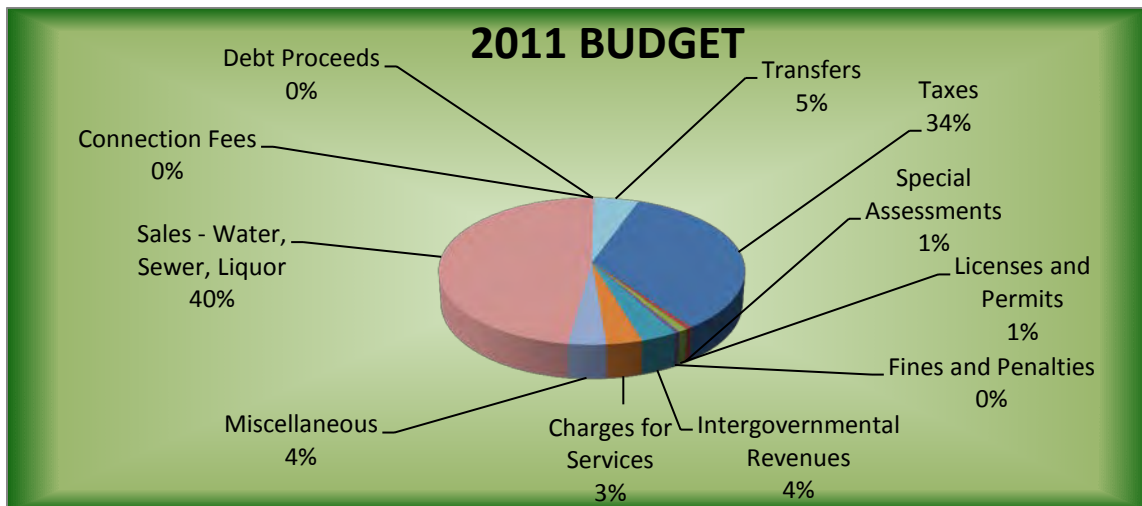
Transfers and Contributions of Assets - \$490,000 (5.8%)

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 are 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.

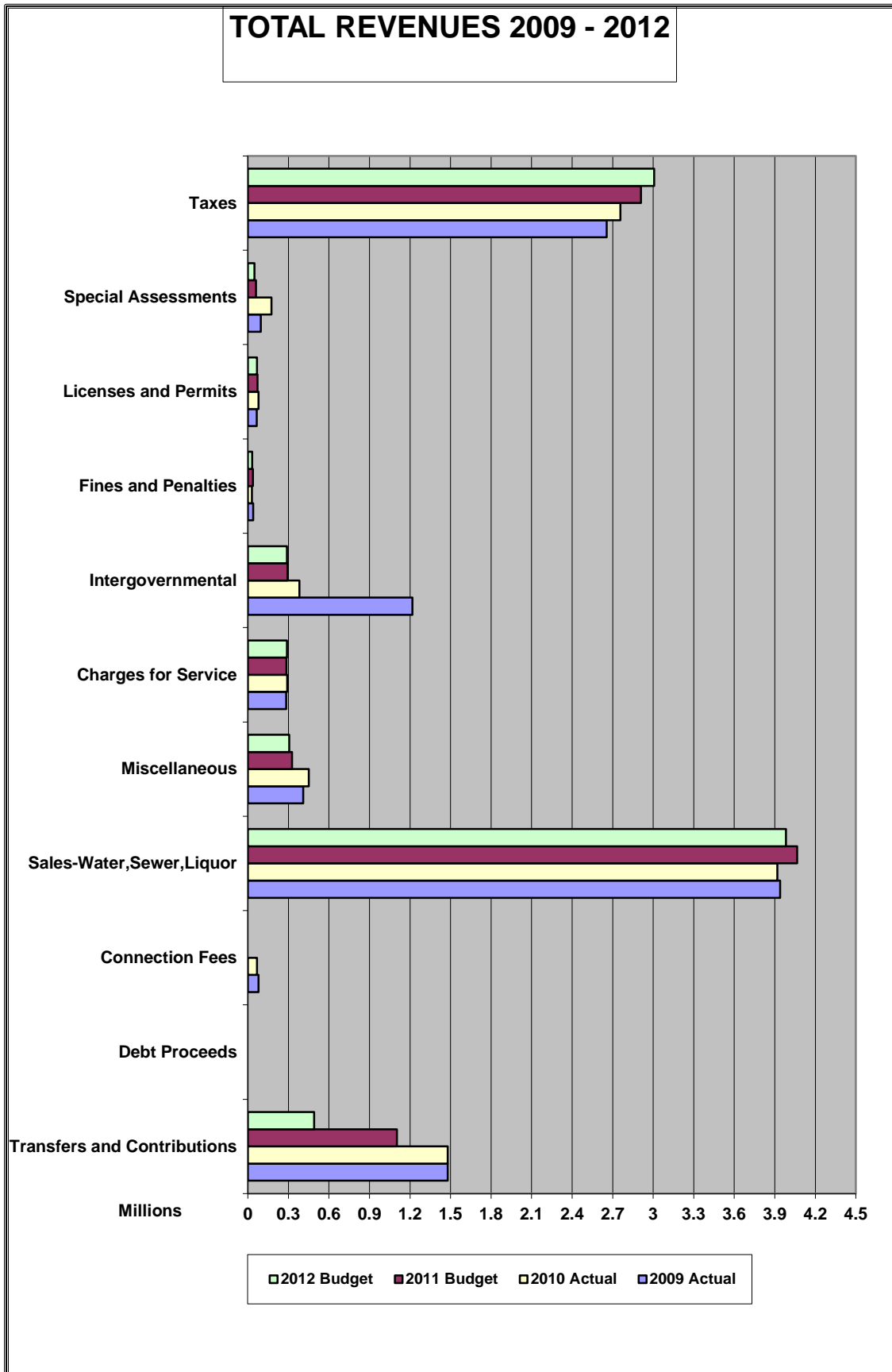
CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 REVENUE SOURCES AS A PERCENT OF TOTAL

Total by Source	2011 BUDGET	PERCENT OF TOTAL	2012 BUDGET	PERCENT OF TOTAL
Taxes	\$2,905,240	34.3%	\$3,006,803	35.3%
Special Assessments	50,060	0.6%	49,250	0.6%
Licenses and Permits	71,350	0.8%	66,330	0.8%
Fines and Penalties	37,550	0.4%	31,260	0.4%
Intergovernmental Revenues	292,500	3.5%	289,080	3.4%
Charges for Services	286,860	3.4%	288,179	3.4%
Miscellaneous	304,040	3.6%	305,865	3.6%
Sales - Water, Sewer, Liquor	4,064,470	48.0%	3,982,180	46.8%
Connection Fees	-	0.0%	-	0.0%
Debt Proceeds	-	0.0%	-	0.0%
Transfers	449,780	5.3%	490,000	5.8%
Totals	\$8,461,850	100.0%	\$8,508,947	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 REVENUE SUMMARY

<u>Total by Source</u>	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Taxes	\$2,757,948	\$2,905,240	\$3,006,803	3.5%
Special Assessments	174,638	50,060	49,250	-1.6%
Licenses and Permits	78,242	71,350	66,330	-7.0%
Fines and Penalties	30,537	37,550	31,260	-16.8%
Intergovernmental Revenues	380,978	292,500	289,080	-1.2%
Charges for Services	290,573	286,860	288,179	0.5%
Miscellaneous	449,790	304,040	305,865	0.6%
Sales - Water, Sewer, Liquor	3,919,628	4,064,470	3,982,180	-2.0%
Connection Fees	68,000	-	-	N/A
Debt Proceeds	150,000	-	-	N/A
Capital Contributions	2,144,660	-	-	N/A
Transfers and Contributions	1,479,413	449,780	490,000	8.9%
Totals	11,924,407	8,461,850	8,508,947	0.6%
<u>Total By Fund</u>				
Operating Budget:				
General Fund	3,776,287	3,740,260	3,830,137	2.4%
Bicentennial Fund	143	100	100	0.0%
Community Dev Block Grant	-	-	-	N/A
Park Improvements	6,600	2,500	2,500	0.0%
Pioneer Days	26,926	28,000	27,500	-1.8%
Police Forfeiture Fund	11,093	-	-	N/A
Turtle Ridge TIF Fund	18,617	18,290	15,380	-15.9%
Water Fund	2,075,610	1,193,470	1,179,500	-1.2%
Sanitary Sewer Fund	3,064,764	824,210	861,000	4.5%
Municipal Liquor Fund	2,084,766	2,175,800	2,069,180	-4.9%
Total Operating Budget	11,064,806	7,982,630	7,985,297	0.0%
Capital Improvements Budget:				
Capital Equipment	301,578	302,780	346,000	14.3%
Fire Truck Replacement	104,915	103,200	105,000	1.7%
Creekview Estates	13,672	11,000	11,000	0.0%
Ivywood Street & 230th Lane	336,980	14,250	14,250	0.0%
Trunk Utilities Rivers Edge	-	-	-	N/A
Watermain Looping	1	-	-	N/A
Total Capital Budget	757,146	431,230	476,250	10.4%
Debt Service Budget:				
Debt Service Fund	102,455	47,990	47,400	-1.2%
Totals	\$11,924,407	\$8,461,850	\$8,508,947	0.6%



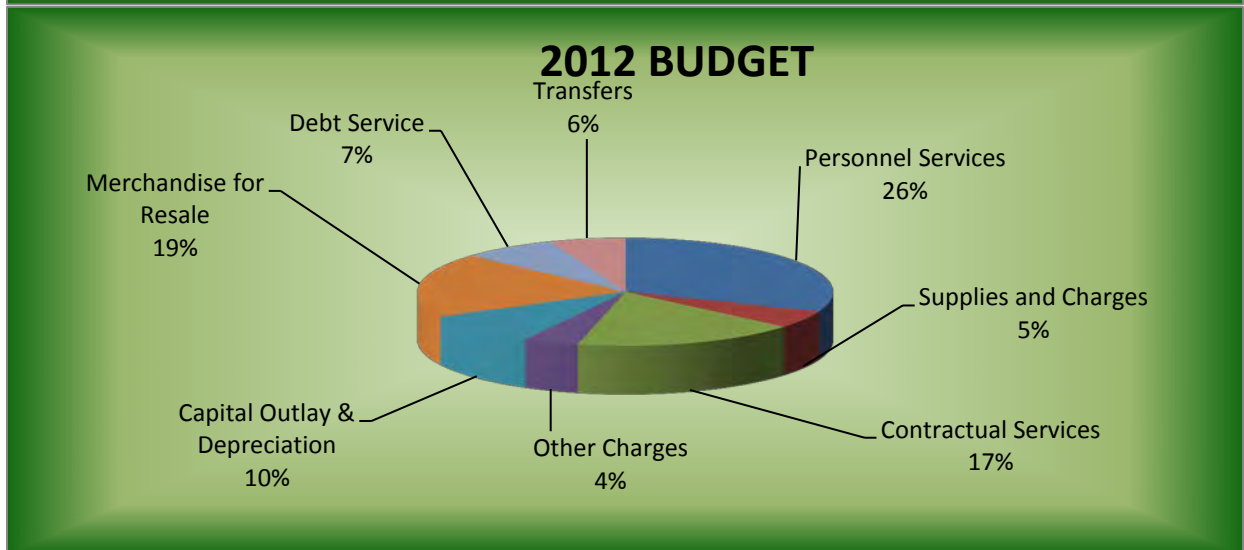
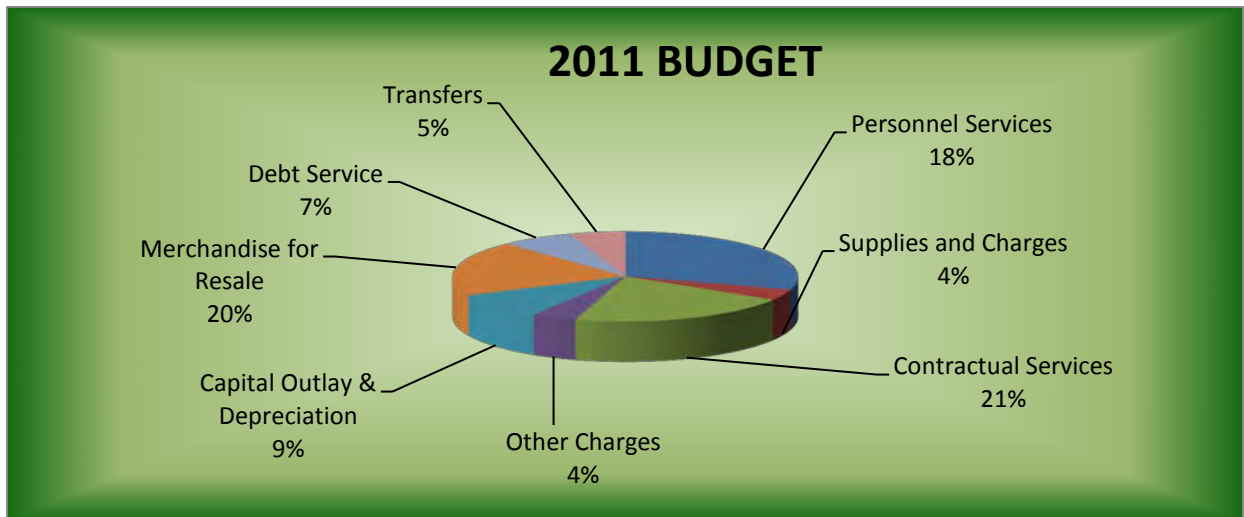
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CITY OF ST. FRANCIS, MINNESOTA

ALL FUNDS

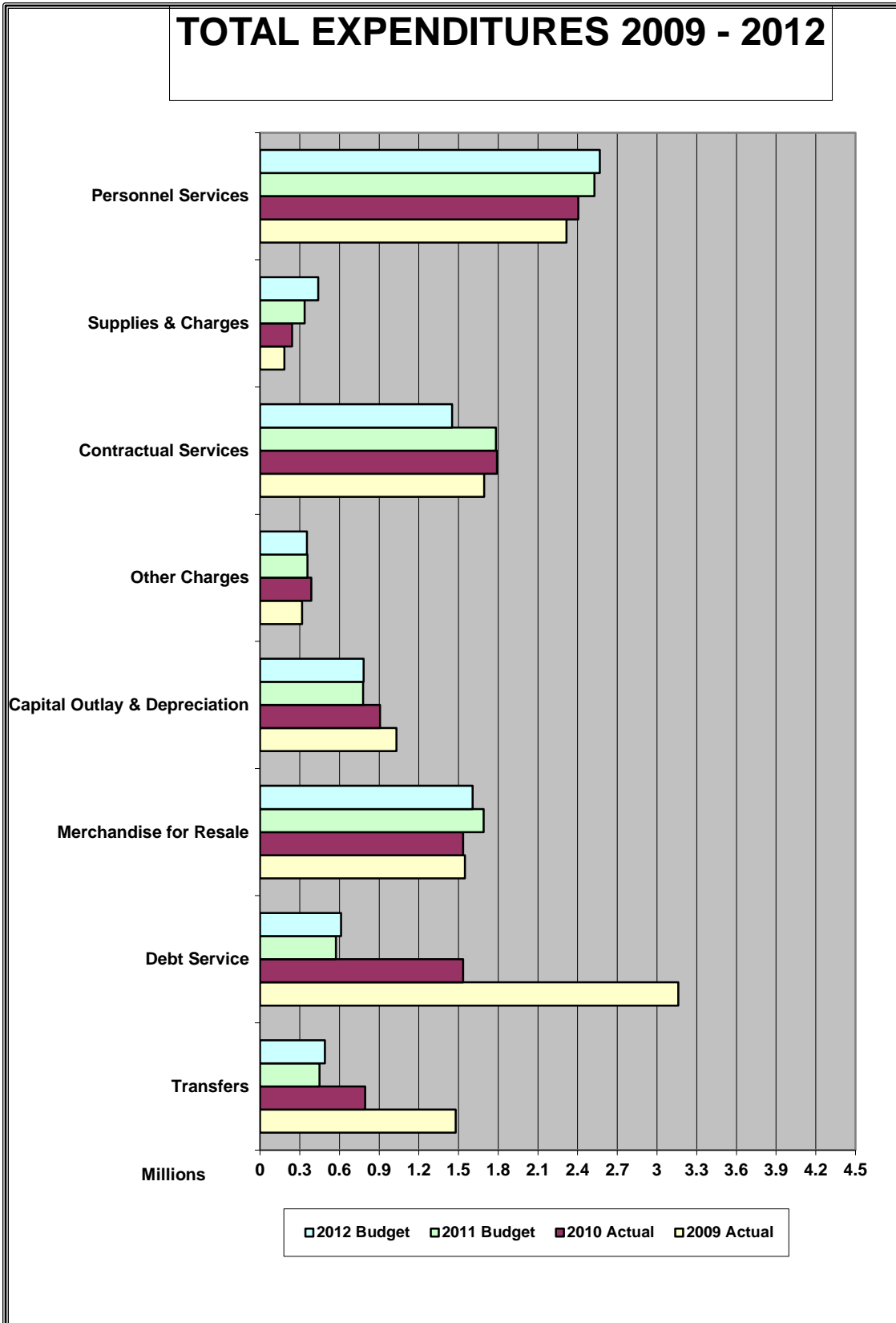
EXPENDITURE CLASSIFICATIONS AS A PERCENT OF TOTAL

<u>Total By Classification</u>	<u>2011 BUDGET</u>	<u>PERCENT OF TOTAL</u>	<u>2012 BUDGET</u>	<u>PERCENT OF TOTAL</u>
Personnel Services	\$2,526,270	29.7%	\$2,568,305	30.9%
Supplies and Charges	337,670	4.0%	438,840	5.3%
Contractual Services	1,782,498	21.0%	1,451,169	17.5%
Other Charges	359,080	4.2%	354,235	4.3%
Capital Outlay & Depreciation	778,490	9.2%	782,930	9.4%
Merchandise for Resale	1,690,500	19.9%	1,607,000	19.4%
Debt Service	573,433	6.7%	611,262	7.4%
Transfers	449,780	5.3%	490,000	5.9%
Totals	\$8,497,721	100.0%	\$8,303,741	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 EXPENDITURE SUMMARY

	2010 ACTUAL	2011 BUDGET	2012 BUDGET	% OVER/ (UNDER) 2011 BUDGET
Total by Department				
City Council	\$ 26,673	\$ 34,090	\$ 34,090	0.0%
Charter	58	1,510	1,510	0.0%
Administration	391,752	417,470	407,750	-2.3%
Elections	4,412	10,040	16,090	60.3%
Finance	112,983	119,165	121,050	1.6%
Legal	88,701	120,080	120,100	0.0%
Government Buildings	98,843	127,095	152,095	19.7%
Police	1,290,913	1,419,878	1,481,735	4.4%
Fire	429,163	534,410	492,042	-7.9%
Streets	1,111,227	776,440	547,630	-29.5%
Landfill Abatement (Recycling)	36,335	46,120	48,310	4.7%
Community Center	308	3,370	3,370	0.0%
Parks	322,311	546,180	396,800	-27.3%
Planning & Zoning	77,297	94,800	94,800	0.0%
Economic Development	-	-	-	N/A
Building Inspections	22,315	50,570	50,570	0.0%
Unallocated/Contingency	252,556	9,900	13,200	33.3%
Pioneer Days	32,537	30,400	30,800	1.3%
Tax Increment Financing	16,920	16,920	15,450	-8.7%
Debt Service	588,447	500,683	556,040	11.1%
Capital Equipment	226,787	29,340	38,990	32.9%
Water & Sewer Improvements	12,468	-	-	N/A
Water	871,353	800,230	920,924	15.1%
Sanitary Sewer	774,269	687,880	719,070	4.5%
Municipal Liquor	1,960,572	2,121,150	2,041,325	-3.8%
Totals	<u>\$ 8,749,200</u>	<u>\$ 8,497,721</u>	<u>\$ 8,303,741</u>	<u>-2.3%</u>
Total By Classification				
Personnel Services	\$ 2,404,049	\$ 2,526,270	\$ 2,568,305	1.7%
Supplies and Charges	242,660	337,670	438,840	30.0%
Contractual Services	1,790,185	1,782,498	1,451,169	-18.6%
Other Charges	387,088	359,080	354,235	-1.3%
Capital Outlay & Depreciation	906,455	778,490	782,930	0.6%
Merchandise for Resale	1,535,157	1,690,500	1,607,000	-4.9%
Debt Service	690,079	573,433	611,262	6.6%
Transfers	793,527	449,780	490,000	8.9%
Totals	<u>\$ 8,749,200</u>	<u>\$ 8,497,721</u>	<u>\$ 8,303,741</u>	<u>-2.3%</u>
Total By Fund				
Operating Budget:				
General Fund	\$ 3,812,759	\$ 4,027,208	\$ 3,965,337	-1.5%
Community Dev Block Grant	-	-	-	N/A
Park Improvements	40,614	269,000	-	-100.0%
Pioneer Days	34,605	30,400	30,800	1.3%
Police Forfeiture	-	11,110	8,705	-21.6%
Turtle Ridge TIF Fund	16,920	16,920	15,450	-8.7%
Water Fund	1,206,547	1,016,730	1,219,628	20.0%
Sanitary Sewer Fund	929,390	871,363	873,198	0.2%
Municipal Liquor Fund	1,960,572	2,121,150	2,041,325	-3.8%
Total Operating Budget	<u>\$ 8,001,407</u>	<u>\$ 8,363,881</u>	<u>\$ 8,154,443</u>	<u>-2.5%</u>
Capital Improvements Budget:				
Capital Equipment	\$ 226,787	\$ 29,340	\$ 38,990	32.9%
Creekview Estates	2,250	3,800	3,800	0.0%
Ivywood Street & 230th Lane	408,157	-	3,300	N/A
Trunk Utilities Rivers Edge	7,847	-	-	N/A
Watermain Looping	4,620	-	-	N/A
Total Capital Budget	<u>\$ 649,661</u>	<u>\$ 33,140</u>	<u>\$ 46,090</u>	<u>39.1%</u>
Debt Service Budget:				
Debt Service Fund	\$ 98,132	\$ 100,700	\$ 103,208	2.5%
Totals	<u>\$ 8,749,200</u>	<u>\$ 8,497,721</u>	<u>\$ 8,303,741</u>	<u>-2.3%</u>



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

<u>Total By Fund</u>	BALANCE 01-01-12	REVENUES	NET OTHER INCREASES (DECREASES)	EXPENDITURES	BALANCE 12-31-12
Operating Budget:					
General	\$ 2,106,088	\$ 3,780,137	\$ (380,000)	\$ 3,535,337	\$ 1,970,888
Bicentennial	8,080	100	-	-	8,180
Community Development					
Block Grant	-	-	-	-	-
Pioneer Days	(10,933)	17,500	10,000	30,800	(14,233)
Police Forfeiture	8,705	-	-	8,705	-
Turtle Ridge TIF	11,600	15,380	-	15,450	11,530
Water	5,561,167	1,179,500	-	1,219,628	5,521,039
Sanitary Sewer	7,523,452	861,000	-	873,198	7,511,254
Municipal Liquor	1,503,999	2,069,180	(60,000)	1,981,325	1,531,854
Total Operating Budget	16,712,158	7,922,797	(430,000)	7,664,443	16,540,512
Capital Improvements Budget:					
235th Avenue Improvements					-
Capital					
Projects/Equipment	501,534	16,000	330,000	38,990	808,544
Creekview Estates	(125,017)	11,000	-	3,800	(117,817)
Fire Truck Replacement	405,625	5,000	100,000	-	510,625
Ivywood St & 230th Lane	(108,281)	14,250	-	3,300	(97,331)
Park Improvements	219,525	2,500	-	-	222,025
Trunk Utilities Rivers					
Edge	(510,619)	-	-	-	(510,619)
Watermain Looping	(287,151)	-	-	-	(287,151)
Total Capital Budget	95,616	48,750	430,000	46,090	528,276
Debt Service Budget:					
Debt Service	161,871	47,400	-	103,208	106,063
Grand Total	\$ 16,969,645	\$ 8,018,947	\$ -	\$ 7,813,741	\$ 17,174,851

DISCUSSION ON FUND BALANCE CHANGES**General Fund**

The city is anticipating a higher than originally estimated Fund Balance for 12-31-11. The 2012 Budget uses a portion of this Fund Balance, but maintains an unreserved Fund Balance of 52.1%

Capital Projects/Equipment

Funds are set aside for future purchases of equipment, vehicles and facility replacements and improvements. Transfers in to this fund will be used for the debt service payments on the new Public Works/Police Building.

Fire Truck Replacement

Funds are set aside for future purchases of vehicles. No expenditures are anticipated for 2012.

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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

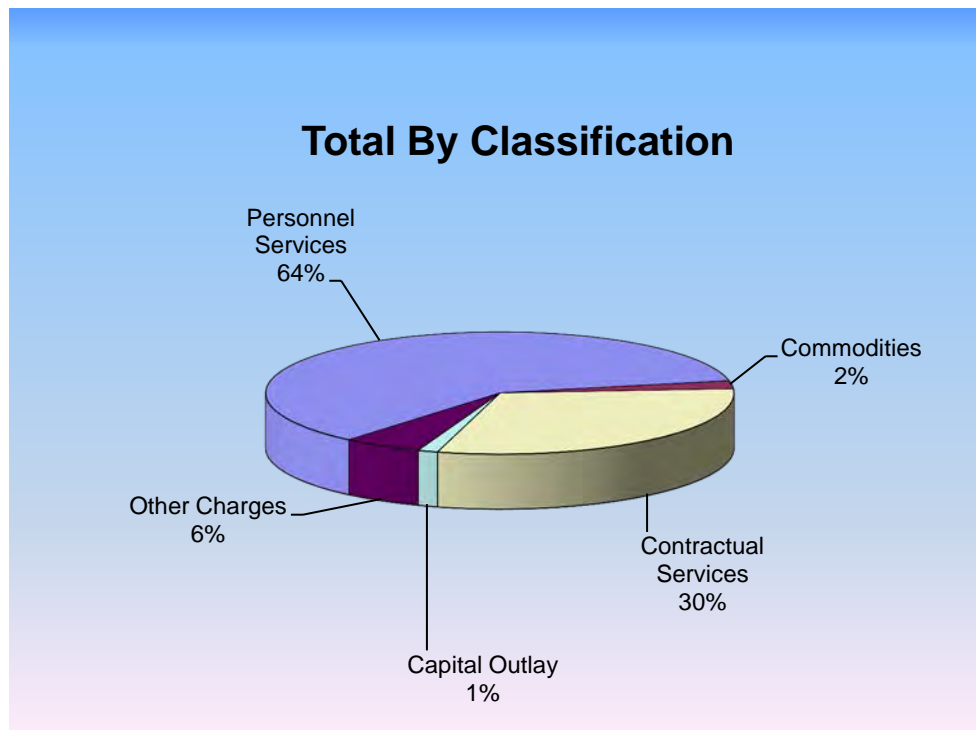
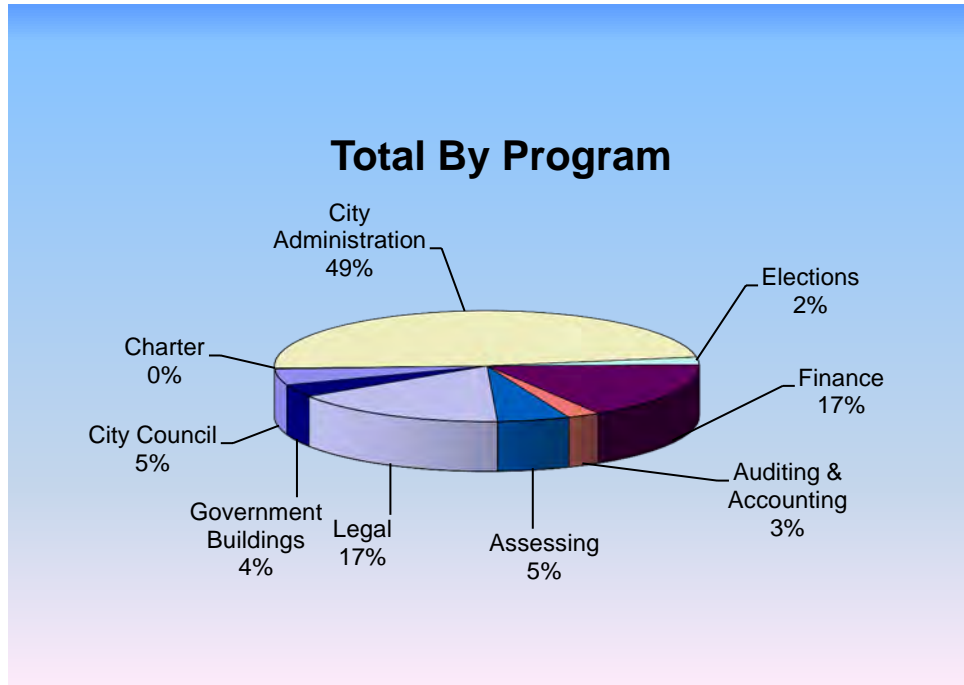
	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
Revenues:				
Taxes - current	\$2,633,886	\$2,789,460	\$2,789,460	\$2,880,783
Taxes - other	86,466	76,590	79,400	89,740
Licenses and permits	78,242	71,350	74,506	66,330
Fines and forfeits	30,537	37,550	29,485	31,260
Intergovernmental	380,978	292,500	363,547	289,080
Charges for services	289,148	285,860	286,773	287,179
Miscellaneous	161,732	136,950	161,186	135,765
Total revenues	3,660,989	3,690,260	3,784,357	3,780,137
Expenditures:				
General Government	648,423	729,450	656,876	727,685
Public Safety	1,558,228	1,653,398	1,572,375	1,660,072
Public Works	739,406	822,560	776,405	595,940
Culture and Recreation	282,004	280,550	280,315	400,170
Community Development	99,612	145,370	97,820	145,370
Miscellaneous	6,340	6,100	5,100	6,100
Total expenditures	3,334,012	3,637,428	3,388,891	3,535,337
Excess (deficit) of revenues over expenditures	326,977	52,832	395,466	244,800
Other financing sources (uses):				
Operating transfers in (out):				
Municipal Liquor Operations	115,299	50,000	50,000	50,000
Capital Projects Fund	(134,780)	(289,780)	(289,780)	(330,000)
Fire Truck Replacement Fund	(100,000)	(100,000)	(100,000)	(100,000)
Public Improvement Projects	(243,966)	-	-	-
Total other financing sources (uses)	(363,447)	(339,780)	(339,780)	(380,000)
Net change in fund balance	(36,471)	(286,948)	55,686	(135,200)
Fund balance - January 1	2,086,873	2,046,644	2,050,402	2,106,088
Fund balance - December 31	<u>\$2,050,402</u>	<u>\$1,759,696</u>	<u>\$2,106,088</u>	<u>\$1,970,888</u>
Fund balance/revenues	56.0%	47.7%	55.7%	52.1%
Fund balance/expenditures	61.5%	48.4%	62.1%	55.7%
Fund balance/# of mths of expenditures	7.4	5.8	7.5	6.7

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

ACCT. NO.		2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
	<u>Taxes</u>				
31010	Current	\$2,633,886	\$2,789,460	\$2,789,460	\$2,880,783
31020	Delinquent	81,170	73,590	73,590	84,680
31910	Penalties & interest	5,296	3,000	5,810	5,060
		<u>2,720,352</u>	<u>2,866,050</u>	<u>2,868,860</u>	<u>2,970,523</u>
	<u>Licenses and Permits</u>				
	<u>Business:</u>				
32110	Liquor	21,400	21,720	21,400	21,720
32170	Amusements	820	800	820	730
32180	Cigarette, Refuse, etc.	2,100	870	2,100	1,917
	<u>Non-business:</u>				
32210	Building	45,001	42,420	44,000	35,730
32212	Plumbing	2,090	1,420	1,785	1,458
32213	Mechanical	3,005	1,850	1,905	2,265
36241	Surcharge - Permits	425	630	50	490
32214	Fireplace	2,403	670	1,600	1,200
32215	Septic	680	700	545	700
32240	Animal Licenses	210	110	220	-
32250	Misc Permits - Snowmobiles	108	160	81	120
		<u>78,242</u>	<u>71,350</u>	<u>74,506</u>	<u>66,330</u>
	<u>Fines and Penalties</u>				
35100	Court fines	28,167	34,440	28,000	28,500
35104	Animal impound fees	2,370	3,110	1,485	2,760
		<u>30,537</u>	<u>37,550</u>	<u>29,485</u>	<u>31,260</u>
	<u>Intergovernmental Revenue</u>				
33000	PERA rate increase	1,971	1,970	1,971	1,971
33401	Local government aid	80,929	80,930	80,929	80,929
33402	Homestead credit	51,638	-	50,654	-
33403	Manufactured home homestead credit	16,129	16,790	16,000	-
33416	Police grants	12,458	13,760	19,442	15,840
33418	Street maintenance aid	94,291	97,380	99,660	104,920
33420	Fire aid	20,619	16,970	16,970	19,240
33421	Police aid	66,183	64,700	68,521	66,180
33422	DNR state aid	-	-	-	-

ACCT. NO.		2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
33500	Other Fire grants/aid	13,525	-	9,400	-
33610	Local government grants and aid	3,184	-	-	-
		20,051			
		380,978	292,500	363,547	289,080
	<u>Charges for Service</u>				
	<u>General Government:</u>				
34105	Maps, fax, copies, notary fees	94	150	100	150
34107	Assessment search fees	240	40	140	110
34403	Refuse collection charges	4,276	4,610	5,204	4,430
34800	Administrative charges	132,830	134,030	134,030	137,479
	<u>Public Safety:</u>				
34202	ISD #15 contract	116,379	116,380	120,442	116,380
34203	Accident reports	270	130	160	160
34205	D.A.R.E. program	60	-	-	-
34206	Special event pay	4,758	6,790	4,000	4,760
34207	Lock out fees	1,200	900	987	900
34209	Fire Department charges	3,740	-	-	-
	<u>Public Works:</u>				
34108	WCA Block Grant	815	-	-	-
34300	Highways and street charges	-	20	-	-
	<u>Community Development:</u>				
34103	Zoning and subdivision fees	3,510	-	3,710	-
34104	Plan check fees	20,976	22,810	18,000	22,810
34109	Economic development	-	-	-	-
		289,148	285,860	286,773	287,179
	<u>Miscellaneous Revenue</u>				
32260	Rentals, leases	42,089	42,290	45,000	43,692
34408	Landfill abatement	22,605	15,000	23,080	12,833
36200	Miscellaneous revenues	16,950	22,420	11,146	5,000
36210	Interest on investments	27,446	40,820	30,000	29,420
36225	Community Center rental	420	-	560	300
36230	Donations & contributions	3,150	-	5,400	-
38050	Cable TV revenues	19,107	16,420	19,000	17,720
39101	Sale of property	29,965	-	27,000	26,800
		161,732	136,950	161,186	135,765
	TOTAL REVENUES	\$ 3,660,989	\$3,690,260	\$3,784,357	\$3,780,137

GENERAL GOVERNMENT 2012 BUDGET



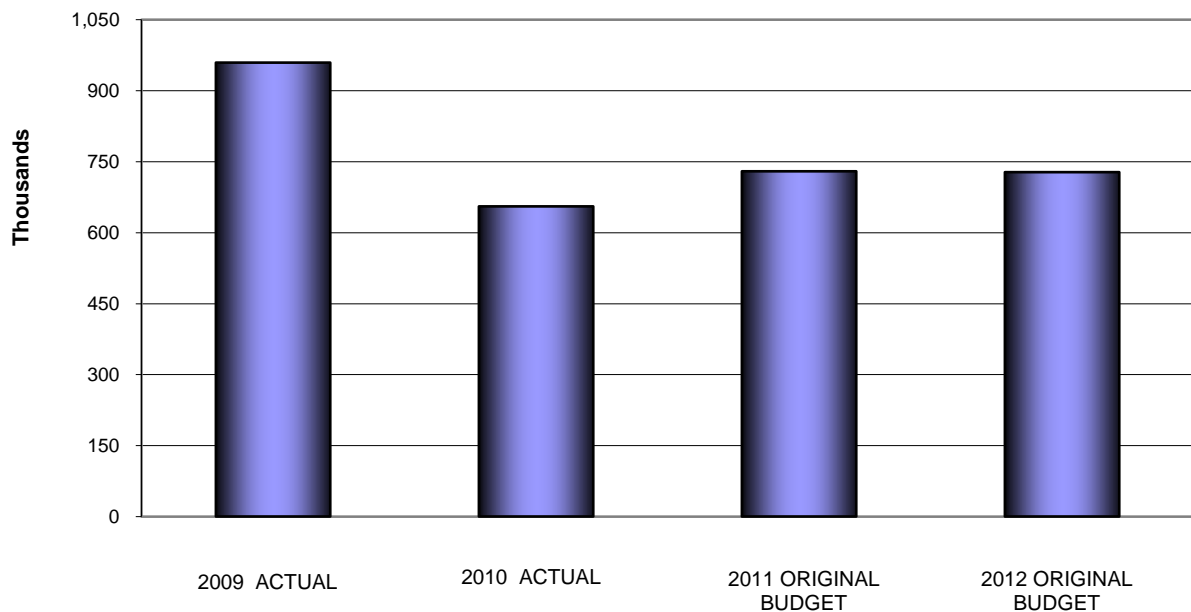
CITY OF ST. FRANCIS, MINNESOTA
GENERAL GOVERNMENT SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
City Council	\$25,883	\$31,341	\$34,160	\$34,090	-0.2%
Charter	30	58	1,510	1,510	0.0%
City Administration	322,491	333,974	359,660	349,810	-2.7%
Elections	32	4,412	10,040	16,090	60.3%
Finance	113,102	112,982	119,165	121,050	1.6%
Auditing & Accounting	20,244	20,244	18,010	18,010	0.0%
Assessing	32,126	39,802	39,800	39,930	0.3%
Legal	91,484	88,701	120,080	120,100	0.0%
Government Buildings	353,789	23,843	27,095	27,095	0.0%
Totals	959,181	655,357	729,520	727,685	-0.3%

Total By Classification	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	416,960	424,732	449,450	441,590	-1.7%
Commodities	12,659	14,580	15,400	15,500	0.6%
Contractual Services	177,629	184,734	220,260	220,960	0.3%
Capital Outlay	330,823	0	10,000	10,000	0.0%
Other Charges	21,110	31,311	34,410	39,635	15.2%
Totals	959,181	655,357	729,520	727,685	-0.3%

Staffing	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Full-time equivalents	5.00	5.00	5.00	5.00

Expenditures



Department: General Government Fund: 101
 Program: City Council 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.

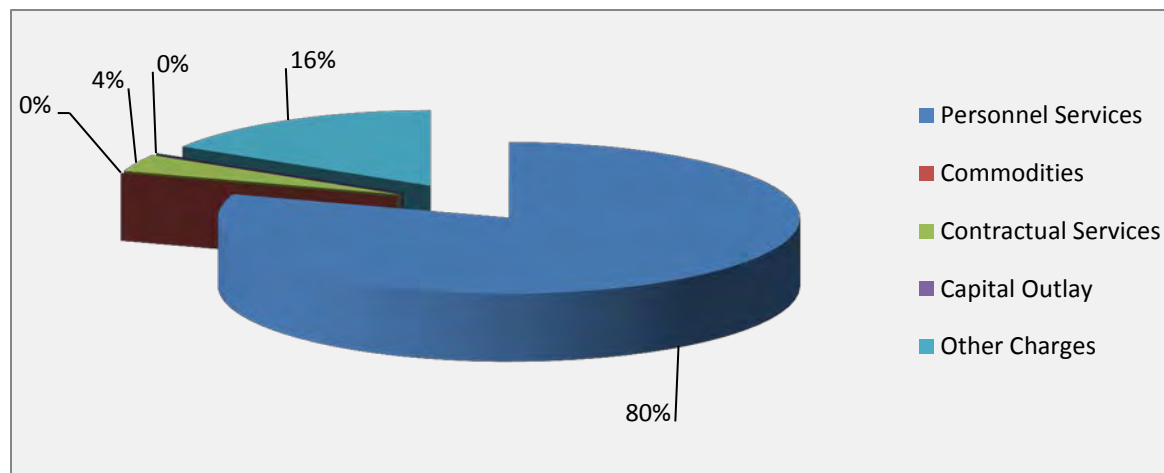
Program Expenditure Highlights

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

Program Expenditures	2009	2010	2011	2012	PERCENT
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>OVER(UNDER)</u> <u>2011 BUDGET</u>
Personnel Services	\$ 23,295	\$ 27,360	\$ 27,360	\$ 27,290	-0.3%
Commodities	-	-	-	-	N/A
Contractual Services	524.00	217	1,250	1,250	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	2,064.00	3,764	5,550	5,550	0.0%
Total	<u>\$ 25,883</u>	<u>\$ 31,341</u>	<u>\$ 34,160</u>	<u>\$ 34,090</u>	<u>-0.2%</u>

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

Program Expenditures by Classification



Performance Measures	2009	2010	2011	2012
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>
Council meetings	24	24	24	24
Special meetings	0	0	0	0
Special workshops	1	1	5	5
Town Hall meetings	1	0	1	1

Department: General Government
Program: Charter Commission
Fund: 101
Cost Center: 41120

Program Description

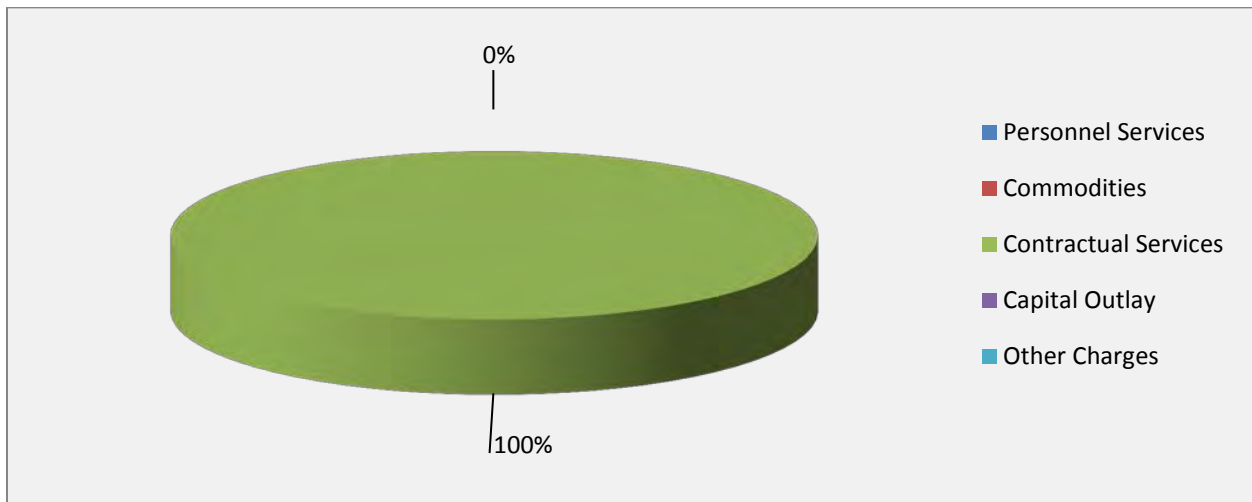
The City operates under a Home Rule Charter. This budget, when used, is mainly for legal advice and publishing requirements.

Program Expenditure Highlights

Charter amendments were made in 2011 and more are anticipated in 2012.

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	30	58	1,510	1,510	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 30	\$ 58	\$ 1,510	\$ 1,510	0.0%

Program Expenditures by Classification



Department: General Government
Program: City Administration

Fund: 101
Cost Center: 41400

Program Description

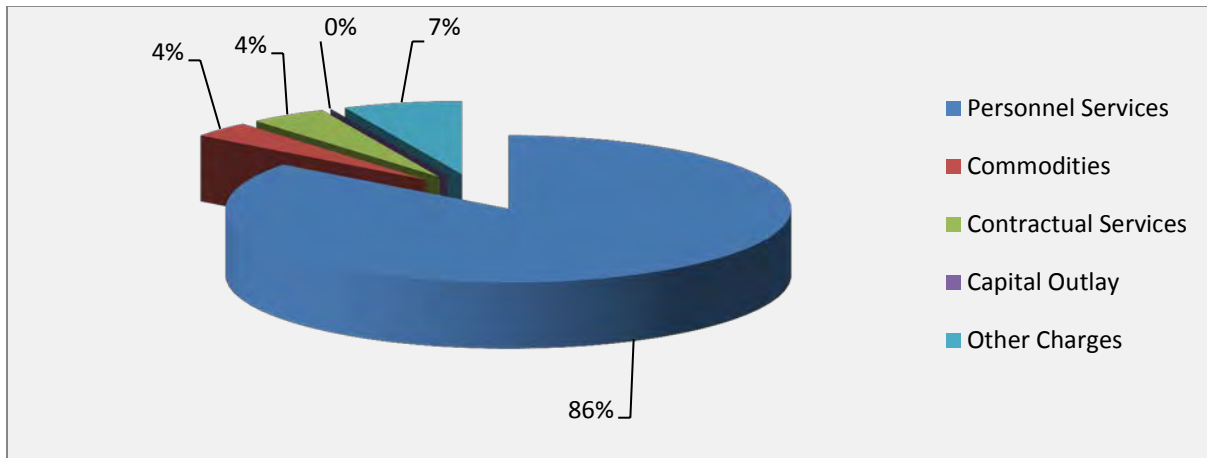
This program provides for the administration of City Government within the guidelines and policies established by the City Council. Responsibilities include directing the administration of City affairs and enforcing laws, City ordinances and resolutions as adopted by the governing body. The City Administrator and City Clerk are accounted for in this program.

Program Expenditure Highlights

The decrease in the Personnel Services represents the salary change for the Office Assistant.

<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ 284,123	\$ 291,159	\$ 307,600	\$ 298,500	-3.0%
Commodities	10,270	8,632	12,100	12,100	0.0%
Contractual Services	11,966	14,336	15,400	15,400	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	16,132	19,847	24,560	23,810	-3.1%
Total	\$ 322,491	\$ 333,974	\$ 359,660	\$ 349,810	-2.7%
 Full-Time Equivalent positions	 4.00	 4.00	 3.50	 3.50	 0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Staff meetings held	52	52	52	52
Number of resolutions	38	47	40	40
Number of ordinances	13	7	12	12
Licenses issued	28	34	30	30
Dog licenses	309	347	330	330

Department: General Government
Program: Elections

Fund: 101
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.

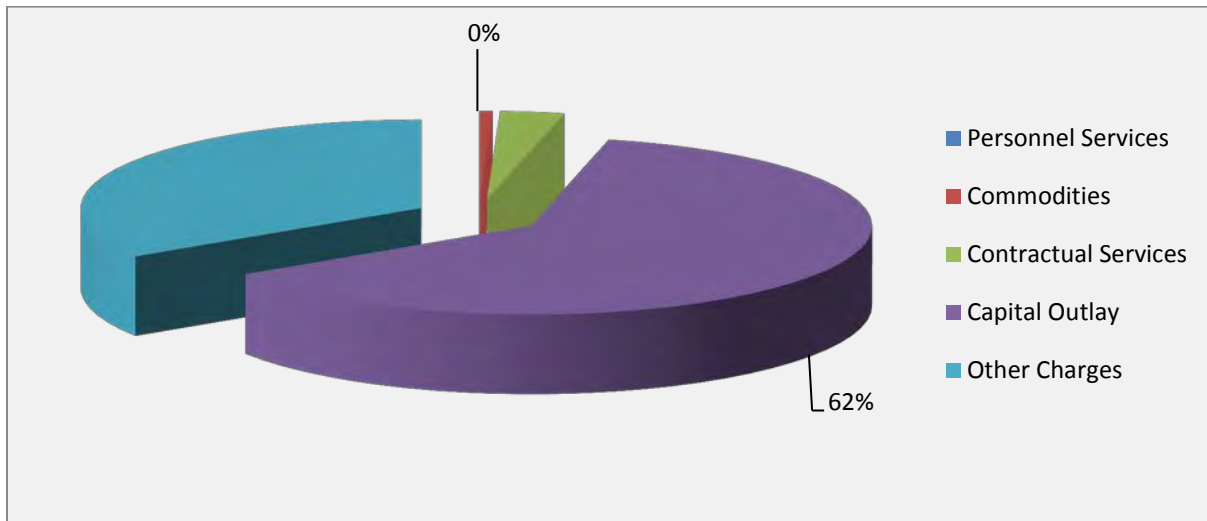
Program Expenditure Highlights

Elections are normally held on even numbered years. New election equipment is anticipated in 2012

<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ 50	\$ -	\$ -	N/A
Commodities	-	52	-	100	N/A
Contractual Services	32	465	40	490	1125.0%
Capital Outlay	-	-	10,000	10,000	0.0%
Other Charges	-	3,845	-	5,500	N/A
Total	\$ 32	\$ 4,412	\$ 10,040	\$ 16,090	60.3%

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

Program Expenditures by Classification



<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Number of registered voters	N/A	3925	N/A	4,500
Number of votes cast	N/A	2485	N/A	3,700
Number of precincts	N/A	3	N/A	3
Number of voting locations	N/A	2	N/A	2

Department: General Government
Program: Finance

Fund: 101
Cost Center: 41500

Program Description

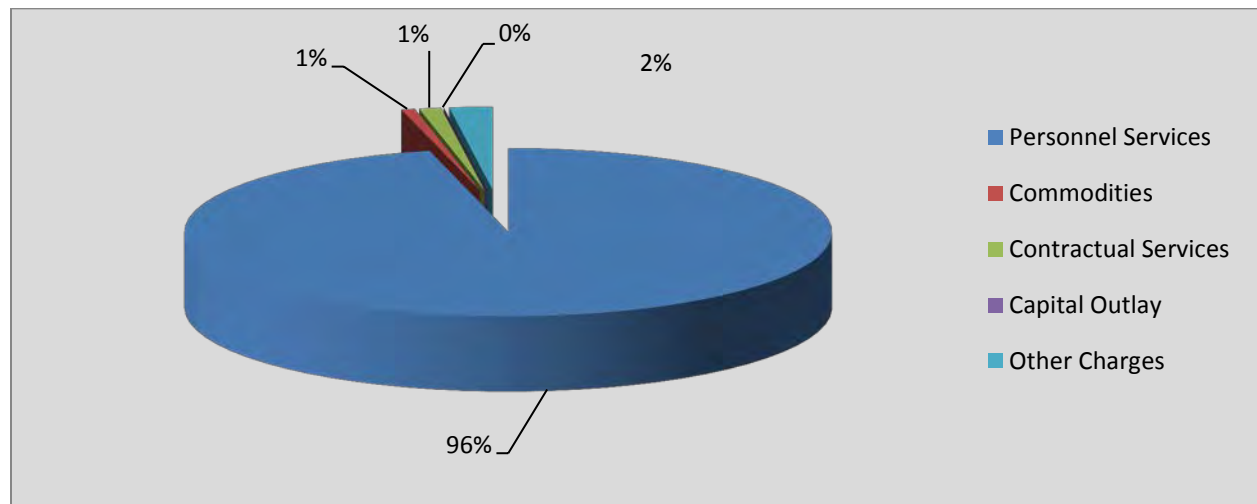
This program is responsible for administration of the City's financial affairs. This includes maintaining accounting records for all operations, investment of funds, supervision of revenue collection, disbursements of city monies, debt administration, payroll, audit and budget preparation, and risk management.

Program Expenditure Highlights

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

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$109,542	\$106,163	\$114,490	\$115,800	1.1%
Commodities	581	3,321	800	800	0.0%
Contractual Services	1,346	1,677	1,300	1,400	7.7%
Capital Outlay	-	-	-	-	N/A
Other Charges	1,633	1,821	2,575	3,050	18.4%
Total	\$113,102	\$112,982	\$119,165	\$121,050	1.6%
Full-Time Equivalent positions	0.83	1.00	1.50	1.50	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2009	2010	2011	2012
	ACTUAL	ACTUAL	BUDGET	BUDGET
Number of invoices paid	5,394	5,561	5,300	5,300
Number of payroll direct deposits	1,229	1,240	1,240	1,240
Number of receipts processed	944	932	950	950
Number of wires/ACH transactions	289	255	290	290

Department: General Government
Program: Auditing and Accounting

Fund: 101
Cost Center: 41540

Program Description

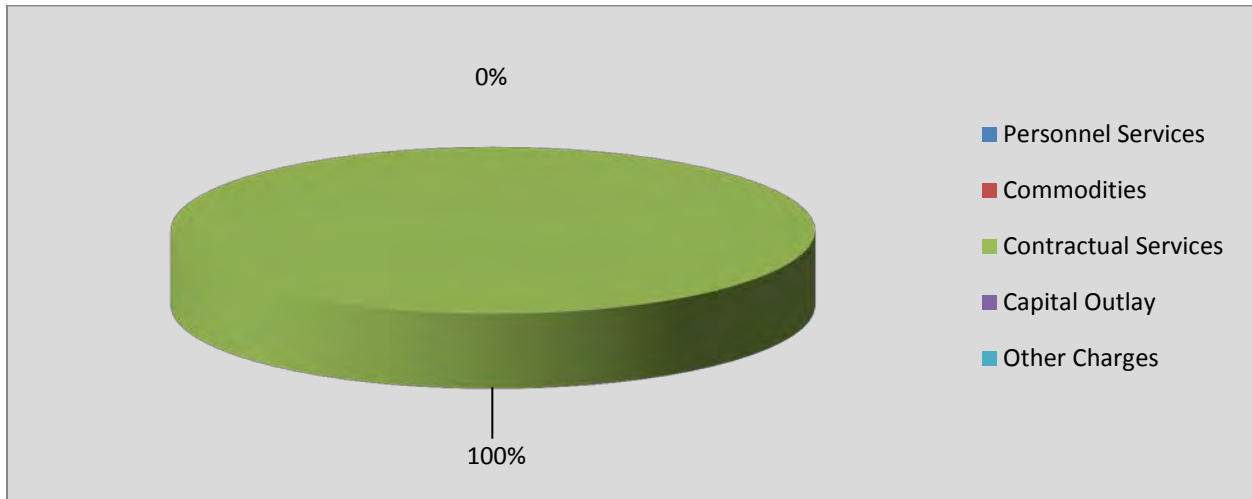
This program accounts for costs associated with the annual audit of the City, our financial accounting software, and administration of our benefit services.

Program Expenditure Highlights

Audit costs are expected to stay relatively the same.

<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	20,244	20,244	18,010	18,010	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 20,244	\$ 20,244	\$ 18,010	\$ 18,010	0.0%

Program Expenditures by Classification



Department: General Government
Program: Assessing

Fund: 101
Cost Center: 41550

Program Description

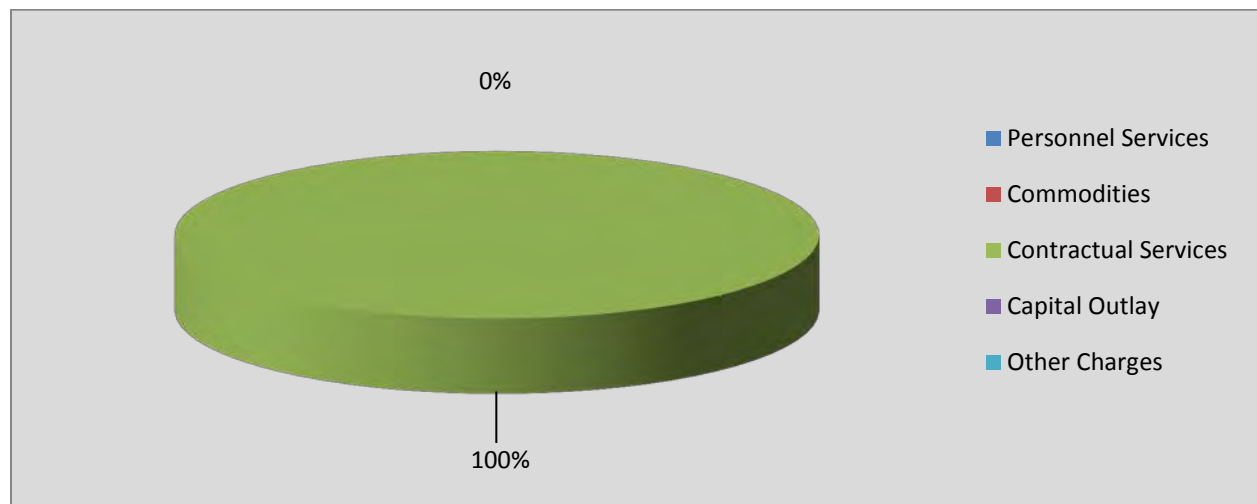
Assessing is responsible for classifying, valuing and equalizing all taxable and exempt property within City limits. The City contracts with Anoka County for this service.

Program Expenditure Highlights

The costs for this program remain fairly flat.

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	32,126	39,802	39,800	39,930	0.3%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 32,126	\$ 39,802	\$ 39,800	\$ 39,930	0.3%

Program Expenditures by Classification



<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGET
Number of residential parcels assessed	2,812	2825	2,820	2,820
Number of commercial parcels assessed	109	108	110	110
Number of apartments assessed	11	11	11	11
Number of agricultural assessed	204	205	205	205
Number of other assessed	155	153	153	153

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Department: General Government **Fund:** 101
Program: Government Buildings **Cost Center:** 41940

Program Description

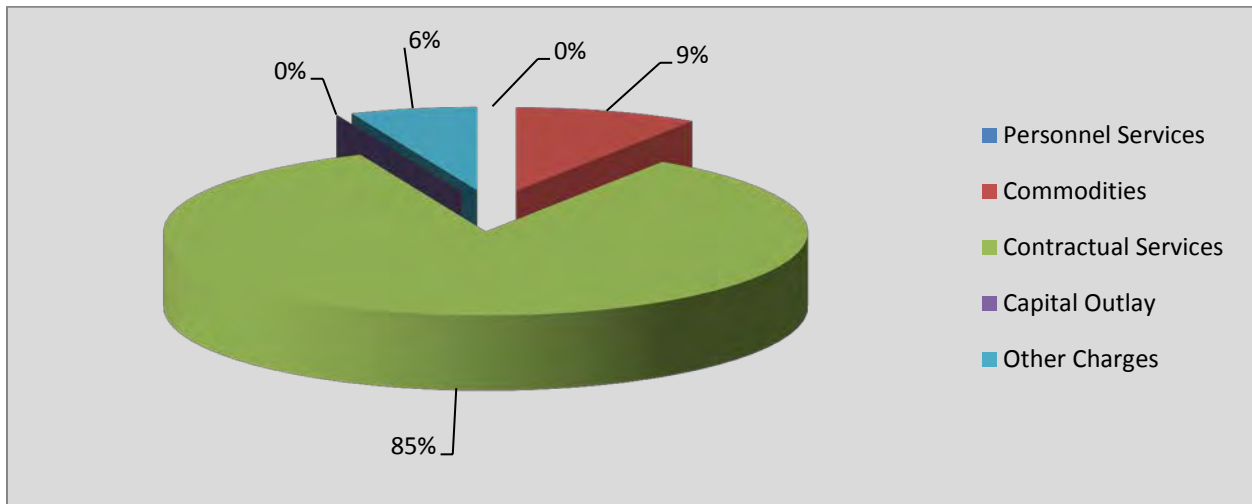
Provide for a clean, well-maintained and comfortable environment for building users of City Hall.

Program Expenditure Highlights

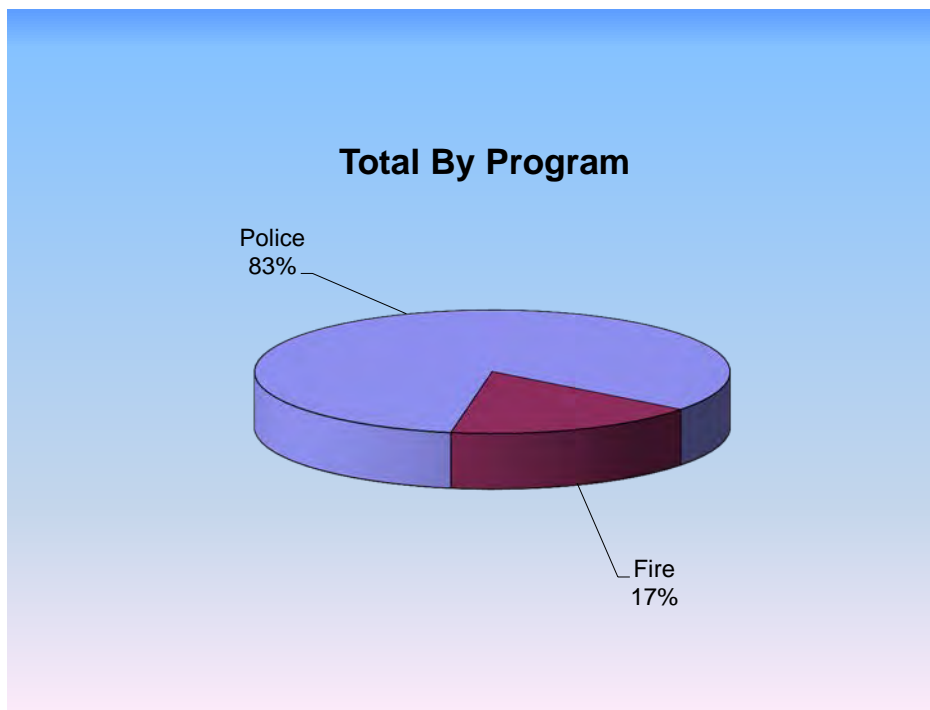
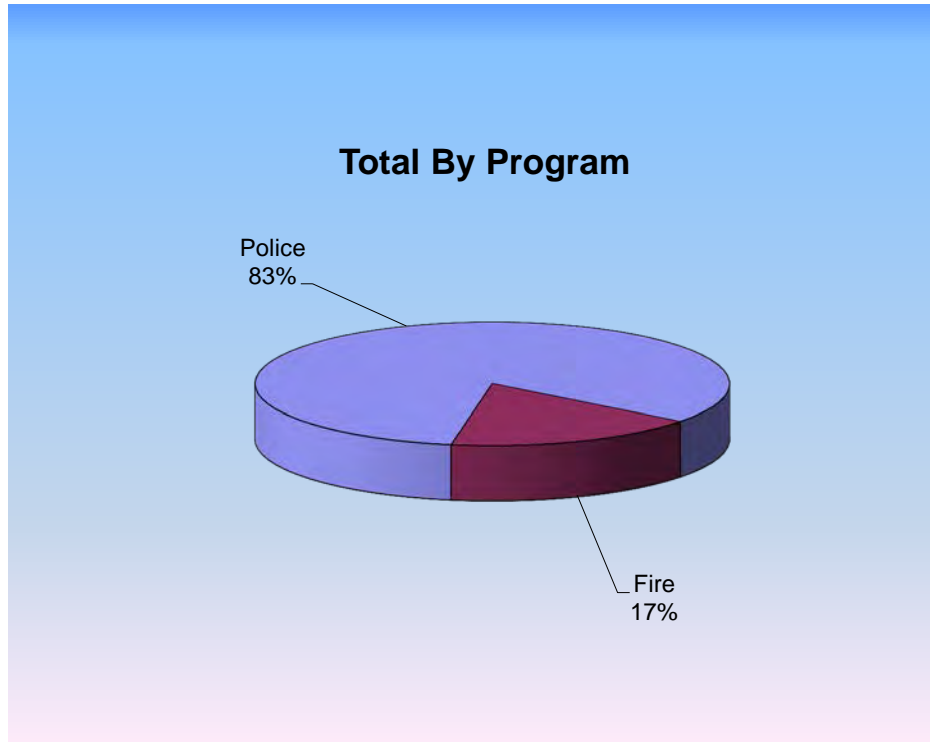
The costs for this program are anticipated to remain fairly flat.

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	1,808	2,575	2,500	2,500	0.0%
Contractual Services	19,877	19,234	22,870	22,870	0.0%
Capital Outlay	330,823	-	-	-	N/A
Other Charges	1,281	2,034	1,725	1,725	0.0%
Total	\$353,789	\$ 23,843	\$ 27,095	\$ 27,095	0.0%

Program Expenditures by Classification



PUBLIC SAFETY 2012 BUDGET

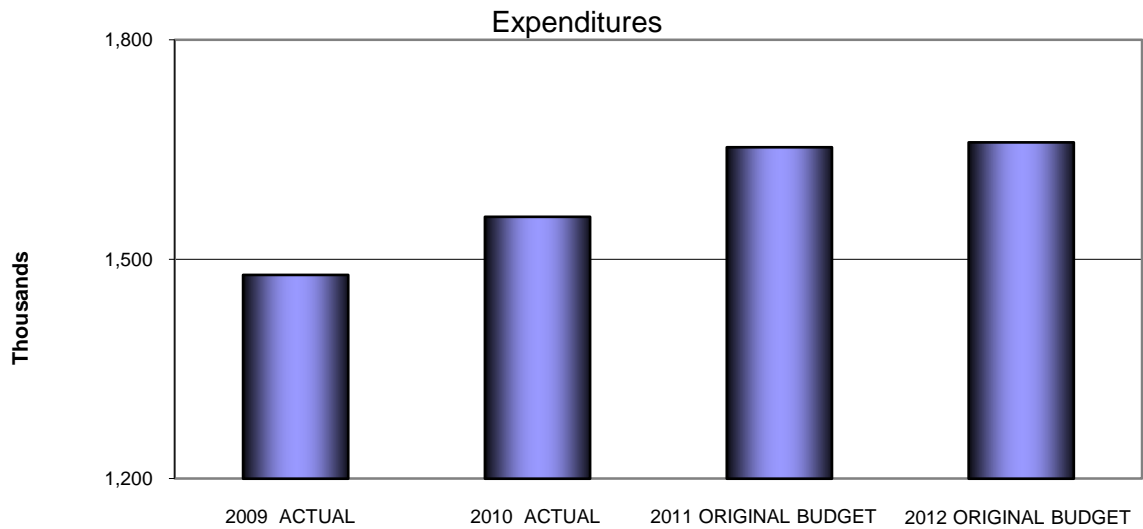


**CITY OF ST. FRANCIS, MINNESOTA
PUBLIC SAFETY SUMMARY**

Total By Program	2009	2010	2011	2012	PERCENT	
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER)	2011 BUDGET
Police	\$1,167,439	\$1,229,065	\$1,323,988	\$1,373,030	3.7%	82.71%
Fire	311,319	329,163	329,410	287,042	-12.9%	17.29%
Totals	1,478,758	1,558,228	1,653,398	1,660,072	0.4%	

Total By Classification						
	2009	2010	2011	2012	PERCENT	
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER)	2011 BUDGET
Personnel Services	1,105,040	1,151,968	1,210,670	1,232,470	1.8%	74.24%
Commodities	60,160	71,544	94,110	107,500	14.2%	6.48%
Contractual Services	165,121	177,028	207,908	203,740	-2.0%	12.27%
Capital Outlay	117,468	104,682	98,540	72,112	-26.8%	4.34%
Other Charges	30,969	53,006	42,170	44,250	4.9%	2.67%
Totals	1,478,758	1,558,228	1,653,398	1,660,072	0.4%	

Staffing					
	2009	2010	2011	2012	
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.

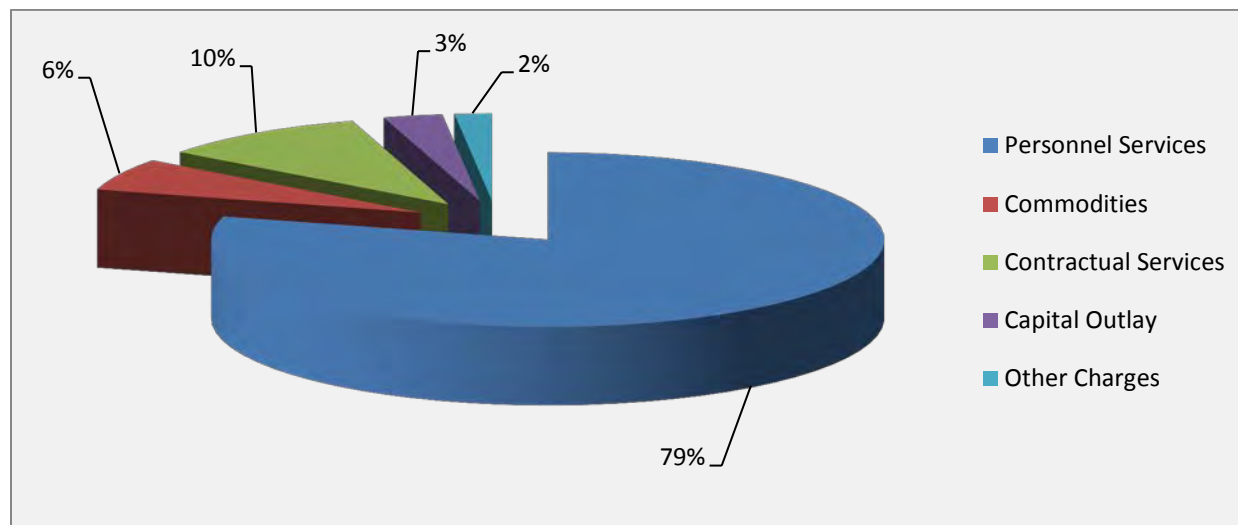
Program Expenditure Highlights

The increase in Personnel Services represents step increases. Commodities is increasing due to the uncertainty and volatility of gas prices.

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$ 969,185	\$ 1,020,384	\$ 1,055,690	\$ 1,088,500	3.1%
Commodities	38,824	43,714	68,610	82,000	19.5%
Contractual Services	117,458	112,972	143,208	139,040	-2.9%
Capital Outlay	29,101	32,848	34,060	38,990	14.5%
Other Charges	12,871	19,147	22,420	24,500	9.3%
Total	\$ 1,167,439	\$ 1,229,065	\$ 1,323,988	\$ 1,373,030	3.7%

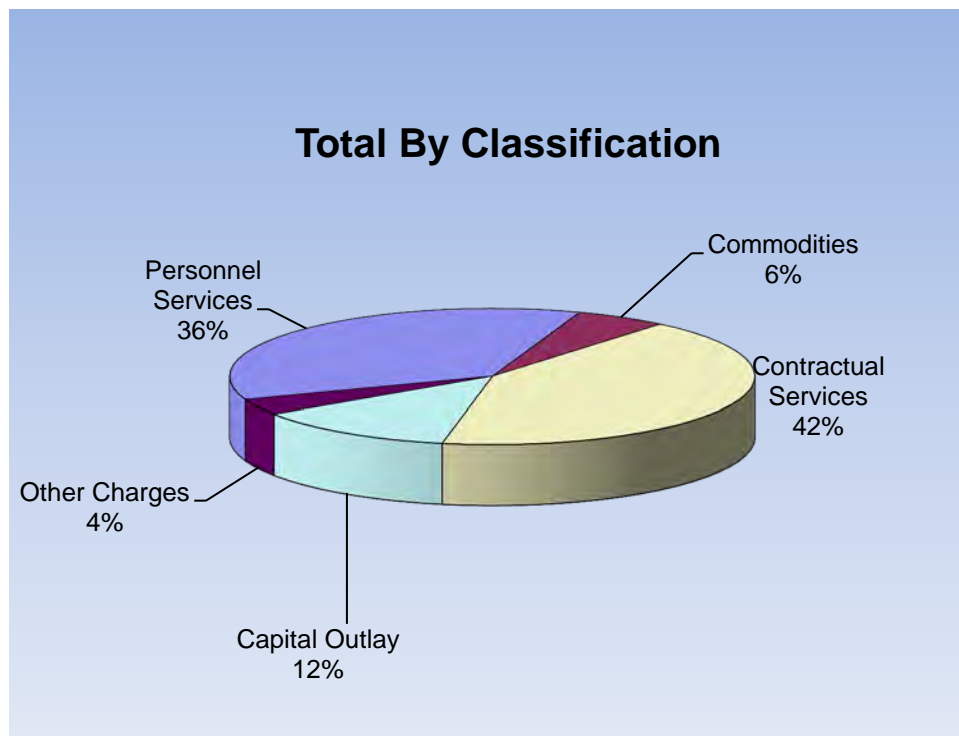
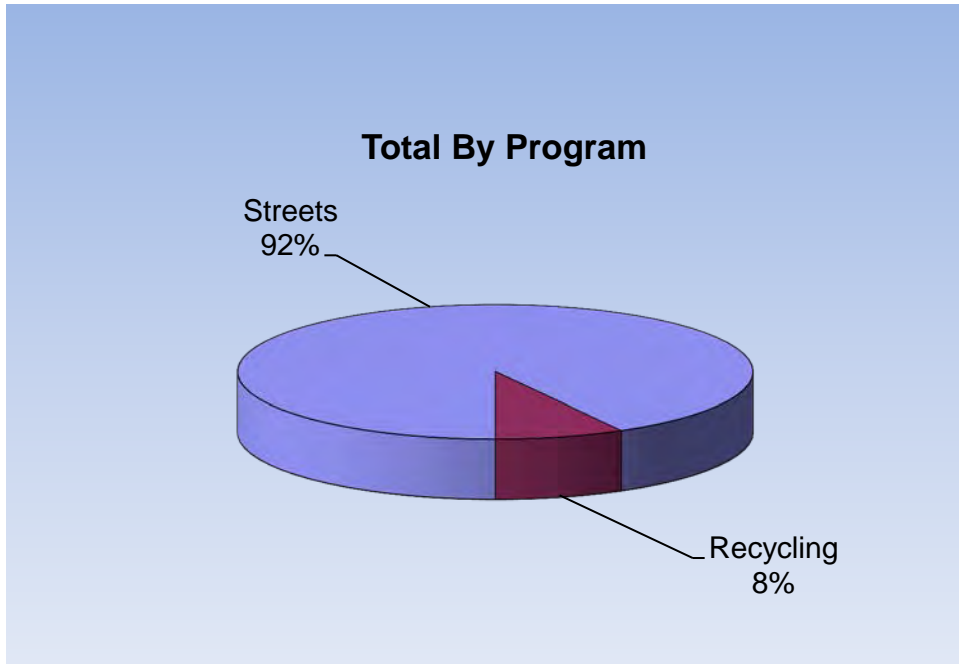
Full-Time Equivalent positions	12.00	12.00	12.00	12.00	0.0%
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Program Expenditures by Classification



<u>Performance Measures</u>	2009	2010	2011	2012
	ACTUAL	ACTUAL	BUDGET	BUDGET
Total calls for service	5,995	5154	6,500	6,500
Citations issued	960	723	1,100	1,100
Chargeable offenses (Parts 1 & 2)	1,042	857	1,200	1,200
Miscellaneous offenses (Parts 3 & 4)	3,993	4297	4,600	4,600

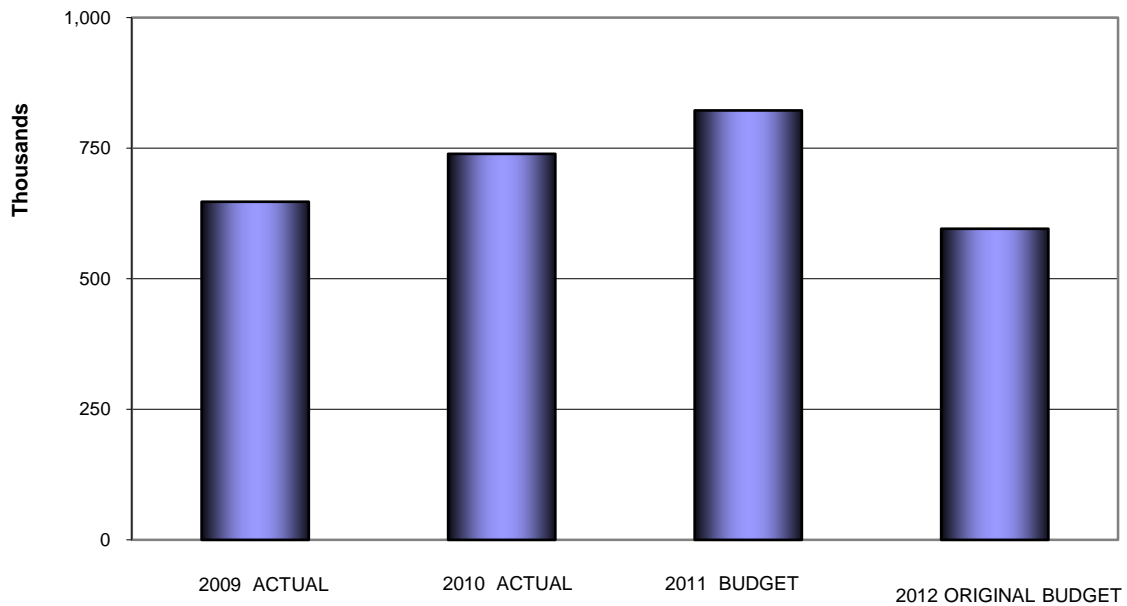
PUBLIC WORKS 2012 BUDGET



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

Total By Program	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Streets	\$608,048	\$703,070	\$776,440	\$547,630	-29.5%
Recycling	39,619	36,335	46,120	48,310	4.7%
Totals	647,667	739,405	822,560	595,940	-27.6%
Total By Classification					
Personnel Services	198,112	204,222	207,200	214,240	3.4%
Commodities	15,084	22,991	30,050	33,760	12.3%
Contractual Services	368,446	453,578	434,360	250,350	-42.4%
Capital Outlay	44,098	39,151	129,700	74,540	-42.5%
Other Charges	21,927	19,463	21,250	23,050	8.5%
Totals	647,667	739,405	822,560	595,940	-27.6%
Staffing					
Full-time equivalents	2.95	3.03	2.87	3.04	

Expenditures



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

Program Description

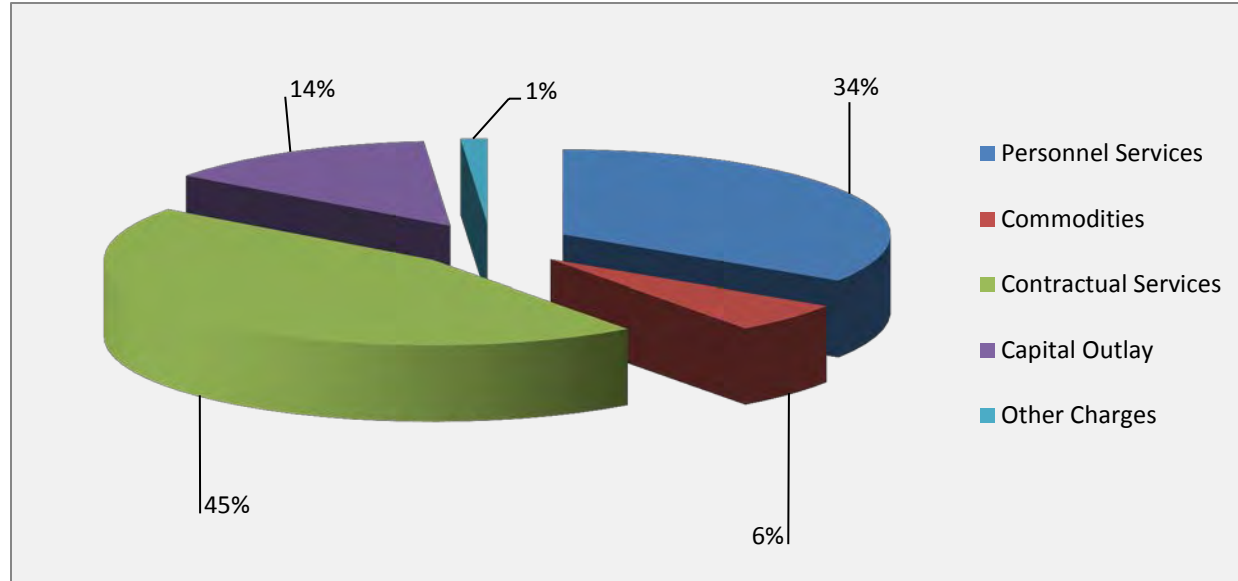
Maintains all City streets to minimize deterioration. Maintenance includes seal coating, crack sealing, pothole patching, sweeping, plowing, gravel road maintenance, and repairs of the storm drainage system. This program is also responsible for traffic control devices such as street signs, pavement markings,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

Program Expenditure Highlights

Contractual Services have decreased due to the council removing crack filling and seal coating from the 2012 budget. This will have to be put back in for the 2013 budget to maintain the streets at the level council has determined is appropriate. FTE's are adjusted annually to more accurately reflect where employees are spending their time.

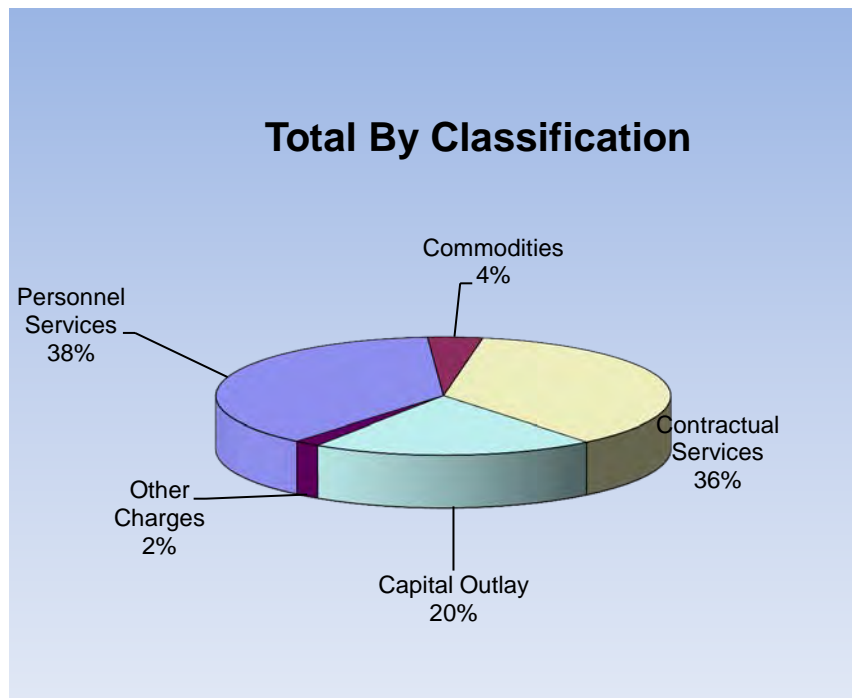
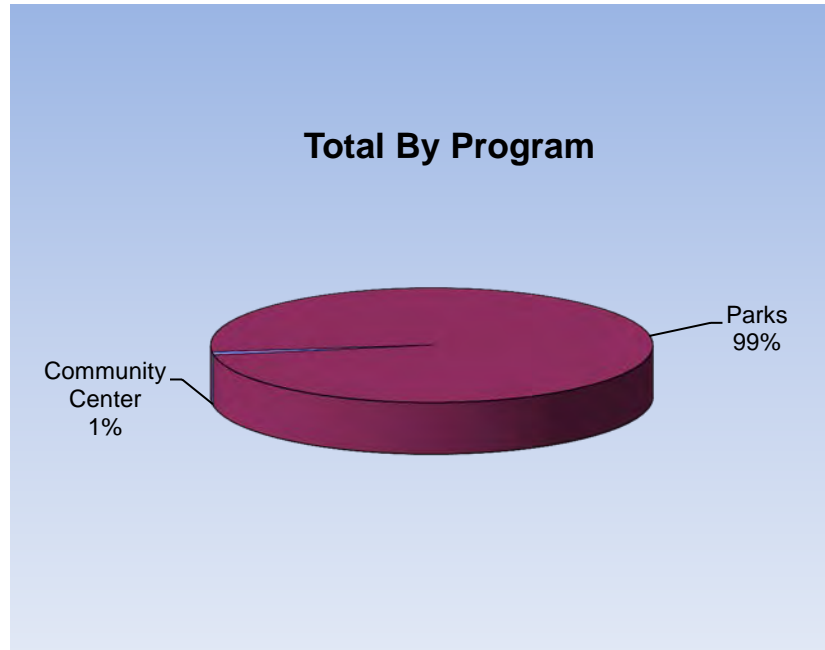
<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$177,297	\$181,096	\$180,780	\$186,880	3.4%
Commodities	14,272	21,092	27,700	31,660	14.3%
Contractual Services	362,698	450,533	430,610	247,400	-42.5%
Capital Outlay	44,098	39,151	129,700	74,540	-42.5%
Other Charges	9,683	11,198	7,650	7,150	-6.5%
Total	\$608,048	\$703,070	\$776,440	\$547,630	-29.5%
Full-Time Equivalent positions	2.55	2.55	2.76	2.60	-5.9%

Program Expenditures by Classification



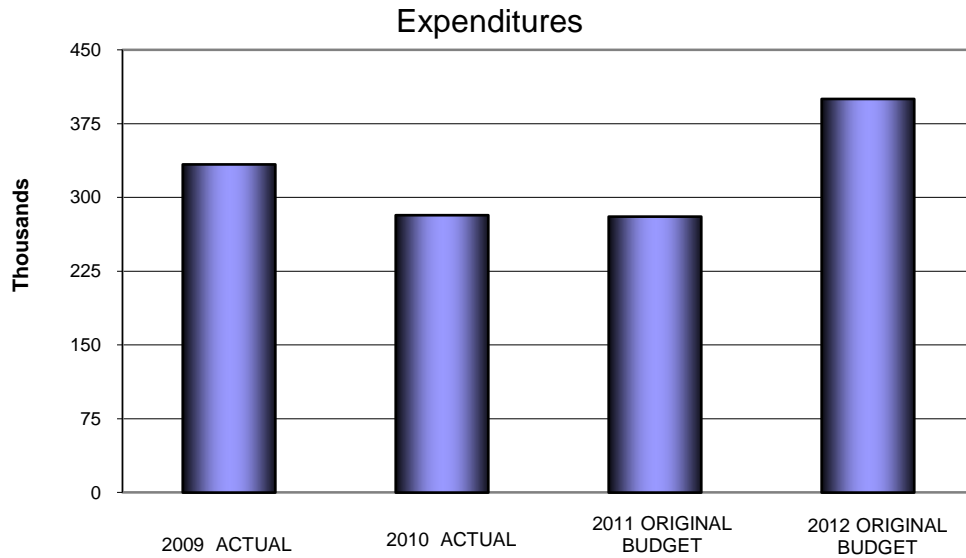
<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Asphalt street miles maintained	36	36	36	36
Gravel road miles maintained	11	11	11	11
Street sweeping hours	64	90	60	60
Gravel usage (tons)	7465	3625	7000	7000
Sand/salt usage (tons)	129	368	180	180

CULTURE & RECREATION 2012 BUDGET



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

	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Total By Program					
Community Center	\$357	\$308	\$3,370	\$3,370	0.0%
Parks	333,272	281,697	277,180	396,800	43.2%
Totals	333,629	282,005	280,550	400,170	42.6%
Total By Classification					
Personnel Services	144,094	141,751	147,770	151,140	2.3%
Commodities	10,670	13,241	14,700	15,600	6.1%
Contractual Services	79,705	88,086	81,720	145,720	78.3%
Capital Outlay	89,558	31,863	30,110	80,410	167.1%
Other Charges	9,602	7,064	6,250	7,300	16.8%
Totals	333,629	282,005	280,550	400,170	42.6%
Staffing					
Full-time equivalents	2.55	2.78	2.85	2.52	



Department: Culture & Recreation **Fund:** 101
Program: Community Center **Cost Center:** 45000

Program Description

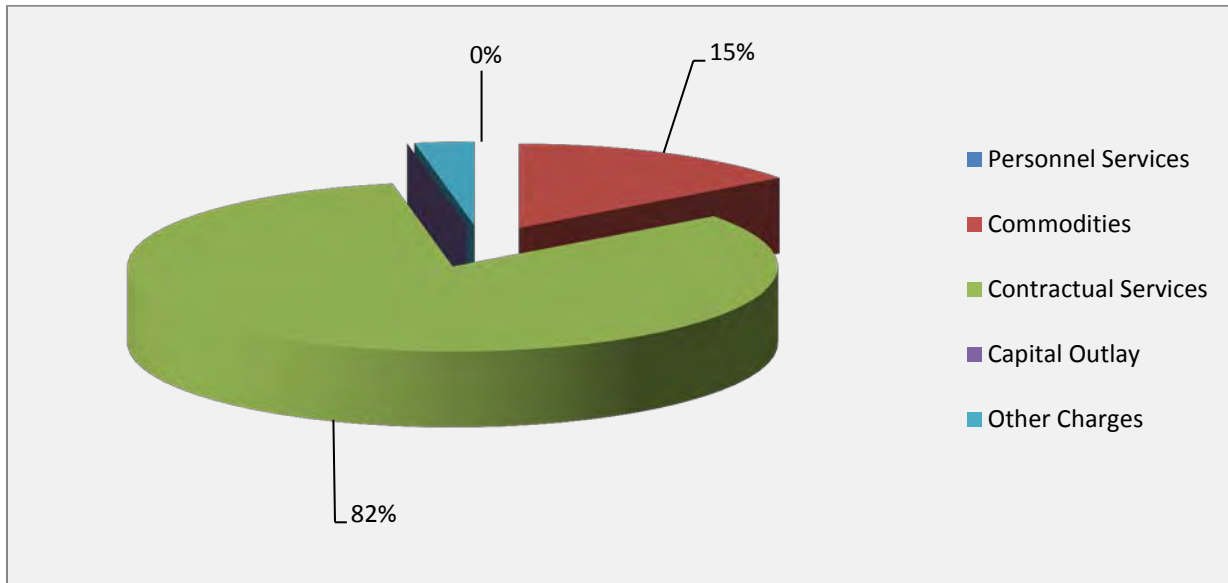
Provides for the operation and maintenance of the Community Center on Cree Street NW.

Program Expenditure Highlights

Costs are expected to stay relatively stable.

<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	500	500	0.0%
Contractual Services	357	308	2,770	2,770	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	100	100	0.0%
Total	\$ 357	\$ 308	\$ 3,370	\$ 3,370	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Number of uses	245	254	240	250

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

Program Description

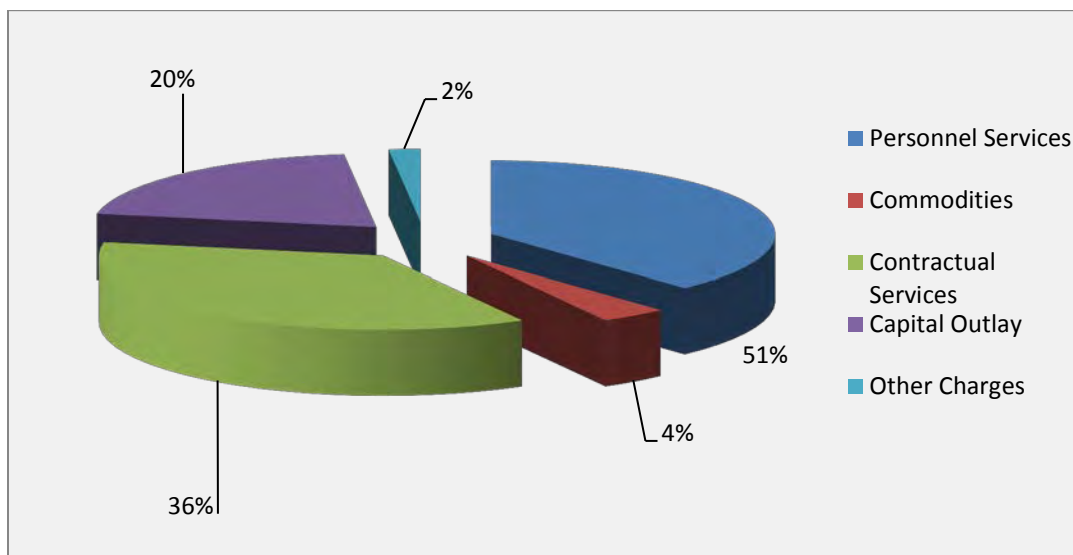
Provides for the overall planning, management and administrative activities of the park facilities and for the maintenance and improvement of park and recreational facilities, including skating rinks, athletic fields and neighborhood parks.

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.

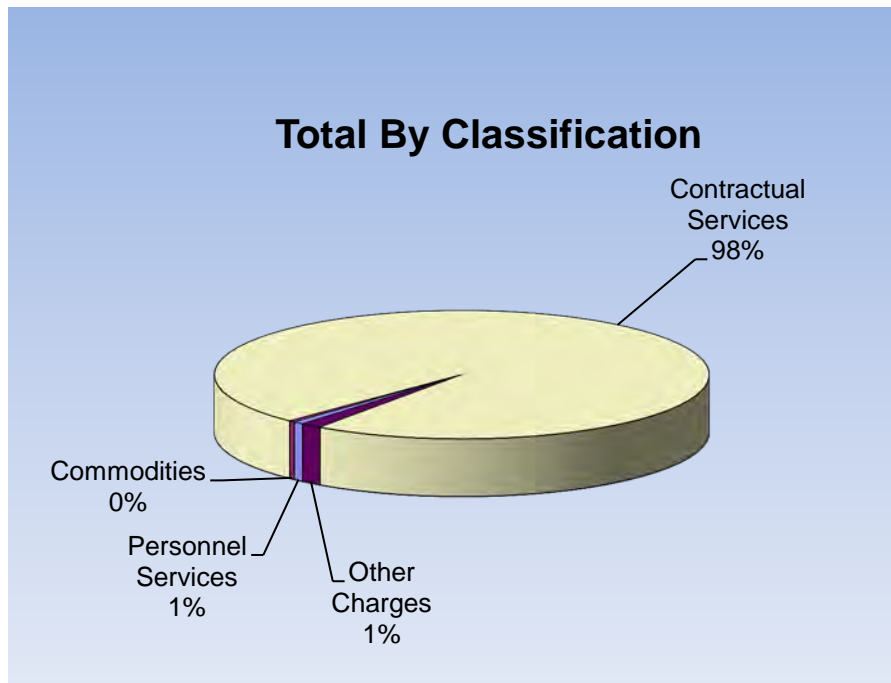
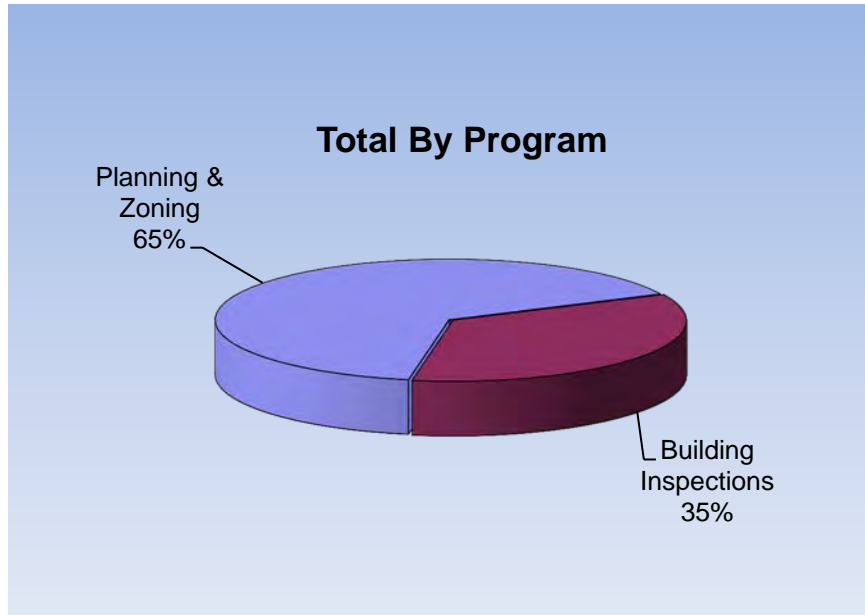
<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$144,094	\$141,751	\$147,770	\$151,140	2.3%
Commodities	10,670	13,241	14,200	15,100	6.3%
Contractual Services	79,348	87,778	78,950	142,950	81.1%
Capital Outlay	89,558	31,863	30,110	80,410	167.1%
Other Charges	9,602	7,064	6,150	7,200	17.1%
Total	\$333,272	\$281,697	\$277,180	\$396,800	43.2%
Full-Time Equivalent positions	2.55	2.55	2.78	2.85	2.2%

Program Expenditures by Classification



<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
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 2012 BUDGET

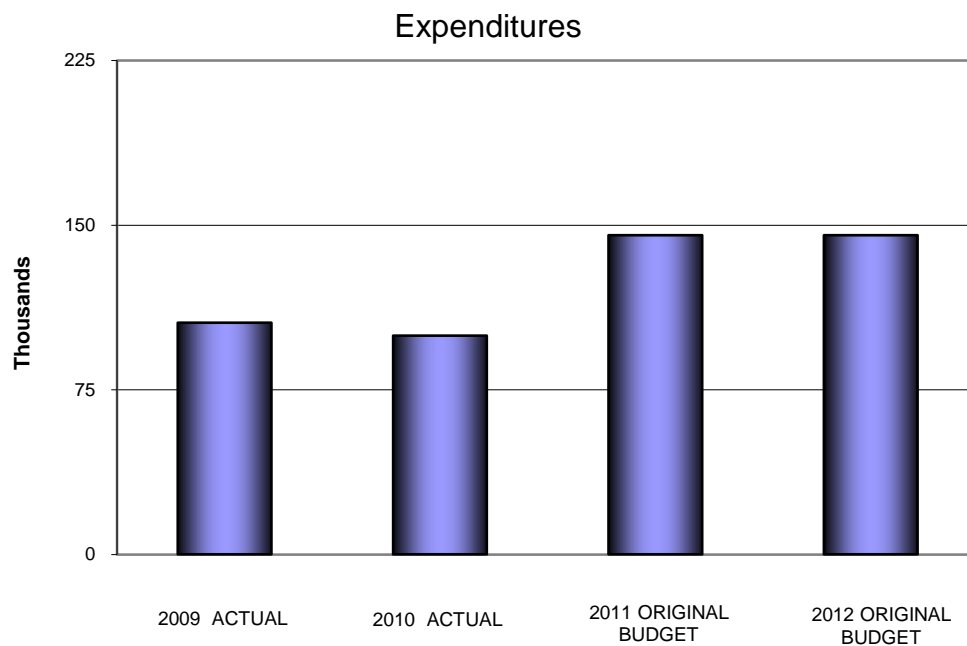


CITY OF ST. FRANCIS, MINNESOTA
COMMUNITY DEVELOPMENT SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Planning & Zoning	\$86,632	\$77,297	\$94,800	\$94,800	0.0%
Building Inspections	18,879	22,315	50,570	50,570	0.0%
Totals	105,511	99,612	145,370	145,370	0.0%

Total By Classification	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	740	575	1,000	1,000	0.0%
Commodities	0	49	600	600	0.0%
Contractual Services	103,708	98,543	141,720	141,720	0.0%
Capital Outlay	0	0	0	0	N/A
Other Charges	1,063	445	2,050	2,050	0.0%
Totals	105,511	99,612	145,370	145,370	0.0%

Staffing	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 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.

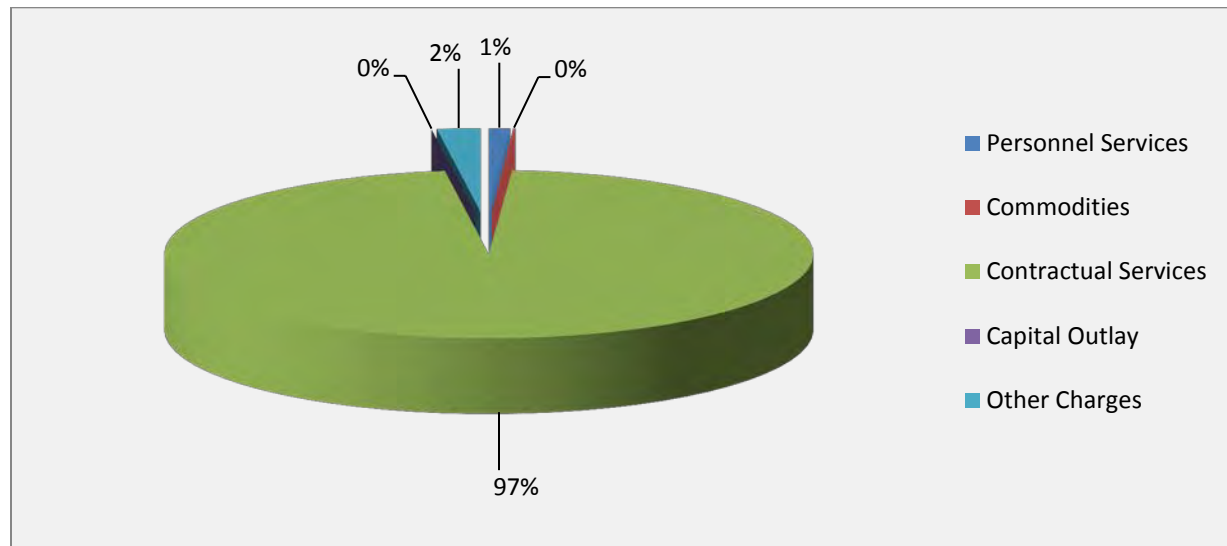
Program Expenditure Highlights

Costs are estimated to stay stable.

<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ 740	\$ 575	\$ 1,000	\$ 1,000	0.0%
Commodities	-	49	100	100	0.0%
Contractual Services	84,829	76,228	91,650	91,650	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	1,063	445	2,050	2,050	0.0%
Total	\$ 86,632	\$ 77,297	\$ 94,800	\$ 94,800	0.0%

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

Program Expenditures by Classification



<u>Performance Measures</u>	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

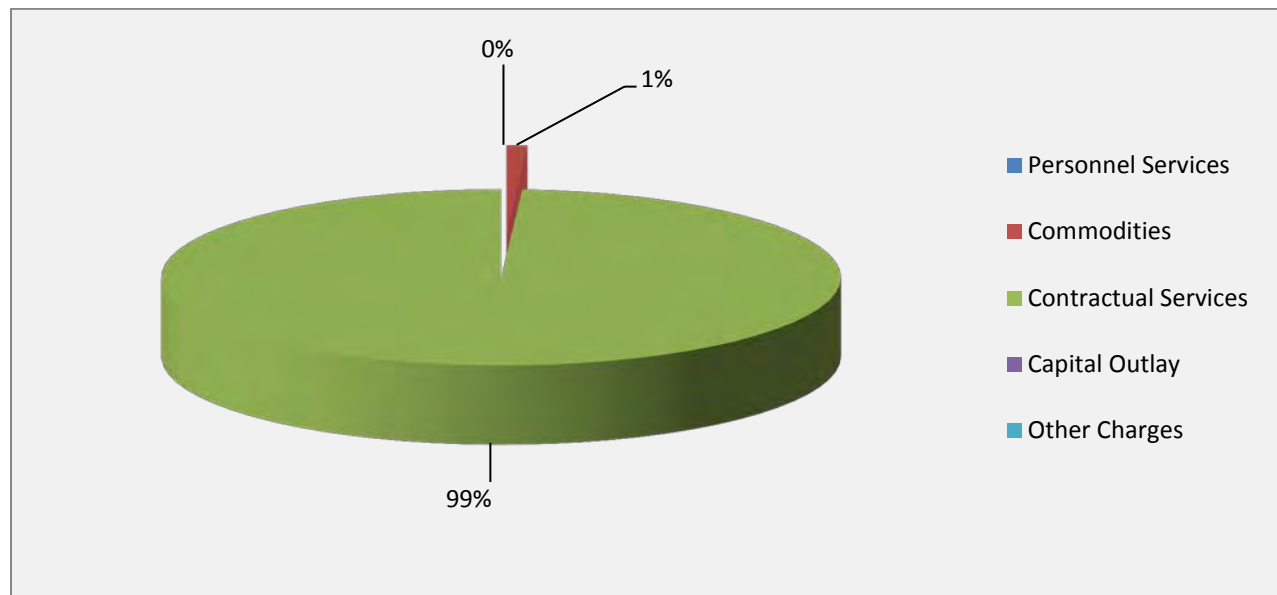
Provide for the administration of the Uniform Building Code requirements and related ordinances to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all building and structures within the City of St. Francis. These services are currently contracted through Metro West Inspections. At the end of 2011 after the budget had been approved, the council ended the contract with Metro West and hired a part-time inspector.

Program Expenditure Highlights

There has been a slight increase in building permits applications for new homes.

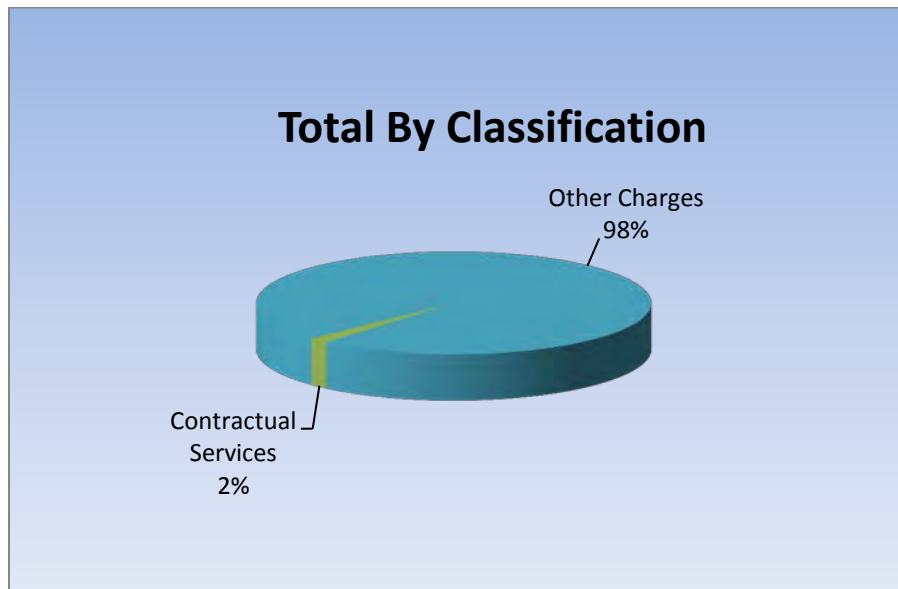
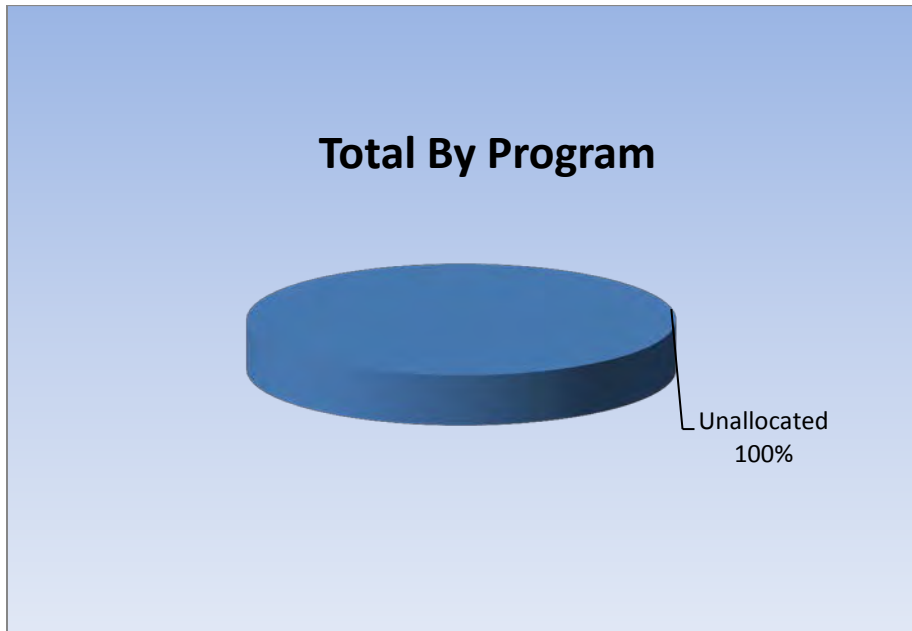
<u>Program Expenditures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	500	500	0.0%
Contractual Services	18,879	22,315	50,070	50,070	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 18,879	\$ 22,315	\$ 50,570	\$ 50,570	0.0%

Program Expenditures by Classification



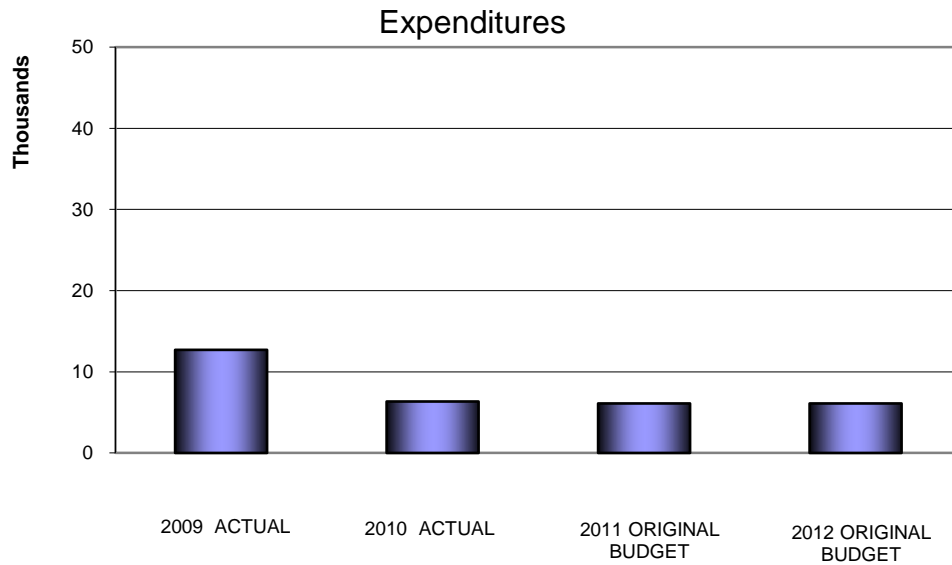
<u>Performance Measures</u>	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET
Single family	10	13	10	10
Townhomes/Manufactured homes	0	0	0	0
Commercial/Industrial	0	0	1	1
Miscellaneous building permits	254	235	300	300

MISCELLANEOUS 2012 BUDGET



CITY OF ST. FRANCIS, MINNESOTA
MISCELLANEOUS SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 BUDGET
Unallocated	\$12,704	\$6,340	\$6,100	\$6,100	0.0%
Totals	12,704	6,340	6,100	6,100	0.0%
Total By Classification					
Personnel Services	0	0	0	0	N/A
Commodities	0	0	0	0	N/A
Contractual Services	102	662	100	100	0.0%
Capital Outlay	0	0	0	0	N/A
Other Charges	12,602	5,678	6,000	6,000	0.0%
Totals	12,704	6,340	6,100	6,100	0.0%
Staffing					
Full-time equivalents	0.00	0.00	0.00	0.00	



Department: Miscellaneous
Program: Unallocated

Fund: 101
Cost Center: 49200

Program Description

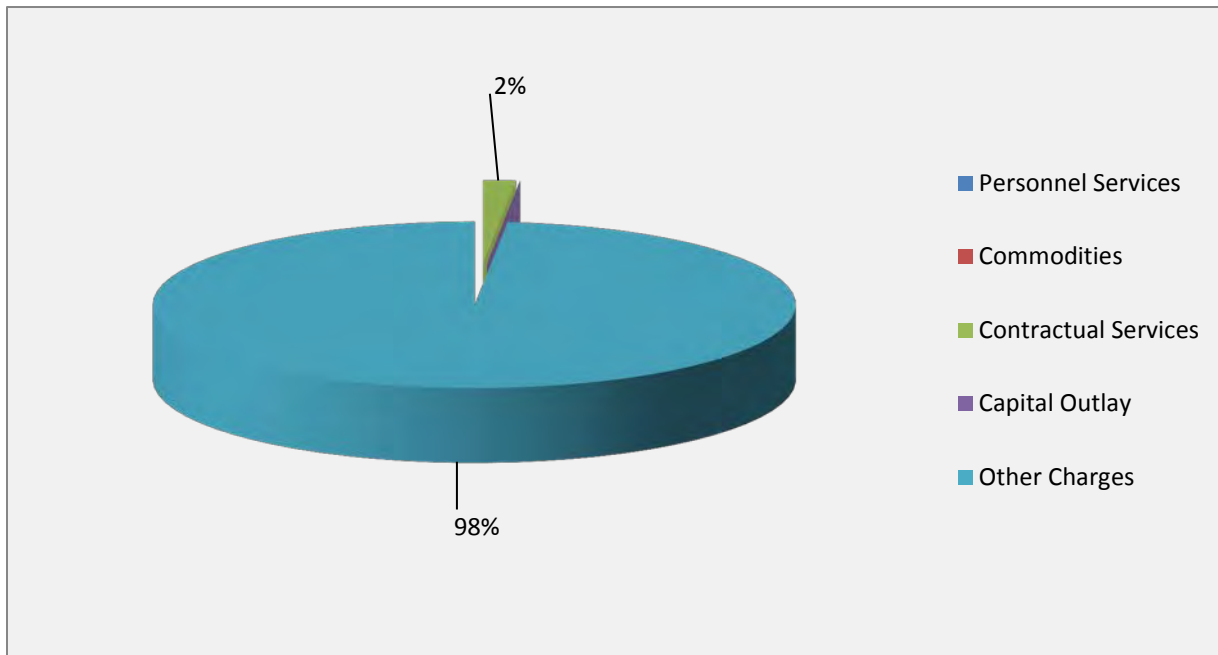
Contains funding for the unexpected and miscellaneous items not directly associated with a specific program.

Program Expenditure Highlights

The costs for this program are anticipated to remain stable.

<u>Program Expenditures</u>	2009	2010	2011	2012	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2011 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	102	662	100	100	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	12,602	5,678	6,000	6,000	0.0%
Total	\$ 12,704	\$ 6,340	\$ 6,100	\$ 6,100	0.0%

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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$143	\$100	\$122	\$100
Total revenues	143	100	122	100
<u>Expenditures:</u>				
Program supplies	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over expenditures	143	100	122	100
Fund balance - January 1	7,815	7,728	7,958	8,080
Fund balance - December 31	<u>\$7,958</u>	<u>\$7,828</u>	<u>\$8,080</u>	<u>\$8,180</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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Intergovernmental Revenue:</u>				
CDBG grant	\$ -	\$ -	\$ -	\$ -
<u>Miscellaneous:</u>				
Sale of property	-	-	-	-
Total revenues	-	-	-	-
<u>Expenditures:</u>				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over expenditures	-	-	-	-
<u>Other financing sources (uses):</u>				
Transfers in (out):				
Stark Drive	-	-	-	-
General Fund	-	-	-	-
Net increase (decrease) in fund balance	-	-	-	-
Fund balance - January 1	-	-	-	-
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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Miscellaneous Revenue:</u>				
Park rental fees	\$ 1,425	\$ 1,000	\$ 1,200	\$ 1,000
Other Grants	-	-	352,801	-
Park dedication fees	-	-	-	-
Investment earnings	4,472	1,000	2,775	1,000
Contributions and donations	703	500	5,436	500
Total revenues	6,600	2,500	362,212	2,500
<u>Expenditures:</u>				
Park development projects	40,614	269,000	378,026	-
Total expenditures	40,614	269,000	378,026	-
Excess (deficit) of revenues over expenditures	(34,014)	(266,500)	(15,814)	2,500
<u>Other financing sources (uses):</u>				
Transfers in (out):				
General Fund	-	-	-	-
Net increase (decrease) in fund balance	(34,014)	(266,500)	(15,814)	2,500
Fund balance - January 1	269,353	272,428	235,339	219,525
Fund balance - December 31	\$ 235,339	\$ 5,928	\$ 219,525	\$ 222,025

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 that was budgeted in 2011 was for the construction of Pederson Path along Pederson Drive. The city secured a federal and state grant to fund a major portion of this project. It was completed in 2011.

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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Contributions and donations	16,926	18,000	17,747	17,500
Total revenues	16,926	18,000	17,747	17,500
 <u>Expenditures:</u>				
Program supplies	32,537	30,400	31,963	30,800
Total expenditures	32,537	30,400	31,963	30,800
Excess (deficit) of revenues over expenditures	(15,611)	(12,400)	(14,216)	(13,300)
Other financing sources (uses):				
Transfers in (out):				
Municipal Liquor Operations Fund	10,000	10,000	10,000	10,000
Net increase (decrease) in fund balance	(5,611)	(2,400)	(4,216)	(3,300)
Fund balance - January 1	(1,106)	6,606	(6,717)	(10,933)
Fund balance - December 31	\$ (6,717)	\$ 4,206	\$ (10,933)	\$ (14,233)

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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Fines and Forfeits:</u>				
Confiscated property	\$ 11,093	\$ -	\$ 651	\$ -
<u>Miscellaneous:</u>				
Miscellaneous	-	-	-	-
 Total revenues	 11,093	 -	 651	 -
<u>Expenditures:</u>				
Commodities	-	11,110	-	8,705
Contractual services	1,768	-	2,677	-
Other charges	300	-	-	-
 Total expenditures	 2,068	 11,110	 2,677	 8,705
Excess (deficit) of revenues over expenditures	9,025	(11,110)	(2,026)	(8,705)
Fund balance - January 1	1,706	11,110	10,731	8,705
Fund balance - December 31	\$ 10,731	\$ -	\$ 8,705	\$ -

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

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Revenues:</u>				
Tax increments	\$ 18,285	\$ 18,290	\$ 15,381	\$ 15,380
Investment earnings	332	-	248	-
Total revenues	18,617	18,290	15,629	15,380
 <u>Expenditures:</u>				
Miscellaneous	464	450	900	450
Interest payments	16,456	16,470	19,097	15,000
Total expenditures	16,920	16,920	19,997	15,450
Excess (deficit) of revenues over expenditures	1,697	1,370	(4,368)	(70)
Fund balance - January 1	14,271	15,896	15,968	11,600
Fund balance - December 31	\$ 15,968	\$ 17,266	\$ 11,600	\$ 11,530

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

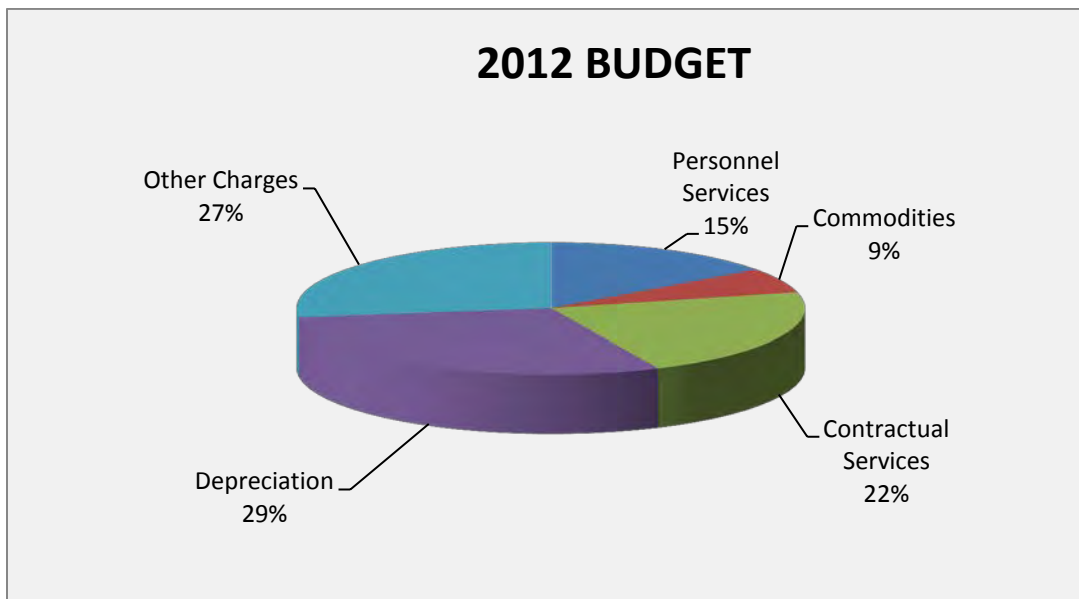
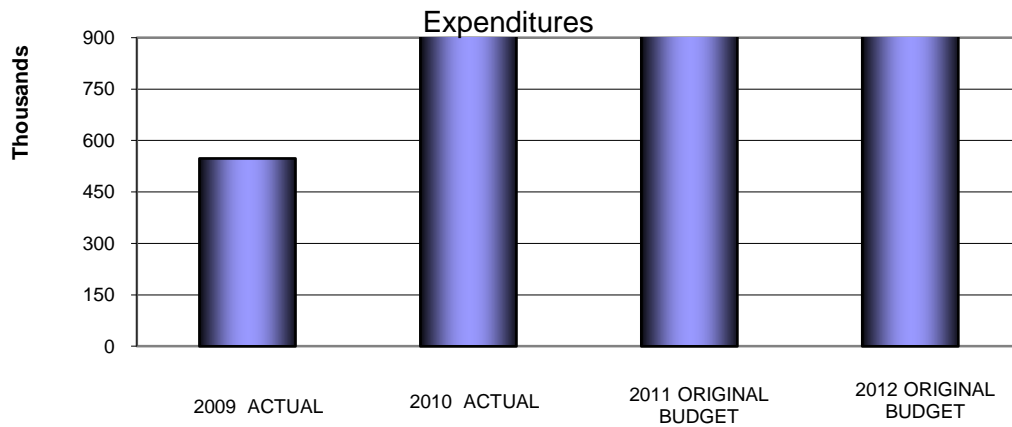
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CITY OF ST. FRANCIS, MINNESOTA
WATER FUND SUMMARY
 EXPENSE ANALYSIS

Total By Classification	2009 ACTUAL	2010 ACTUAL	2011 ORIGINAL BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 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 NET ASSETS

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 RE-EST	2012 BUDGET
<u>Operating revenues:</u>				
Water sales	\$ 1,063,256	\$ 1,080,000	\$ 1,010,000	\$ 1,080,000
Water penalty		29,190	29,000	28,000
Meter deposits		-		
Total revenues	1,063,256	1,109,190	1,039,000	1,108,000
<u>Operating expenses:</u>				
Personnel services	148,361	152,450	148,820	159,105
Supplies	58,265	93,500	75,925	177,875
Professional services	69,721	78,780	71,793	82,194
Communications	7,675	7,000	7,000	7,500
Insurance	21,203	16,750	16,500	21,500
Utilities	68,962	88,000	76,500	79,450
Repairs and maintenance	54,796	50,450	63,710	78,650
Depreciation	301,900	302,000	302,000	304,000
Other	14,150	11,300	6,000	10,650
Total expenses	745,033	800,230	768,248	920,924
Operating income (loss)	318,223	308,960	270,752	187,076
Nonoperating revenues (expenses):				
Investment earnings	71,288	83,000	77,000	70,000
Connection Fees	28,000	-	8,600	-
Interest expense	(335,194)	(216,500)	(286,930)	(298,704)
Special assessments	-	-	-	-
Miscellaneous revenues	76,944	1,280	3,500	1,500
Total nonoperating revenues (expenses)	(158,962)	(132,220)	(197,830)	(227,204)
Net income (loss) before contributions and transfers	159,261	176,740	72,922	(40,128)
Transfers in (out):				
Improvements	(126,320)	-	-	-
Capital contributions	836,122	-	-	-
Change in net assets	869,063	176,740	72,922	(40,128)
Net assets- January 1	4,619,182	6,424,902	5,488,245	5,561,167
Net assets- December 31	\$ 5,488,245	\$ 6,601,642	\$ 5,561,167	\$ 5,521,039

CITY OF ST. FRANCIS, MINNESOTA
WATER FUND (601)
 STATEMENT OF CASH FLOWS

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 RE-EST	2012 BUDGET
Net Income (loss)	\$ 869,063	\$ 176,740	\$ 72,922	\$ (40,128)
Add depreciation	301,900	302,000	302,000	304,000
Change in current assets	(1,014,939)	-	-	-
Change in deferred	3,162	-	-	-
Change in current liabilities	(33,836)	-	-	-
Purchase of fixed assets	(840,874)	-	-	-
Principal payments on debt	(424,947)	(288,000)	(288,000)	(295,000)
Total	(1,140,471)	190,740	86,922	(31,128)
Cash balance - January 1	4,184,115	1,994,345	3,043,644	3,130,566
Cash balance - December 31	\$ 3,043,644	\$ 2,185,085	\$ 3,130,566	\$ 3,099,438

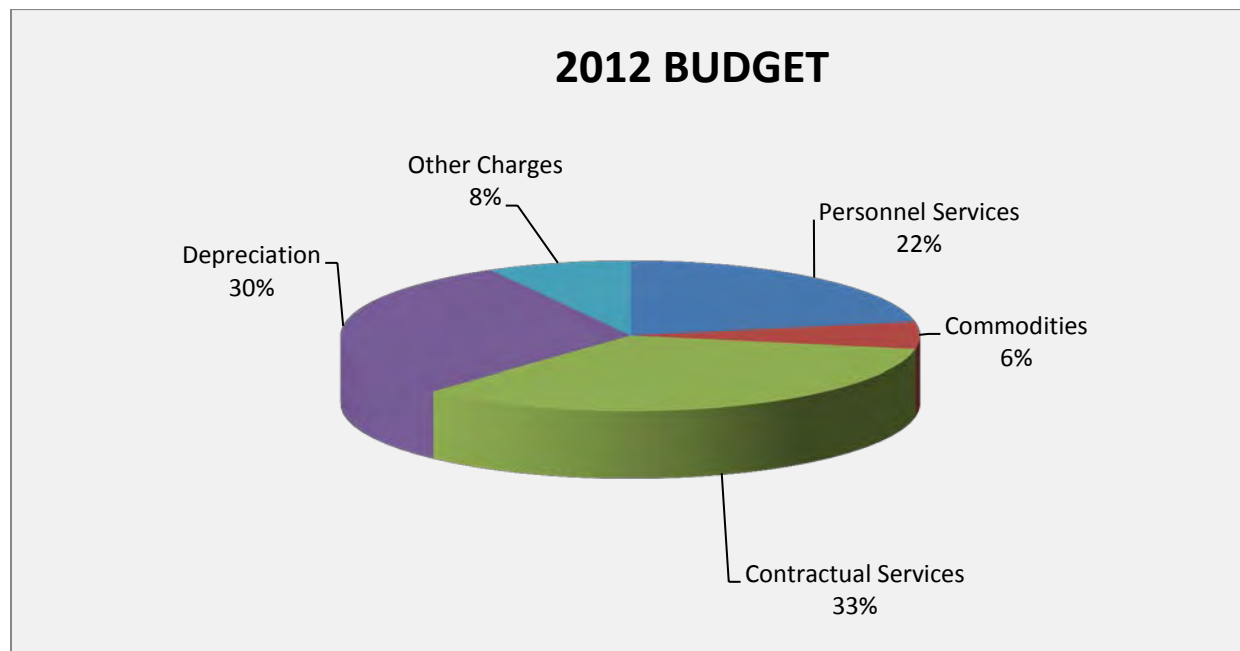
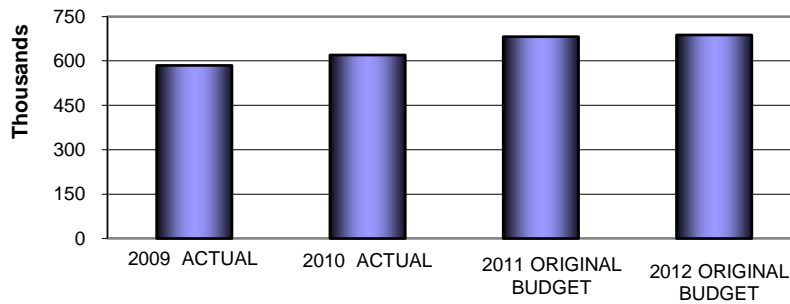
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**CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2009 ACTUAL	2010 ACTUAL	2011 ORIGINAL BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 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	0.9%

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 NET ASSETS

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Operating revenues:</u>				
Sewer sales	\$ 805,969	\$ 780,000	\$ 820,000	\$ 800,000
Sewer penalty	-	21,480	21,208	23,000
Total revenues	<u>805,969</u>	<u>801,480</u>	<u>841,208</u>	<u>823,000</u>
<u>Operating expenses:</u>				
Personnel services	145,389	151,750	149,910	158,430
Supplies	25,141	41,800	40,600	43,000
Professional services	81,131	105,780	86,480	108,840
Communications	2,548	3,500	2,800	3,500
Insurance	9,427	7,900	8,700	9,800
Utilities	95,062	107,600	95,800	103,100
Repairs and maintenance	76,488	54,250	65,700	74,250
Depreciation	204,745	207,000	205,000	209,000
Other	5,877	8,300	17,840	9,150
Total expenses	<u>645,808</u>	<u>687,880</u>	<u>672,830</u>	<u>719,070</u>
Operating income (loss)	160,161	113,600	168,378	103,930
<u>Nonoperating revenues (expenses):</u>				
Investment earnings	33,998	21,400	30,000	35,000
Connection charges	40,000	-	-	-
Interest Expense	(155,121)	(183,483)	(183,483)	(154,128)
Special assessments	120,200	-	-	-
Miscellaneous revenues	13,585	1,330	25,000	3,000
Total nonoperating revenues (expenses)	<u>52,662</u>	<u>(160,753)</u>	<u>(128,483)</u>	<u>(116,128)</u>
Net income (loss) before contributions and transfers	212,823	(47,153)	39,895	(12,198)
<u>Transfers in (out):</u>				
Debt Service Fund	742,474	-	-	-
Improvement Projects	(128,461)	-	-	-
Capital contributions	1,308,538	-	-	-
Change in net assets	2,135,374	(47,153)	39,895	(12,198)
Net assets - January 1	<u>5,348,183</u>	<u>7,483,557</u>	<u>7,483,557</u>	<u>7,523,452</u>
Net assets - December 31	<u>\$ 7,483,557</u>	<u>\$ 7,436,404</u>	<u>\$ 7,523,452</u>	<u>\$ 7,511,254</u>

CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND (602)
 STATEMENT OF CASH FLOWS

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
Net income (loss)	\$ 2,135,374	\$ (47,153)	\$ 39,895	\$ (12,198)
Add depreciation	204,745	207,000	205,000	209,000
Change in current assets	(23,607)	-	-	-
Change in deferred	(150,937)	-	-	-
Change in current liabilities	140,798	-	-	-
Purchase of fixed assets	(2,565,917)	-	-	-
Issued debt	1,600,000	-	-	-
Principal payments on debt	(184,250)	(187,000)	(187,000)	(178,500)
Total	1,156,206	(27,153)	57,895	18,302
Cash balance - January 1	1,035,380	2,191,586	2,191,586	2,249,481
Cash balance - December 31	<u>\$ 2,191,586</u>	<u>\$ 2,164,433</u>	<u>\$ 2,249,481</u>	<u>\$ 2,267,783</u>

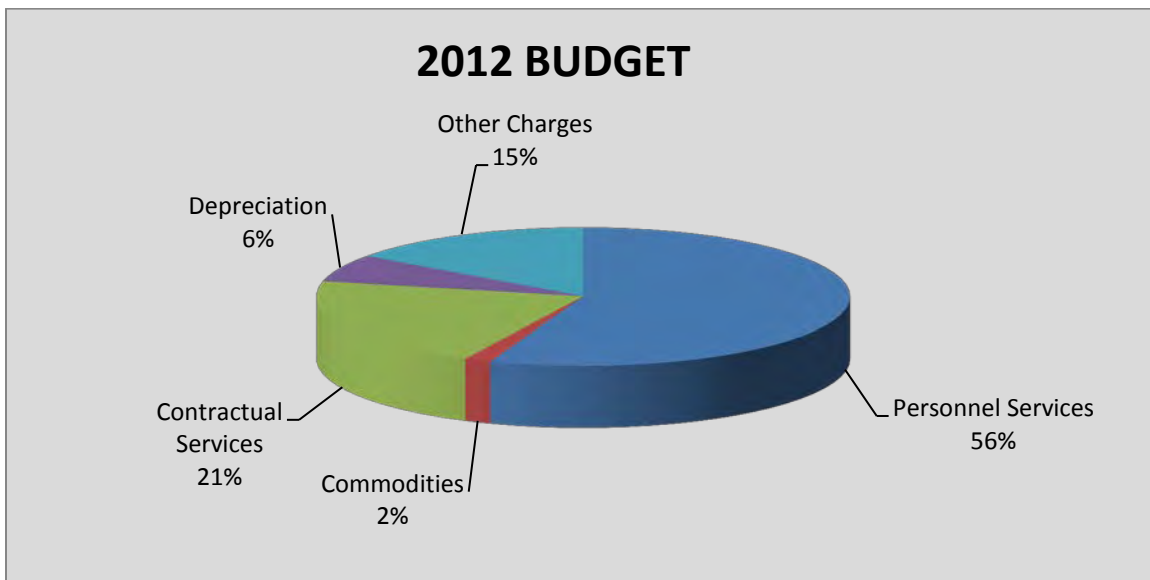
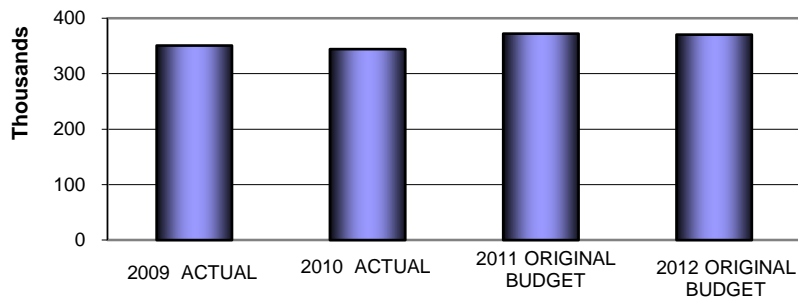
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**CITY OF ST. FRANCIS, MINNESOTA
LIQUOR STORE FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2009 ACTUAL	2010 ACTUAL	2011 ORIGINAL BUDGET	2012 BUDGET	PERCENT OVER(UNDER) 2011 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 NET ASSETS

	2010 ACTUAL	2011 ORIGINAL BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Operating revenues:</u>				
Liquor sales	\$ 630,405	\$ 638,570	\$ 630,000	\$ 635,920
Beer sales	1,134,912	1,204,200	1,135,000	1,135,000
Wine sales	175,411	193,390	166,000	178,000
Miscellaneous merchandise	49,415	50,470	42,000	42,000
N/A beer	4,410	5,780	4,000	4,410
Tobacco products	55,850	61,390	56,000	55,850
Total revenues	<u>2,050,403</u>	<u>2,153,800</u>	<u>2,033,000</u>	<u>2,051,180</u>
<u>Cost of sales:</u>				
	<u>(1,535,157)</u>	<u>(1,690,500)</u>	<u>(1,632,800)</u>	<u>(1,607,000)</u>
Gross profit	515,246	463,300	400,200	444,180
<u>Operating expenses:</u>				
Personnel services	191,718	206,050	197,963	210,330
Supplies	4,312	6,000	4,300	5,500
Professional services	80,367	82,320	78,980	81,145
Communications	2,465	2,500	2,400	2,500
Insurance	9,485	11,000	6,400	11,000
Utilities	16,226	18,000	16,800	18,800
Repairs and maintenance	20,695	7,200	23,444	7,700
Depreciation	28,547	24,280	28,000	27,000
Other	11,600	13,300	6,670	10,350
Total expenses	<u>365,415</u>	<u>370,650</u>	<u>364,957</u>	<u>374,325</u>
Operating income (loss) before depreciation	149,831	92,650	35,243	69,855
<u>Other revenues (expenses):</u>				
Investment earnings	17,580	22,000	20,000	18,000
Miscellaneous revenues	16,783	-	19,462	-
Total other revenues (expenses)	<u>34,363</u>	<u>22,000</u>	<u>39,462</u>	<u>18,000</u>
Net income (loss) before contributions and transfers	184,194	114,650	74,705	87,855
<u>Transfers in (out):</u>				
General Fund	(50,000)	(50,000)	(50,000)	(50,000)
Pioneer Days	(10,000)	(10,000)	(10,000)	(10,000)
Change in net assets	124,194	54,650	14,705	27,855
Net assets - January 1	<u>1,365,100</u>	<u>1,358,356</u>	<u>1,489,294</u>	<u>1,503,999</u>
Net assets - December 31	<u>\$ 1,489,294</u>	<u>\$ 1,413,006</u>	<u>\$ 1,503,999</u>	<u>\$ 1,531,854</u>

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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
Net income (loss)	\$ 124,194	\$ 54,650	\$ 14,705	\$ 27,855
Add depreciation	28,547	24,280	28,000	27,000
Change in current assets	12,402	-	-	-
Change in deferred	-	-	-	-
Change in current liabilities	7,495	-	-	-
Purchase of fixed assets	(112,359)	-	-	-
Total	60,279	78,930	42,705	54,855
Cash balance - January 1	851,911	784,118	912,190	954,895
Cash balance - December 31	\$ 912,190	\$ 863,048	\$ 954,895	\$ 1,009,750

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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 2012-2016 CIP was adopted by the Council on August 1, 2011. The following provides a summary of projects included in the City's Capital Improvement Plan along with project year. Overall the 2012 budget provided for in the Capital Improvement plan is \$12,079,870. The following shows a breakdown by year.

FIVE-YEAR CAPITAL IMPROVEMENT PLAN PROJECTS							
BY PROJECT CATEGORY							
CATEGORY	TOTAL	PRIOR YEARS	2012	ALLOCATION OF COSTS BY YEAR			
				2013	2014	2015	2016
BUILDINGS	\$11,809,630	\$ 684,580	\$ 9,875,050	\$ 275,000	\$ 325,000	\$ 325,000	\$ 325,000
COMPUTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EQUIPMENT	\$ 1,017,000	\$ 34,000	\$ 141,670	\$ 281,600	\$ 78,160	\$ 356,400	\$ 125,170
LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PARKS	\$ 2,695,510	\$ -	\$ 329,600	\$ -	\$1,912,710	\$ 360,500	\$ 92,700
STREETS	\$15,389,230	\$ -	\$ 1,477,020	\$1,538,820	\$3,320,720	\$ 5,942,070	\$3,110,600
TRAILS	\$ 310,000	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -
UTILITIES	\$20,168,414	\$ -	\$ -	\$3,785,974	\$ 382,440	\$16,000,000	\$ -
VEHICLES	\$ 1,503,090	\$ 392,000	\$ 256,530	\$ 155,150	\$ 133,940	\$ 360,960	\$ 204,510
TOTALS	\$52,892,874	\$1,420,580	\$12,079,870	\$6,036,544	\$6,152,970	\$23,344,930	\$3,857,980

The following table depicts the city's five year CIP needs.

Description	Prior Yrs	2012	2013	2014	2015	2016
General Government						
CITY CAR	-	-	-	-	-	20,000
GOVERNMENT BUILDING	374,580	125,000	150,000	175,000	175,000	175,000
VOTING BOOTHS	10,000	-	-	-	-	-
Total	384,580	125,000	150,000	175,000	175,000	195,000
Fire Department						
TRAINING/MEETING ROOM/FIRE HALL	55,000	55,000	-	-	-	-
TANKER/PUMPER TRUCK REPLACEMENT	392,000	100,000	58,000	-	-	-
FUTURE FIRE TRUCK REPLACEMENTS	-	-	42,000	100,000	100,000	100,000
ROOF	50,000	50,000	-	-	-	-
Total	497,000	205,000	100,000	100,000	100,000	100,000
Police Department						
CONSTRUCTION OF POLICE STATION	205,000	100,000	125,000	150,000	150,000	150,000
SQUAD CAR REPLACEMENT	-	38,990	32,950	33,940	34,960	36,010
Total	205,000	138,990	157,950	183,940	184,960	186,010
Public Works						
BANDSAW	-	-	-	6,000	-	-
FRONT END LOADER W/ SNOW EQUIPMENT	-	-	185,400	-	-	-
SAFETY TRAILER	24,000	-	-	-	-	-
TRUCK WITH SERVICE & REPAIR BED	-	86,540	-	-	-	-
PUBLIC WORKS/POLICE FACILITY	-	9,200,000	-	-	-	-
2005 INTERNATIONAL DUMP TRUCK REPLACEMENT	-	-	-	-	226,000	-
2006 FORD F-350 REPLACEMENT	-	-	-	-	-	48,500
239TH & BITTERSWEET MILL AND OVERLAY	-	648,900	-	-	-	-
241ST AVENUE	-	-	-	3,320,720	-	-
245TH & KINGS HWY REALIGNMENT & DITCH WORK	-	-	954,810	-	-	-
BRIDGE STREET EXTENSION	-	-	-	-	-	3,110,600
BRIDGE STREET TRAFFIC IMPROVEMENTS	-	-	-	-	3,820,270	-
BUTTERFIELD DRIVE RECONSTRUCTION	-	-	584,010	-	-	-
PEDERSON PATH	310,000	-	-	-	-	-
RUM RIVER WOODS ADDITION RECONSTRUCTION	-	-	-	-	2,121,800	-
TAMMARACK STREET	-	828,120	-	-	-	-
Total	334,000	10,763,560	1,724,220	3,326,720	6,168,070	3,159,100

Description	Prior Yrs	2012	2013	2014	2015	2016
Parks						
DEER CREEK PARK TRAIL	-	329,600	-	-	-	-
EDGEWILD PARK	-	-	-	-	-	92,700
SMITH LAKE PARK	-	-	-	-	360,500	-
40 ACRE ATHLETIC COMPLEX REPLACE BUILDING AT COMMUNITY PARK	-	-	-	1,912,710	-	-
BOBCAT ANNUAL REPLACEMENT	-	345,050	-	-	-	-
INFIELD GROOMER FOR BALL FIELDS	-	31,010	31,940	32,900	33,890	34,910
BOBCAT TOOLCAT	-	9,400	-	-	-	-
Total	-	777,060	31,940	1,945,610	394,390	127,610
Water & Sewer						
HOUSEHOLD WATER METER CHANGEOUT	-	39,260	39,260	39,260	39,260	39,260
WELL #5	-	-	-	382,440	-	-
EAST SIDE WASTEWATER TREATMENT FAC.	-	-	-	-	16,000,000	-
TRUNK HWY 47 WATER & SEWER EXTENSION	-	-	3,785,974	-	-	-
1/2 TON PICK-UP TRUCK	-	31,000	-	-	-	-
FORD ESCAPE	-	-	22,200	-	-	-
PORTABLE GENSET	-	-	-	-	-	51,000
VAC/JETTER TRUCK	-	-	-	-	283,250	-
Total	-	70,260	3,847,434	421,700	16,322,510	90,260
Liquor Store						
COOLER DOORS/LED LIGHTS	-	-	25,000	-	-	-
Total	-	-	25,000	-	-	-
Grand Total	1,420,580	12,079,870	6,036,544	6,152,970	23,344,930	3,857,980

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.

Please see the city's website at www.stfrancismn.org for a copy of the complete plan as adopted.

2012 projects from the 2012-2016 CIP which are not included in the 2012 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

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
CAPITAL PROJECTS FUND (402)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$ 16,798	\$ 13,000	\$ 13,000	\$ 16,000
Miscellaneous	-	-	8,009	-
Total revenues	16,798	13,000	21,009	16,000
<u>Expenditures:</u>				
Building & Structures	226,787	-	735,594	-
Motor Vehicles	-	29,340	21,313	38,990
Total expenditures	226,787	29,340	756,907	38,990
Excess (deficit) of revenues over expenditures	(209,989)	(16,340)	(735,898)	(22,990)
<u>Other financing sources (uses):</u>				
Transfers in (out):				
Contract for Deed Issued	150,000			
Fire Truck Replacement Fund	-	-	-	-
General Fund	134,780	289,780	289,780	330,000
Net increase (decrease) in fund balance	74,791	273,440	(446,118)	307,010
Fund balance - January 1	872,861	872,862	947,652	501,534
Fund balance - December 31	\$ 947,652	\$ 1,146,302	\$ 501,534	\$ 808,544

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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ 13,672	\$ 11,000	\$ 12,503	\$ 11,000
Total revenues	13,672	11,000	12,503	11,000
<u>Expenditures:</u>				
Miscellaneous	58	-	-	-
Engineering	-	-	-	-
Interest expense	2,192	3,800	3,000	3,800
Total expenditures	2,250	3,800	3,000	3,800
Excess (deficit) of revenues over expenditures	11,422	7,200	9,503	7,200
Fund balance - January 1	(145,942)	(136,082)	(134,520)	(125,017)
Fund balance - December 31	\$ (134,520)	\$ (128,882)	\$ (125,017)	\$ (117,817)

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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$ 4,915	\$ 3,200	\$ 4,088	\$ 5,000
Total revenues	4,915	3,200	4,088	5,000
<u>Expenditures:</u>				
Vehicles and equipment	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over expenditures	4,915	3,200	4,088	5,000
<u>Other financing sources (uses):</u>				
Transfers in (out):				
General Fund	100,000	100,000	100,000	100,000
Capital Projects Fund	-	-	-	-
Net increase (decrease) in fund balance	104,915	103,200	104,088	105,000
Fund balance - January 1	196,622	299,623	301,537	405,625
Fund balance - December 31	<u>\$ 301,537</u>	<u>\$ 402,823</u>	<u>\$ 405,625</u>	<u>\$ 510,625</u>

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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ -	\$ 14,250	\$ 12,673	\$ 14,250
Total revenues	-	14,250	12,673	14,250
<u>Expenditures:</u>				
Miscellaneous	404,642	-	-	-
Engineering	-	-	-	-
Construction	-	-	-	-
Interest expense	3,515	-	3,344	3,300
Total expenditures	408,157	-	3,344	3,300
Excess (deficit) of revenues over expenditures	(408,157)	14,250	9,329	10,950
Other financing sources (uses):				
Transfers in (out):				
General Fund	336,950	-	-	-
Net increase (decrease) in fund balance	(71,207)	14,250	9,329	10,950
Fund balance - January 1	(46,403)	(103,500)	(117,610)	(108,281)
Fund balance - December 31	\$ (117,610)	\$ (89,250)	\$ (108,281)	\$ (97,331)

Accounts for financial resources used to finance a street reconstruction project which is receiving special assessment revenue to pay for a portion of the costs.

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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Revenues:</u>				
Developer costs	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Total revenues	-	-	-	-
<u>Expenditures:</u>				
Miscellaneous	-	-	-	-
Engineering	-	-	-	-
Construction	212	-	-	-
Land	-	-	-	-
Interest expense	7,635	-	-	-
Total expenditures	7,847	-	-	-
Excess (deficit) of revenues over expenditures	(7,847)	-	-	-
<u>Other financing sources (uses):</u>				
Bond proceeds	-	-	-	-
Transfers in (out): Water Fund	-	-	-	-
Net increase (decrease) in fund balance	(7,847)	-	-	-
Fund balance - January 1	(502,772)	(483,716)	(510,619)	(510,619)
Fund balance - December 31	\$ (510,619)	\$ (483,716)	\$ (510,619)	\$ (510,619)

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
WATERMAIN LOOPING FUND (427)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
<u>Revenues:</u>				
Investment earnings	\$ 1	\$ -	\$ -	\$ -
Total revenues	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Miscellaneous	4,621	-	-	-
Engineering	-	-	-	-
Construction	-	-	-	-
Land easement	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>4,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	(4,620)	-	-	-
Other financing sources (uses):				
Transfers in (out):				
Water Fund	-	-	-	-
Net increase (decrease) in fund balance	(4,620)	-	-	-
Fund balance - January 1	<u>(282,531)</u>	<u>(282,530)</u>	<u>(287,151)</u>	<u>(287,151)</u>
Fund balance - December 31	<u>\$ (287,151)</u>	<u>\$ (282,530)</u>	<u>\$ (287,151)</u>	<u>\$ (287,151)</u>

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.



**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.

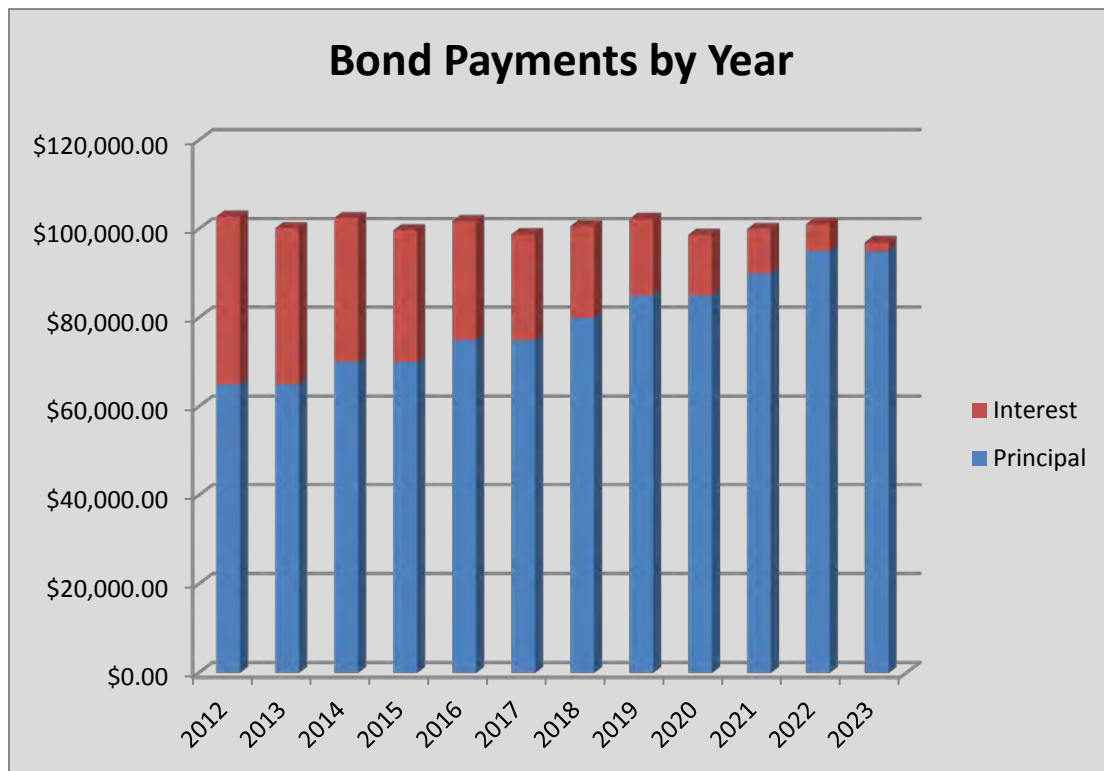
The difference between the statutory debt limit and the bonds outstanding that are covered by the debt limit is referred to as the legal debt margin. The City's debt limit and legal debt margin are both \$13,836,396.

2011	
Estimated market value of taxable property	\$461,213,200
Debt limit (3% of market value)	\$13,836,396
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Total bonds outstanding excluding enterprise debt	\$950,000
Less: Special assessment bonds	950,000
Total debt applicable to debt limit	\$ -
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Legal debt margin	\$13,836,396

All bonds issued by the city's enterprise funds are reported in the individual budgets.

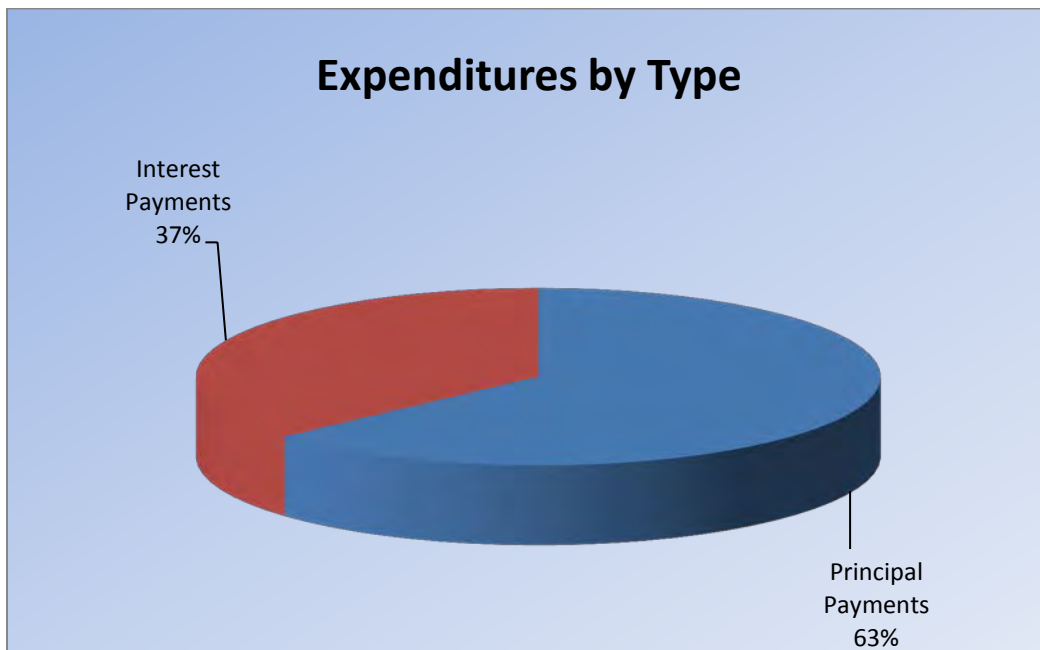
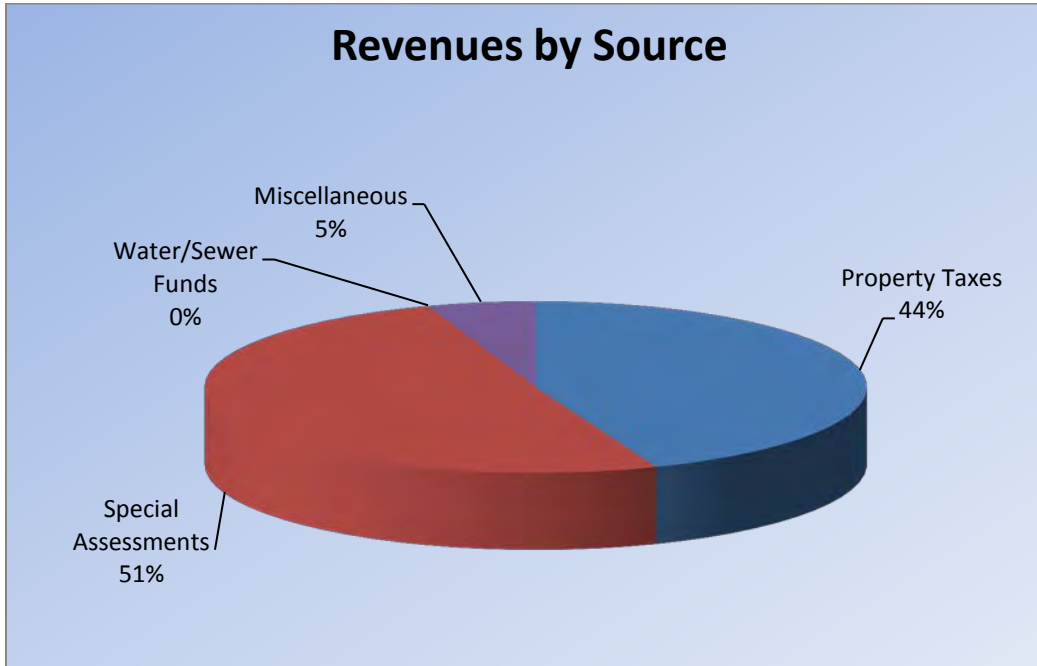
The following tables depict the City's debt service payments by year for all debt.

Year	Principal	Interest	Total
2012	65,000.00	37,782.50	102,783
2013	65,000.00	35,182.50	100,183
2014	70,000.00	32,482.50	102,483
2015	70,000.00	29,682.50	99,683
2016	75,000.00	26,782.50	101,783
2017	75,000.00	23,782.50	98,783
2018	80,000.00	20,642.50	100,643
2019	85,000.00	17,238.75	102,239
2020	85,000.00	13,711.25	98,711
2021	90,000.00	10,035.00	100,035
2022	95,000.00	6,103.75	101,104
2023	95,000.00	2,042.50	97,043
Total	\$950,000	\$255,469	\$1,205,469



2012 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

	2010 ACTUAL	2011 BUDGET	2011 ESTIMATE	2012 BUDGET
Revenues:				
Property taxes	\$ 19,311	\$ 20,900	\$ 20,900	\$ 20,900
Special assessments	40,766	24,810	24,800	24,000
Investment earnings	2,498	2,280	6,880	2,500
Total revenues	62,575	47,990	52,580	47,400
Expenditures:				
<u>Debt Service:</u>				
Principal:				
Regular	55,000	60,000	60,000	65,000
Interest	42,707	40,280	40,282	37,783
Paying agent fees	425	420	425	425
Total expenditures	98,132	100,700	100,707	103,208
Excess (deficit) of revenues over expenditures	(35,557)	(52,710)	(48,127)	(55,808)
Other financing sources (uses):				
Bond proceeds (net)	-	-	-	-
Transfers in (out):				
Water Fund	39,880	39,880	39,880	-
Sanitary Sewer Fund	-	-	-	-
Net increase (decrease) in fund balance	4,323	(12,830)	(8,247)	(55,808)
Fund balance - January 1	205,675	209,998	209,998	201,751
Fund balance - December 31	\$ 209,998	\$ 197,168	\$ 201,751	\$ 145,943



**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	--	2,288,721	--
	2000	4,910	0.0	298,084	0.0	2,642,062	0.0
	2010	7,218	47.0	330,844	11.0	2,849,567	7.9
	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	--	82,437	--	875,504	--
	2000	1,638	-35.0	106,428	-12.2	1,021,456	-8.6
	2010	2,520	0.0	121,227	0.0	1,117,749	0.0
	2020	4,000	58.7	156,220	28.9	1,362,000	21.9
	2030	5,000	98.4	172,250	42.1	1,492,000	33.5
Persons Per Household	1990	3.34	--	2.96	--	2.61	--
	2000	3.00	15.3	2.80	7.3	2.59	5.7
	2010	2.86	10.2	2.73	4.6	2.55	4.1
	2020	2.60	0.0	2.61	0.0	2.45	0.0
	2030	2.56	-1.5	2.47	-5.4	2.42	-1.2
Employment	1990	793	--	N/A	--	1,273,773	--
	2000	1,247	57%	110,091	-28.8	1,607,916	-24.4
	2010	1,537	94%	124,790	-19.3	1,544,613	-27.3
	2020	1,900	140%	141,970	-8.2	1,990,000	-6.4
	2030	2,220	180%	154,690	0.0	2,126,000	0.0

Sources: 1990, 2000 and 2010 -- U.S. Census Bureau or American Community Survey
2020 and 2030 -- Metropolitan Council Estimates.

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

Characteristics	St. Francis In 1990	St. Francis In 2000	St. Francis In 2010	Metro Area In 1990	Metro Area In 2000	Metro Area In 2010
Number of Persons	2,538	4,910	7,218	2,288,721	2,642,062	2,849,567
Persons by Gender						
Female	49%	50%	51%	51%	51%	51%
Male	51%	50%	49%	49%	49%	49%
Number of Families	656	1,301	1,301	583,900	658,159	707,496
Number of Households	760	1,638	2,520	1,021,456	1,117,749	1,362,000
Persons per Household	3.34	3.00	2.86	2.61	2.59	2.55
Number of Housing Units	800	1,689	2,667	922,224	1,047,240	1,117,749
Number of Persons By Age						
0 - 19	44%	38%	34%	28%	29%	27%
20 - 24	6%	7%	6%	8%	7%	7%
25 - 34	22%	20%	16%	20%	16%	15%
35 - 64	25%	32%	38%	34%	39%	41%
65 - 74	2%	2%	4%	5%	5%	6%
75+	1%	1%	2%	4%	5%	5%
Persons by Race						
White	97%	95%	95%	91%	83%	76%
Non-white	3%	5%	5%	9%	17%	24%
Households by Type						
Family Households						
Married with children	46%	36%	30%	27%	26%	23%
Unmarried with children	17%	17%	16%	8%	9%	9%
Married without children	24%	26%	30%	31%	30%	31%
Non-family households	4%	7%	6%	8%	8%	8%
Lived alone	10%	13%	18%	25%	28%	29%

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

Characteristics	St. Francis In 1990	St. Francis In 2000	St. Francis In 2010	Metro Area In 1990	Metro Area In 2000	Metro Area In 2010
Children By Age						
Under 5 Years Old	28%	28%	26%	31%	31%	27%
5 to 19 Years Old	72%	72%	74%	69%	69%	73%
Household Incomes						
Median	\$32,474	\$51,982	\$67,480	\$36,565	\$54,304	\$65,181
Highest Level of Education						
Did not graduate high school	16%	10%	7%	12%	9%	7%
High school graduate	42%	38%	40%	30%	24%	23%
Some college not degree	21%	31%	28%	21%	24%	22%
Associate degree	11%	11%	12%	9%	8%	9%
Bachelor degree	7%	6%	10%	20%	24%	26%
Graduate/Professional degree	2%	4%	3%	8%	11%	13%

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
Total	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

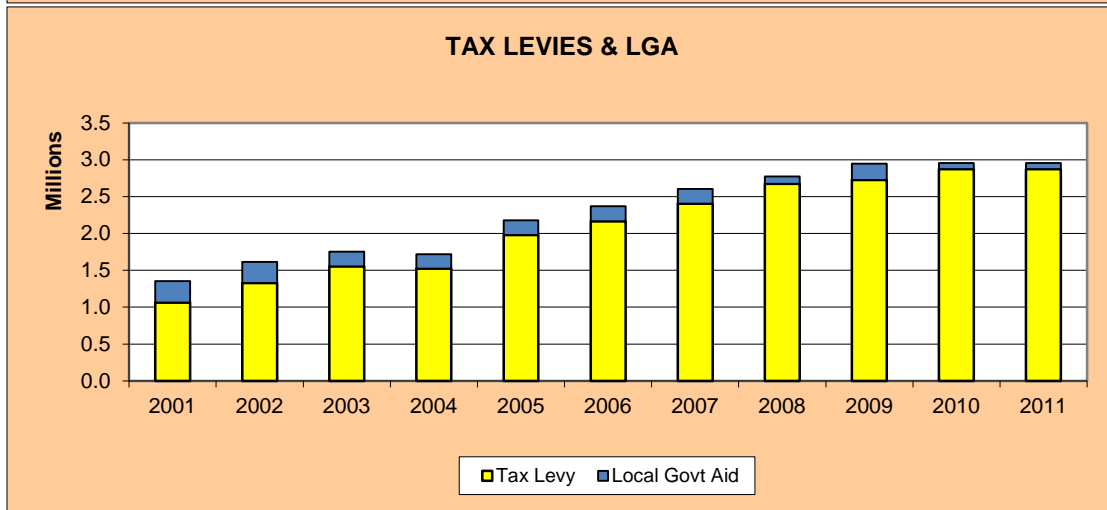
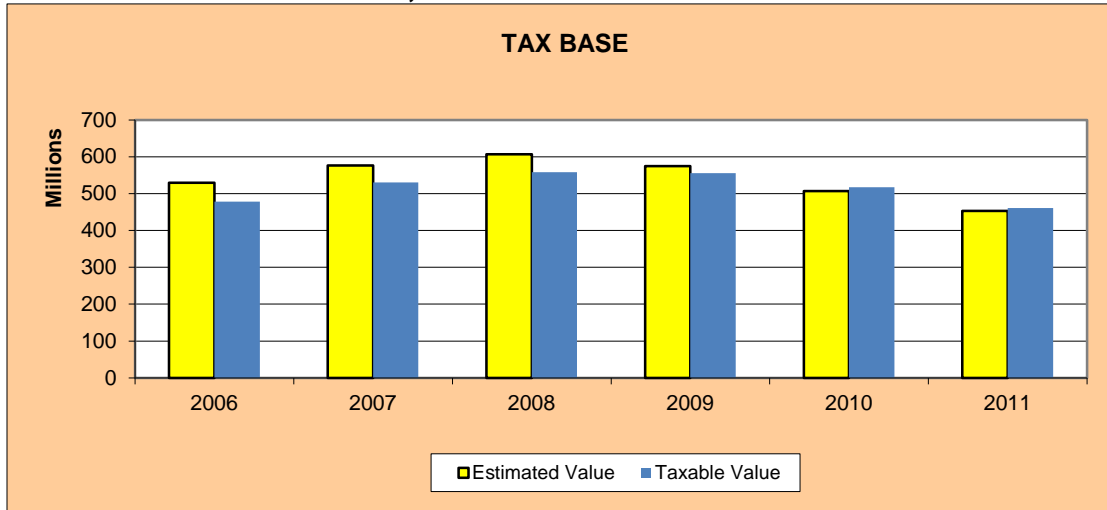
Elections:

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, 2011
(Unaudited)

Taxpayer		2010/2011	
		Taxable Market Value	Percent of Total Taxable Market Value
Alliant Techsystems	Ammunition manufacturer	14,358,800	3.11%
ALS Properties Woodhaven LLC	Mobile Home Park	8,125,700	1.76%
St. Francis Realty LLC	Shopping Center	5,440,500	1.18%
King Exchange LLC	Shopping Center	3,595,100	0.78%
Connexus Energy	Utility	3,576,800	0.78%
Kerry Street LLC	Non HS Residential	2,316,400	0.50%
Central Bank	Financial Services	2,123,500	0.46%
Minnegasco Inc.	Utility	2,427,600	0.53%
Individual Family LP	Commercial	1,567,200	0.34%
Village Bank	Commercial	1,415,000	0.31%
Semler Development LLC	Residential	1,737,000	0.38%
		46,683,600	10.12%

**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
2006	528,986,947	478,204,200
2007	576,680,903	530,492,500
2008	606,300,761	557,796,700
2009	574,727,404	555,761,400
2010	507,098,392	517,621,700
2011	452,734,781	461,213,200

TAX LEVIES

Year Payable	Tax Levy	Local Govt Aid	Total Levy + LGA
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
2011	2,873,160	80,940	2,954,100

TAX RATES

Year Payable	City Rate	Overlapping Rates*			Special Districts
		Anoka County	ISD #15	ISD #728	
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
2011	47.139	40.376	28.896	43.489	4.478

*-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.