



**Comprehensive Annual
Financial Report**
for the year ended December 31, 2013

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CITY OF ST. FRANCIS, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

MATTHEW L. HYLEN - CITY ADMINISTRATOR
DARCY MULVIHILL - FINANCE DIRECTOR

PREPARED BY THE
DEPARTMENT OF FINANCE

Member of the Government Finance Officers' Association
Of the United States and Canada

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

May 1, 2014

To the Honorable Mayor, Members of the City Council, and Citizens of the City of St. Francis:

The comprehensive annual finance report (CAFR) of the City of St. Francis (the City) for the fiscal year ended December 31, 2013, is hereby submitted. Minnesota Statutes and the City Charter require the preparation of audited financial statements by the state auditor or a certified public accountant within 180 days after the close of the fiscal year. The accompanying financial statements have been audited by the firm of Abdo, Eick & Meyers, LLP, independent certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statement in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Abdo, Eick & Meyers, LLP have issued an unqualified (clean) opinion on the City of St. Francis's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City

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.

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 7,277. 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 charter 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.

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.

Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. Each department is responsible for submitting the proposed budgets for their respective programs in June. 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. 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.

Local Economy

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. The City occupies approximately 24 square miles, has an estimated population of 7,277 and approximately 2,543 households.

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.

Anoka County has an annual average unemployment rate for 2013 of 5.4%. This compares with unemployment rates of 5.1% for the State of Minnesota and 6.7% for the United States. During the past ten years, the unemployment rate rose from an initial low of 5.8% (2002) to a decade high of 9.6% (2010). The rate has remained stable over the first few months of 2014.

The majority of the tax base in St. Francis is residential property. The City has designated sites through its comprehensive plan and recently purchased property on the main highway through the City for development of commercial

and industrial sites. The Council continues to discuss water and sewer growth areas north along State Trunk Highway 47.

During the past ten years, the government's expenses related to capital outlay and general government have increased not only in amount, but also as a percentage of total expenses. In the case of capital outlay, the increase reflects the construction of a new public works/police building.

During this same ten-year period, revenues generated by taxes and special assessments have increased the most not only in amount, but also as a percentage of total revenues. The revenue generated by taxes and assessments has risen from \$1,493,921 in 2003 to \$3,072,588 in 2013. Its percentage of total revenue in 2003 was 29% and in 2013 rose to 74%.

Long-term Financial Planning

Unreserved fund balance in the general fund (55% of total general fund expenditures) meets the state auditor recommended guidelines of 35%-50%. The goal of the City Council is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (40%) of general fund expenditures. The 2014 budget reflects current policy and is keeping the fund balance to 55.6% of expenditures.

Annually the City of St. Francis prepares a five year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted. The purpose of the CIP is to a) identify capital expenditures which are anticipated to be requested over a five-year period; b) determine a source of funding for the requests; and c) provide an opportunity for long term planning.

Relevant Financial Policies

The City has established a comprehensive set of financial policies for use as a guideline during the budget process. One of the policies deals with unpredictable revenues. The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. The City shall budget unpredictable revenues lower than the revenue assumption or anticipated collection. Because of this policy and the slowdown in the housing construction market, no revenue is budgeted for water and sewer access charges which are incurred with new development.

Major Initiatives for the Year

Major projects during 2013 included:

The completion of street, water and sewer in the Rum River Bluffs Development was started in 2013 with the final lift to be completed in 2014.

The old public work building was demolished and the land has been prepped for redevelopment.

Building permits for the year included 12 new homes, 1 new business and 258 addition/alteration building permits for the year at a value of \$4,364,300.

The City continued to conduct its semi-annual spring cleanup days in the spring and the fall.

The City held its annual Pioneer Days celebration in June.

Major Initiatives for the Future

The purchase of land for a future waste water treatment facility took place in 2007. The City started the process with the MN Pollution Control Agency to establish the effluent discharge limits for the City. Starting in 2014, the city will process the information and determine the next step to a new Wastewater Treatment Plant.

The City created the St. Francis Economic Development Authority in 2011. Utilizing the power of this Authority will give the city another tool to encourage economic growth. Currently the City Administrator will fulfill this additional role until personnel can be hired. Due to the limited resources, an economic development director hire is not anticipated for the foreseeable future. Between the City Council and St. Francis Economic Development Authority, discussion will be held on the development of an industrial park.

The City will be marketing the old City public works facility for redevelopment. This is a prime property along the Rum River on Bridge Street and should be attractive to a nice development.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Francis for its comprehensive annual financial report for the year ended December 31, 2012. This was the 2nd year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility.

The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year beginning January 1, 2013. It was the 4th consecutive year the City has received the award for the document.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance staff and cooperation of all city departments. We wish to express our appreciation to all city staff for their dedicated service and high level of professionalism. Credit also must be given to the Mayor and City Council Members for their continued support for maintaining the highest standards of professionalism in the management of the finances of the City of St. Francis.

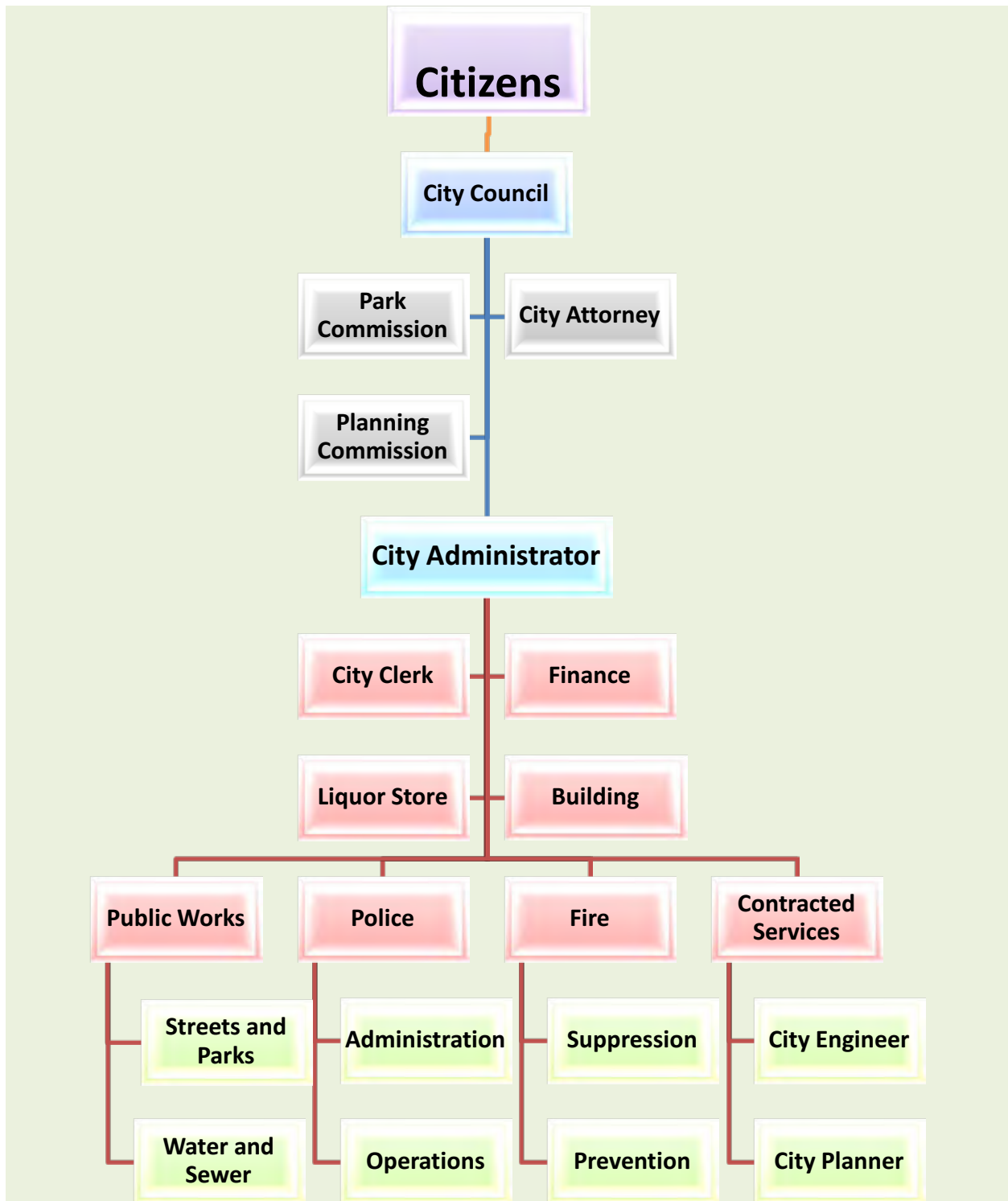
Respectfully submitted,



Matthew L. Hylen
City Administrator

Darcy Mulvihill
Finance Director

ORGANIZATIONAL CHART



CITY OF ST. FRANCIS, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2013

ELECTED

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|---------------|----------------|---------------------|
| Jerry Tveit | Mayor | 12/31/2014 |
| Tim Brown | Council Member | 12/31/2016 |
| Steve Kane | Council Member | 11/17/2014 |
| Amy Lazere | Council Member | 12/31/2014 |
| Chris McClish | Council Member | 12/31/2014 |

APPOINTED

| <u>Name</u> | <u>Title</u> |
|-------------------|--------------------|
| Matthew L. Hysten | City Administrator |
| Barbara Held | City Clerk |
| Darcy Mulvihill | Finance Director |



Government Finance Officers Association

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

Presented to

**City of St. Francis
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

FINANCIAL SECTION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of St. Francis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Francis, Minnesota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the City's 2012 financial statements and, in our report dated April 23, 2013 we express unmodified opinions on the respective proprietary fund financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

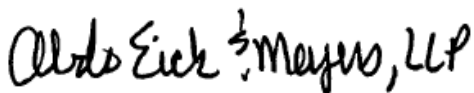
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical sections, and combining and individual fund financial statements and schedules are presented for purposes of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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 1, 2014

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Management's Discussion and Analysis

As management of the City of St. Francis, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$24,949,743 (net position). Of this amount, \$9,318,741 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$499,772. Of the total, governmental activities increased \$530,475 and business-type activities decreased \$30,703.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,036,484. Approximately 24 percent of this total amount, \$731,311 is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$2,225,913, or 63 percent of total 2013 General fund expenditures.

Overview of the Financial Statements

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

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

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

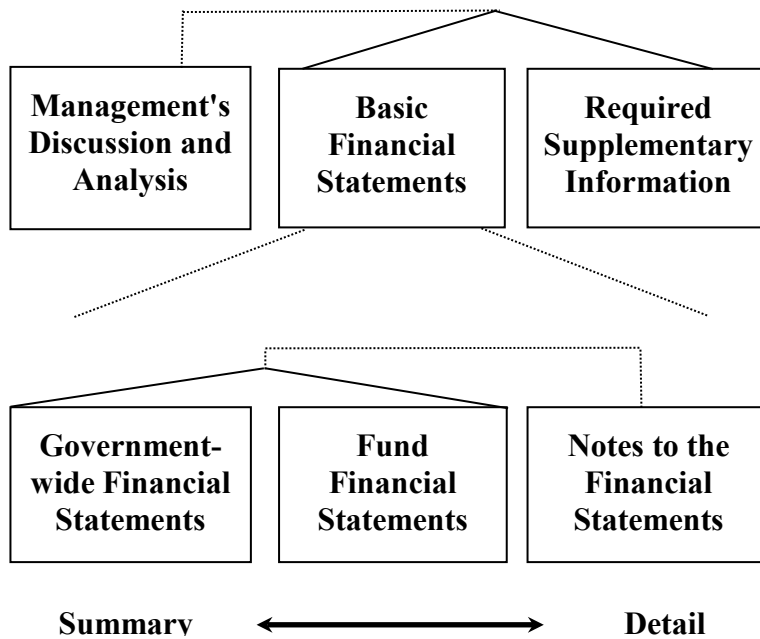


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works (streets and highways), culture and recreation, community development, miscellaneous and interest on long-term debt. The business-type activities of the City include water, sewer, and a municipal liquor store.

The government-wide financial statements start on page 33 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service funds and Rum River Bluff's Development fund, which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

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

The basic governmental fund financial statements start on page 38 of this report.

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

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

The basic proprietary fund financial statements start on page 44 of this report.

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

The basic fiduciary fund financial statements can be found on page 54 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 55 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 78 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$24,949,743 at the close of the most recent fiscal year.

The largest portion of the City’s net position (58 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of St. Francis’s Summary of Net Position

| | Governmental Activities | | | Business-type Activities | | |
|------------------------------------|-------------------------|---------------------|------------------------|--------------------------|----------------------|------------------------|
| | 2013 | 2012 | Increase (Decrease) | 2013 | 2012 | Increase (Decrease) |
| Assets | | | | | | |
| Current and other assets | \$ 4,769,896 | \$ 4,261,254 | \$ 508,642 | \$ 9,585,340 | \$ 7,888,442 | \$ 1,696,898 |
| Capital assets | 15,128,118 | 15,045,873 | 82,245 | 21,309,272 | 21,977,435 | (668,163) |
| Total assets | 19,898,014 | 19,307,127 | 590,887 | 30,894,612 | 29,865,877 | 1,028,735 |
| Liabilities | | | | | | |
| Noncurrent liabilities outstanding | 9,576,400 | 9,312,720 | 263,680 | 15,435,326 | 14,230,670 | 1,204,656 |
| Other liabilities | 418,510 | 621,778 | (203,268) | 412,647 | 557,865 | (145,218) |
| Total liabilities | 9,994,910 | 9,934,498 | 60,412 | 15,847,973 | 14,788,535 | 1,059,438 |
| Net position | | | | | | |
| Net investment in capital assets | 6,491,164 | 6,292,733 | 198,431 | 8,073,272 | 7,773,435 | 299,837 |
| Restricted | 1,066,566 | 1,080,107 | (13,541) | - | - | - |
| Unrestricted | 2,345,374 | 1,999,789 | 345,585 | 6,973,367 | 7,303,907 | (330,540) |
| Total net position | \$ 9,903,104 | \$ 9,372,629 | \$ 530,475 | \$ 15,046,639 | \$ 15,077,342 | \$ (30,703) |

An additional portion of the City’s net position (\$1,066,566) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$9,318,741) may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole.

Governmental activities. Governmental activities increased the City's net position by \$530,475. Key elements to the changes in net position are as follows:

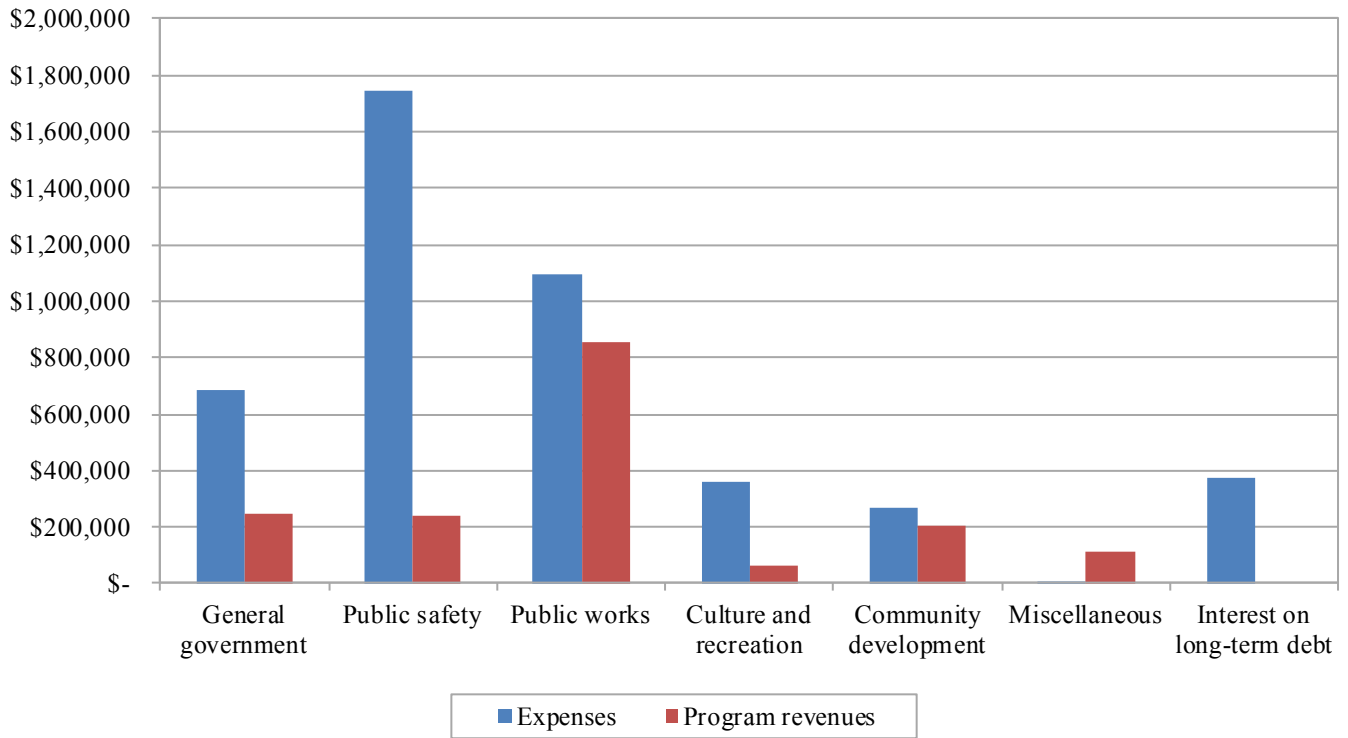
- Within capital grants and contributions, special assessment revenue increased about \$580,000.
- Public works expenses increased \$319,768 from the previous year. This was due to the completion of various capital projects.
- Transfer from Water and Sewer were increased to pay for outstanding debt on the Lease Revenue Bonds. The total of the increase was \$165,000.

City of St. Francis's Changes in Net Position

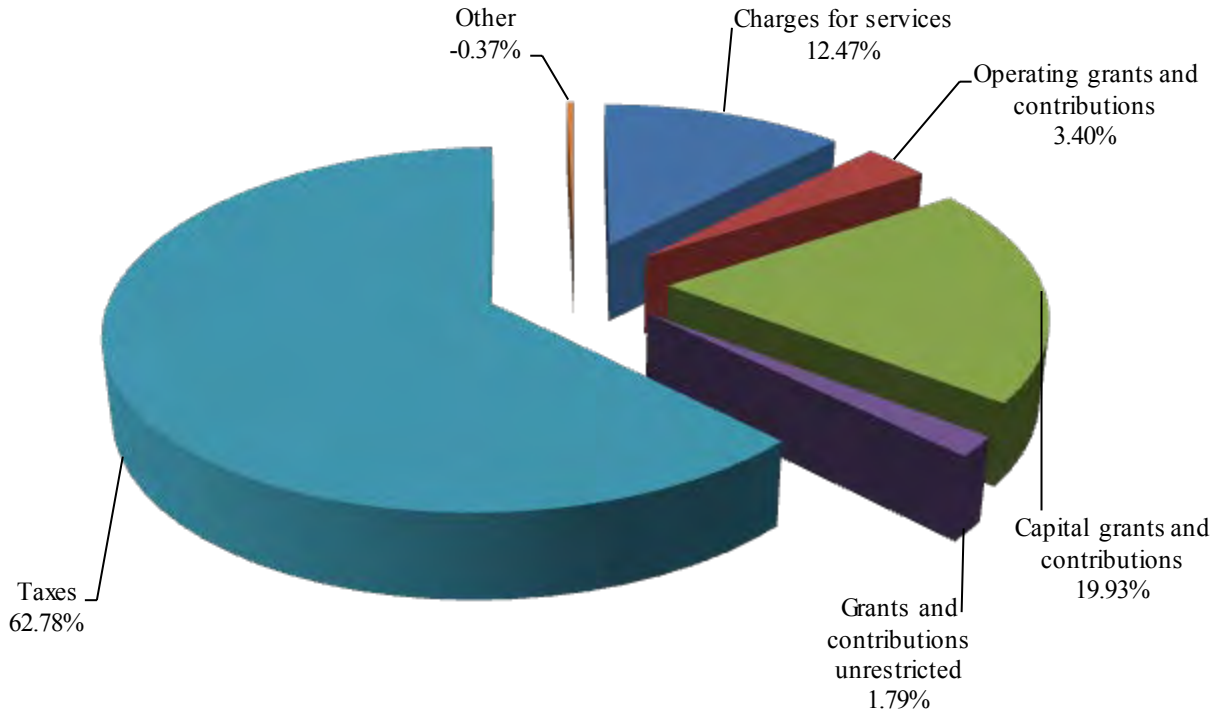
| | Governmental Activities | | | Business-type Activities | | |
|--|-------------------------|---------------------|------------------------|--------------------------|----------------------|------------------------|
| | 2013 | 2012 | Increase (Decrease) | 2013 | 2012 | Increase (Decrease) |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 599,415 | \$ 539,604 | \$ 59,811 | \$ 4,097,050 | \$ 4,141,821 | \$ (44,771) |
| Operating grants and contributions | 163,138 | 130,368 | 32,770 | - | 6,500 | (6,500) |
| Capital grants and contributions | 957,583 | 291,558 | 666,025 | 129,000 | 66,000 | 63,000 |
| General revenues | | | | | | |
| Taxes | | | | | | |
| Property taxes | 3,001,538 | 2,890,203 | 111,335 | - | - | - |
| Tax increment | 14,270 | 15,144 | (874) | - | - | - |
| Grants and contributions not restricted to specific programs | 85,992 | 87,294 | (1,302) | - | - | - |
| Unrestricted investment earnings | (17,832) | 61,301 | (79,133) | 37,157 | 64,903 | (27,746) |
| Gain on sale of capital assets | - | 5,529 | (5,529) | - | - | - |
| Total revenues | 4,804,104 | 4,021,001 | 783,103 | 4,263,207 | 4,279,224 | (16,017) |
| Expenses | | | | | | |
| General government | 684,752 | 700,606 | (15,854) | - | - | - |
| Public safety | 1,742,193 | 1,689,773 | 52,420 | - | - | - |
| Public works | 1,098,082 | 699,037 | 399,045 | - | - | - |
| Culture and recreation | 362,829 | 378,696 | (15,867) | - | - | - |
| Community development | 268,789 | 155,770 | 113,019 | - | - | - |
| Miscellaneous | 5,571 | 18,494 | (12,923) | - | - | - |
| Interest on long-term debt | 376,293 | 541,676 | (165,383) | - | - | - |
| Water | - | - | - | 1,156,583 | 1,136,619 | 19,964 |
| Sewer | - | - | - | 972,980 | 858,682 | 114,298 |
| Liquor store | - | - | - | 1,899,467 | 1,883,145 | 16,322 |
| Total expenses | 4,538,509 | 4,184,052 | 354,457 | 4,029,030 | 3,878,446 | 150,584 |
| Increase in net position before transfers and contributions | 265,595 | (163,051) | 428,646 | 234,177 | 400,778 | (166,601) |
| Transfers (net) | 264,880 | 60,000 | 204,880 | (264,880) | (60,000) | (204,880) |
| Change in net position | 530,475 | (103,051) | 633,526 | (30,703) | 340,778 | (371,481) |
| Net position, January 1 | 9,372,629 | 9,475,680 | (103,051) | 15,077,342 | 14,736,564 | 340,778 |
| Net position, December 31 | <u>\$ 9,903,104</u> | <u>\$ 9,372,629</u> | <u>\$ 530,475</u> | <u>\$ 15,046,639</u> | <u>\$ 15,077,342</u> | <u>\$ (30,703)</u> |

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

Expenses and Program Revenue - Governmental Activities



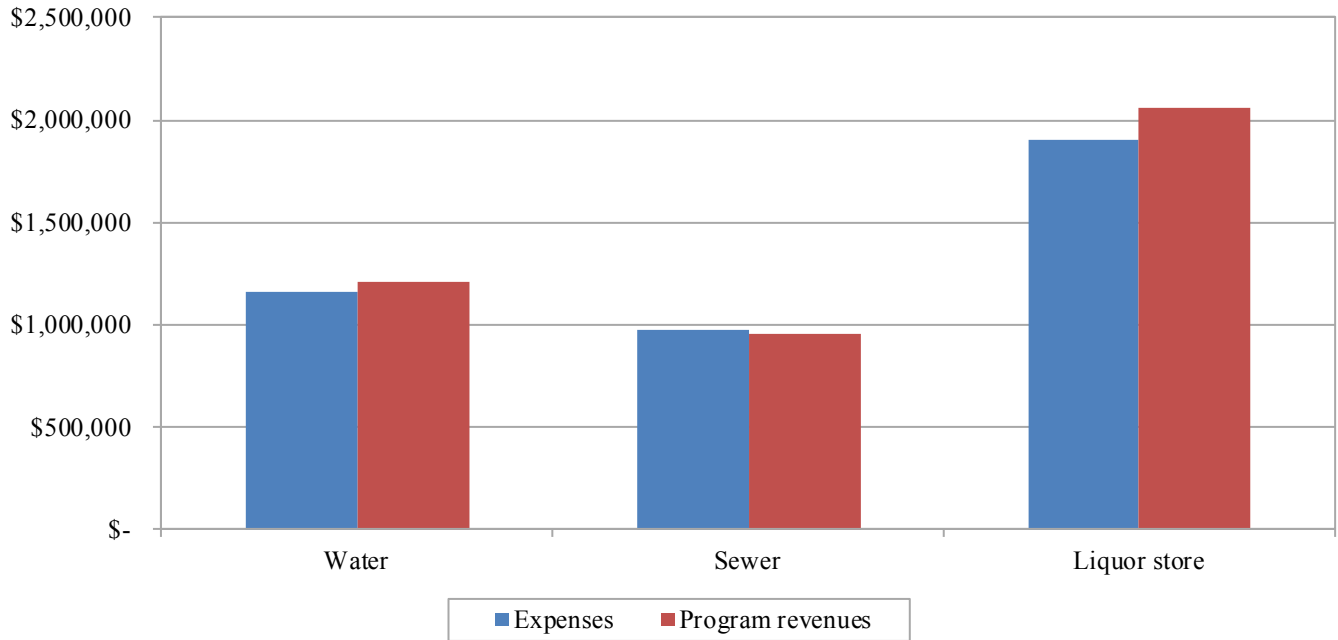
Revenue by Source - Governmental Activities



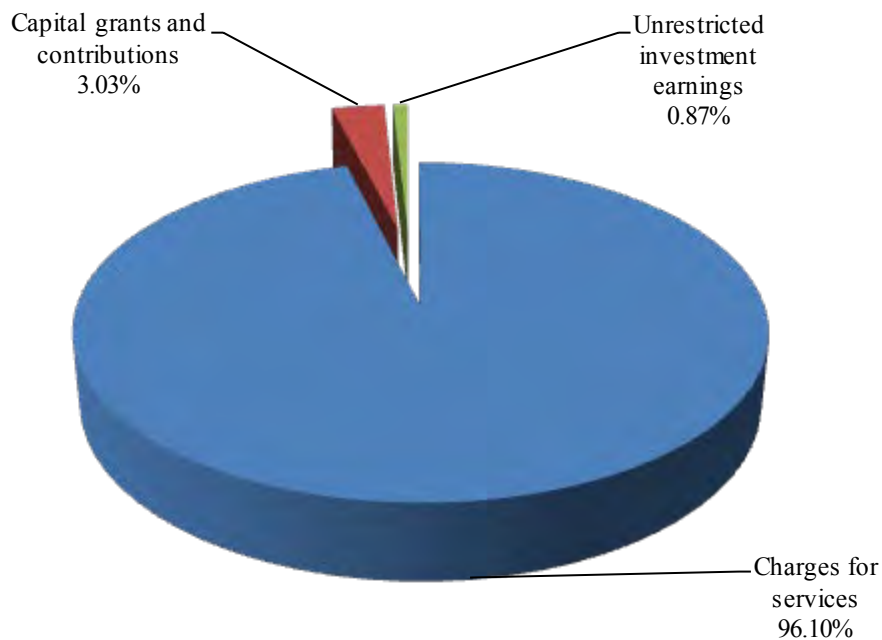
Business-type activities. Business-type activities decreased the City's net position by \$30,703. A key element of this decrease is as follows:

- Transfers from the water and sewer fund increased by \$204,880 from the previous year. These transfers were made to the Debt Service fund for debt service payments.

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,036,484. Approximately 24 percent of this total amount, \$731,311, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The City also has nonspendable balance of \$15,079, restricted balance of \$1,781,010 and assigned balance of \$509,084.

| Major Fund | Fund Balances December 31 | | Increase (Decrease) |
|---|------------------------------|--------------|------------------------|
| | 2012 | 2013 | |
| General | \$ 2,071,489 | \$ 2,249,166 | \$ 177,677 |
| Revenues exceeded expenditures by \$430,356 during the year. Other activity included sale of assets of \$27,321 and net transfers out of \$280,000. | | | |
| Debt Service Funds | \$ 847,904 | \$ 1,333,389 | \$ 485,485 |
| The Debt Service funds had a large increase in fund balances due to bond proceeds of \$560,000. | | | |
| Rum River Bluff's Development | \$ - | \$ (503,134) | \$ (503,134) |
| Expenditures exceeded revenues by \$503,134 during the year. Expenditures consisted of capital outlay for the Rum River Bluff's | | | |

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,973,367. The change in net position for the funds was a decrease of \$30,703. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was not amended during the year. The budget called for a decrease in fund balance of \$116,748. Actual net change to the General fund balance was an increase of \$177,677. Actual revenues were \$118,587 over budget due to a positive budget variance in intergovernmental and charges for services of \$94,078 and \$28,176. Expenditures in total were under budget by \$176,517. All departments were under budget with the exception of community development which was over budget by \$82,488. The largest positive expenditure variances were in public safety and culture and recreation of \$101,133 and \$90,678, respectively.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2013, amounts to \$36,437,390 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- The City purchased a 2013 Bobcat totaling \$28,889. Other purchases were for a floor scrubber, a forklift, and three vehicles.
- The new Police/Public Works building was completed during the year, with construction costs of \$28,639 added in 2013.
- The HWY 47 Crossing was completed during the year, with construction costs of \$72,488 added in 2013.
- The Ambassador Blvd Trunk Utilities project was completed during the year, with construction costs of \$6,049 added in 2013. The total cost of the project was \$1,632,894.
- The replacement of the Woodhaven Trailer Park water meter was completed in 2013 for a total costs of \$194,857.

Additional information on the City's capital assets can be found in Note 3B starting on page 67 of this report.

City of St. Francis' Capital Assets (net of depreciation)

| | Governmental Activities | | | Business-type Activities | | |
|--------------------------|-------------------------|----------------------|------------------------|--------------------------|----------------------|------------------------|
| | 2013 | 2012 | Increase (Decrease) | 2013 | 2012 | Increase (Decrease) |
| Land | \$ 1,427,736 | \$ 1,427,736 | \$ - | \$ 2,359,188 | \$ 2,359,188 | \$ - |
| Construction in progress | 503,134 | 7,931,366 | (7,428,232) | 1,632,895 | 1,819,776 | (186,881) |
| Land improvements | 95,937 | 104,675 | (8,738) | - | - | - |
| Buildings | 8,334,263 | 802,629 | 7,531,634 | 12,626,351 | 13,015,493 | (389,142) |
| Infrastructure | 3,912,268 | 3,804,560 | 107,708 | 4,527,260 | 4,592,937 | (65,677) |
| Machinery and equipment | 854,780 | 974,907 | (120,127) | 163,578 | 190,041 | (26,463) |
| Total | \$ 15,128,118 | \$ 15,045,873 | \$ 82,245 | \$ 21,309,272 | \$ 21,977,435 | \$ (668,163) |

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,791,000. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of St. Francis' Outstanding Debt

| | Governmental Activities | | | Business-type Activities | | |
|----------------------------------|----------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|----------------------------|
| | 2013 | 2012 | Increase (Decrease) | 2013 | 2012 | Increase (Decrease) |
| General obligation revenue bonds | \$ 9,385,000 | \$ 9,085,000 | \$ 300,000 | \$ 15,406,000 | \$ 14,204,000 | \$ 1,202,000 |
| Capital Leases | 46,521 | 75,070 | (28,549) | - | - | - |
| Compensated absences payable | 144,879 | 152,649 | (7,770) | 29,326 | 26,670 | 2,656 |
| Total | <u>\$ 9,576,400</u> | <u>\$ 9,312,719</u> | <u>\$ 263,681</u> | <u>\$ 15,435,326</u> | <u>\$ 14,230,670</u> | <u>\$ 1,204,656</u> |

The City's total debt increased \$1,468,337 during the current fiscal year. The increase in outstanding debt can be attributed the issuance of the G.O. Crossover Refunding Bonds 2013A in the amount of \$2,730,000.

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

Additional information on the City's long-term debt can be found in Note 3E starting on page 70 of this report.

Economic Factors and Next Year's Budgets and Rates

The City is anticipating an increase in building activity as there were twelve new home permits pulled in 2013.

The City's Adopted budget includes a property tax levy of \$2,988,086 which is an increase of 4.0 percent over the 2013 Levy.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of St. Francis, 23340 Cree Street NW, St. Francis, Minnesota 55070.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and temporary investments | \$ 3,448,827 | \$ 5,277,597 | \$ 8,726,424 |
| Cash held with fiscal agent | 548,074 | 2,121,848 | 2,669,922 |
| Restricted cash | 551,795 | - | 551,795 |
| Receivables | | | |
| Accrued interest | 11,581 | 20,177 | 31,758 |
| Delinquent taxes | 93,498 | - | 93,498 |
| Accounts | 293,618 | 325,091 | 618,709 |
| Special assessments | 1,027,182 | 167,697 | 1,194,879 |
| Due from other governments | 225,464 | 21,217 | 246,681 |
| Internal balances | (1,445,222) | 1,445,222 | - |
| Inventories | 15,079 | 206,491 | 221,570 |
| Capital assets | | | |
| Land and construction in progress | 1,930,870 | 2,359,187 | 4,290,057 |
| Depreciable assets (net of accumulated depreciation) | 13,197,248 | 18,950,085 | 32,147,333 |
| TOTAL ASSETS | 19,898,014 | 30,894,612 | 50,792,626 |
| LIABILITIES | | | |
| Accounts payable | 76,741 | 103,176 | 179,917 |
| Contracts payable | 84,565 | 68,174 | 152,739 |
| Accrued salaries payable | 96,261 | 17,934 | 114,195 |
| Due to other governments | 2,635 | 20,577 | 23,212 |
| Accrued interest payable | 157,258 | 200,379 | 357,637 |
| Deposits payable | 1,050 | - | 1,050 |
| Unearned revenue | - | 2,407 | 2,407 |
| Noncurrent liabilities | | | |
| Due within one year | 399,133 | 1,017,892 | 1,417,025 |
| Due in more than one year | 9,177,267 | 14,417,434 | 23,594,701 |
| TOTAL LIABILITIES | 9,994,910 | 15,847,973 | 25,842,883 |
| NET POSITION | | | |
| Net investment in capital assets | 6,491,164 | 8,073,272 | 14,564,436 |
| Restricted for | | | |
| Debt service | 784,562 | - | 784,562 |
| Park improvements | 240,365 | - | 240,365 |
| Police expenses | 7,014 | - | 7,014 |
| Turtle ridge project | 19,139 | - | 19,139 |
| Capital purchases | 15,486 | - | 15,486 |
| Unrestricted | 2,345,374 | 6,973,367 | 9,318,741 |
| TOTAL NET POSITION | \$ 9,903,104 | \$ 15,046,639 | \$ 24,949,743 |

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

CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

| Functions/Programs | Expenses | Program Revenue | | |
|--------------------------------|---------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities | | | | |
| General government | \$ 684,752 | \$ 246,588 | - | \$ - |
| Public safety | 1,742,193 | 105,181 | 132,339 | - |
| Public works | 1,098,082 | 4,361 | 23,699 | 828,448 |
| Culture and recreation | 362,829 | 1,345 | 7,100 | 54,135 |
| Community development | 268,789 | 130,917 | - | 75,000 |
| Miscellaneous | 5,571 | 111,023 | - | - |
| Interest on long-term debt | 376,293 | - | - | - |
| Total governmental activities | <u>4,538,509</u> | <u>599,415</u> | <u>163,138</u> | <u>957,583</u> |
| Business-type activities | | | | |
| Water | 1,156,583 | 1,132,206 | - | 78,600 |
| Sewer | 972,980 | 906,182 | - | 50,400 |
| Liquor store | 1,899,467 | 2,058,662 | - | - |
| Total business-type activities | <u>4,029,030</u> | <u>4,097,050</u> | <u>-</u> | <u>129,000</u> |
| Total | <u>\$ 8,567,539</u> | <u>\$ 4,696,465</u> | <u>\$ 163,138</u> | <u>\$ 1,086,583</u> |

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

State grants and contributions not restricted to specific programs

Unrestricted investment earnings (loss)

Transfers

Total general revenues and transfers

Change in net position

Net position, January 1

Net position, December 31

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

Net (Expenses) Revenues and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (438,164) | \$ - | \$ (438,164) |
| (1,504,673) | - | (1,504,673) |
| (241,574) | - | (241,574) |
| (300,249) | - | (300,249) |
| (62,872) | - | (62,872) |
| 105,452 | - | 105,452 |
| (376,293) | - | (376,293) |
| <u>(2,818,373)</u> | <u>-</u> | <u>(2,818,373)</u> |
| - | 54,223 | 54,223 |
| - | (16,398) | (16,398) |
| - | 159,195 | 159,195 |
| <u>-</u> | <u>197,020</u> | <u>197,020</u> |
| <u>(2,818,373)</u> | <u>197,020</u> | <u>(2,621,353)</u> |
| 2,980,554 | - | 2,980,554 |
| 20,984 | - | 20,984 |
| 14,270 | - | 14,270 |
| 85,992 | - | 85,992 |
| (17,832) | 37,157 | 19,325 |
| 264,880 | (264,880) | - |
| <u>3,348,848</u> | <u>(227,723)</u> | <u>3,121,125</u> |
| 530,475 | (30,703) | 499,772 |
| <u>9,372,629</u> | <u>15,077,342</u> | <u>24,449,971</u> |
| <u>\$ 9,903,104</u> | <u>\$ 15,046,639</u> | <u>\$ 24,949,743</u> |

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FUND FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

CITY OF ST. FRANCIS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

| | 101 | 300's | 420 | | |
|---|---------------------|---------------------|------------------------------------|--------------------------------|--------------------------------|
| | General | Debt Service | Rum River Bluffs Development | Other Governmental Funds | Total Governmental Funds |
| ASSETS | | | | | |
| Cash and temporary investments | \$ 2,263,015 | \$ 230,498 | \$ - | \$ 955,314 | \$ 3,448,827 |
| Cash held with fiscal agent | - | 548,074 | - | - | 548,074 |
| Restricted cash | - | 551,795 | - | - | 551,795 |
| Receivables | | | | | |
| Accrued interest | 6,521 | 2,284 | - | 2,776 | 11,581 |
| Delinquent taxes | 92,848 | 650 | - | - | 93,498 |
| Accounts | 9,631 | - | - | 283,987 | 293,618 |
| Special assessments | 38,110 | 167,781 | 615,820 | 205,471 | 1,027,182 |
| Due from other governments | 155,776 | 738 | - | 68,950 | 225,464 |
| Inventories | 15,079 | - | - | - | 15,079 |
| TOTAL ASSETS | \$ 2,580,980 | \$ 1,501,820 | \$ 615,820 | \$ 1,516,498 | \$ 6,215,118 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 65,460 | \$ - | \$ 4,724 | \$ 6,557 | \$ 76,741 |
| Contracts payable | 35,450 | - | 44,656 | 4,459 | 84,565 |
| Accrued salaries payable | 96,261 | - | - | - | 96,261 |
| Due to other governments | 2,635 | - | - | - | 2,635 |
| Deposits payable | 1,050 | - | - | - | 1,050 |
| Due to other funds | - | - | 453,754 | 991,468 | 1,445,222 |
| TOTAL LIABILITIES | 200,856 | - | 503,134 | 1,002,484 | 1,706,474 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - taxes | 92,848 | 650 | - | - | 93,498 |
| Unavailable revenues - developer/other receivables | - | - | - | 351,480 | 351,480 |
| Unavailable revenues - special assessments | 38,110 | 167,781 | 615,820 | 205,471 | 1,027,182 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 130,958 | 168,431 | 615,820 | 556,951 | 1,472,160 |
| FUND BALANCES | | | | | |
| Nonspendable | 15,079 | - | - | - | 15,079 |
| Restricted | - | 1,333,389 | - | 447,621 | 1,781,010 |
| Assigned | 8,174 | - | - | 500,910 | 509,084 |
| Unassigned | 2,225,913 | - | (503,134) | (991,468) | 731,311 |
| TOTAL FUND BALANCES | 2,249,166 | 1,333,389 | (503,134) | (42,937) | 3,036,484 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 2,580,980 | \$ 1,501,820 | \$ 615,820 | \$ 1,516,498 | \$ 6,215,118 |

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

CITY OF ST. FRANCIS, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

| | |
|---|--------------|
| Total fund balances - governmental | \$ 3,036,484 |
| <p>Amounts reported for the governmental activities in the statement of net position are different because</p> | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p> | |
| Cost of capital assets | 18,572,409 |
| Less: accumulated depreciation | (3,444,291) |
| <p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p> | |
| <p>Long-term liabilities at year-end consist of</p> | |
| Bonds and leases payable | (9,431,521) |
| Compensated absences payable | (144,879) |
| <p>Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.</p> | |
| Special assessments receivable | 1,027,182 |
| Delinquent taxes receivable | 93,498 |
| Developer/other receivables | 351,480 |
| Governmental funds do not report a liability for accrued interest until due and payable. | (157,258) |
| Total net position - governmental activities | \$ 9,903,104 |

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

CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 101 | 300's | 420 | | |
|--|---------------------|---------------------|------------------------------------|--------------------------------|--------------------------------|
| | General | Debt Service | Rum River Bluffs Development | Other Governmental Funds | Total Governmental Funds |
| REVENUES | | | | | |
| Taxes | \$ 2,986,193 | \$ 20,984 | \$ - | \$ 14,270 | \$ 3,021,447 |
| Licenses and permits | 87,298 | - | - | - | 87,298 |
| Intergovernmental | 405,149 | - | - | 44,135 | 449,284 |
| Charges for services | 296,909 | - | - | 29,690 | 326,599 |
| Fines and forfeitures | 33,927 | - | - | - | 33,927 |
| Special assessments | - | 24,024 | - | 27,117 | 51,141 |
| Interest on investments | 11,263 | (36,794) | - | 7,699 | (17,832) |
| Miscellaneous | 134,577 | - | - | 59,298 | 193,875 |
| TOTAL REVENUES | 3,955,316 | 8,214 | - | 182,209 | 4,145,739 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 654,631 | - | - | - | 654,631 |
| Public safety | 1,525,567 | - | - | 7,482 | 1,533,049 |
| Public works | 686,201 | - | - | - | 686,201 |
| Culture and recreation | 247,542 | - | - | - | 247,542 |
| Community development | 251,368 | - | - | 13,291 | 264,659 |
| Miscellaneous | 5,571 | - | - | - | 5,571 |
| Capital outlay | | | | | |
| General government | 3,164 | - | - | - | 3,164 |
| Public safety | 62,435 | - | - | 23,856 | 86,291 |
| Public works | - | - | 503,134 | 148,646 | 651,780 |
| Culture and recreation | 28,889 | - | - | 91,305 | 120,194 |
| Community development | 26,470 | - | - | - | 26,470 |
| Debt service | | | | | |
| Principal | 28,549 | 260,000 | - | - | 288,549 |
| Bond issuance costs | - | 5,847 | - | - | 5,847 |
| Interest and other charges | 4,573 | 361,762 | - | - | 366,335 |
| TOTAL EXPENDITURES | 3,524,960 | 627,609 | 503,134 | 284,580 | 4,940,283 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 430,356 | (619,395) | (503,134) | (102,371) | (794,544) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 60,000 | 544,880 | - | - | 604,880 |
| Sale of capital assets | 27,321 | - | - | - | 27,321 |
| Bonds issued | - | 560,000 | - | - | 560,000 |
| Transfers out | (340,000) | - | - | - | (340,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | (252,679) | 1,104,880 | - | - | 852,201 |
| NET CHANGE IN FUND BALANCES | 177,677 | 485,485 | (503,134) | (102,371) | 57,657 |
| FUND BALANCES, JANUARY 1 | 2,071,489 | 847,904 | - | 59,434 | 2,978,827 |
| FUND BALANCES, DECEMBER 31 | \$ 2,249,166 | \$ 1,333,389 | \$ (503,134) | \$ (42,937) | \$ 3,036,484 |

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

CITY OF ST. FRANCIS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | |
|--|------------|
| Total net change in fund balances - governmental funds | \$ 57,657 |
| Amounts reported for governmental activities in the statement of activities are different because | |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p> | |
| Capital outlays | 821,669 |
| Depreciation expense | (632,826) |
| Gain (loss) on disposal of capital assets | (106,598) |
| <p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p> | |
| Principal repayments | 288,549 |
| Debt issued | (560,000) |
| <p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p> | |
| | (4,111) |
| <p>Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p> | |
| Special assessments | 595,054 |
| Property taxes | (5,639) |
| Miscellaneous revenue | 68,950 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | |
| Compensated absences | 7,770 |
| Change in net position - governmental activities | \$ 530,475 |

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

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CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 2,990,200 | \$ 2,990,200 | \$ 2,986,193 | \$ (4,007) |
| Licenses and permits | 90,668 | 90,668 | 87,298 | (3,370) |
| Intergovernmental | 311,071 | 311,071 | 405,149 | 94,078 |
| Charges for services | 268,733 | 268,733 | 296,909 | 28,176 |
| Fines and forfeitures | 27,230 | 27,230 | 33,927 | 6,697 |
| Interest on investments | 32,205 | 32,205 | 11,263 | (20,942) |
| Miscellaneous | 116,622 | 116,622 | 134,577 | 17,955 |
| TOTAL REVENUES | 3,836,729 | 3,836,729 | 3,955,316 | 118,587 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 720,355 | 720,355 | 654,631 | 65,724 |
| Public safety | 1,626,700 | 1,626,700 | 1,525,567 | 101,133 |
| Public works | 694,260 | 694,260 | 686,201 | 8,059 |
| Culture and recreation | 338,220 | 338,220 | 247,542 | 90,678 |
| Community development | 168,880 | 168,880 | 251,368 | (82,488) |
| Miscellaneous | 6,100 | 6,100 | 5,571 | 529 |
| Capital outlay | | | | |
| General government | 16,000 | 16,000 | 3,164 | 12,836 |
| Public safety | 65,900 | 65,900 | 62,435 | 3,465 |
| Culture and recreation | 31,940 | 31,940 | 28,889 | 3,051 |
| Community development | - | - | 26,470 | (26,470) |
| Debt service | | | | |
| Principal | 28,549 | 28,549 | 28,549 | - |
| Interest and other charges | 4,573 | 4,573 | 4,573 | - |
| TOTAL EXPENDITURES | 3,701,477 | 3,701,477 | 3,524,960 | 176,517 |
| EXCESS OF REVENUES OVER EXPENDITURES | 135,252 | 135,252 | 430,356 | 295,104 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 60,000 | 60,000 | 60,000 | - |
| Sale of capital assets | 28,000 | 28,000 | 27,321 | (679) |
| Transfers out | (340,000) | (340,000) | (340,000) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (252,000) | (252,000) | (252,679) | (679) |
| NET CHANGE IN FUND BALANCES | (116,748) | (116,748) | 177,677 | 294,425 |
| FUND BALANCES, JANUARY 1 | 2,071,489 | 2,071,489 | 2,071,489 | - |
| FUND BALANCES, DECEMBER 31 | \$ 1,954,741 | \$ 1,954,741 | \$ 2,249,166 | \$ 294,425 |

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

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF NET POSITION - CONTINUED ON THE FOLLOWING PAGES
PROPRIETARY FUNDS
DECEMBER 31, 2013 AND 2012

| | Business-type Activities - Enterprise Funds | | | |
|--------------------------------|---|-------------------|-------------------|-------------------|
| | 601 | | 602 | |
| | Water | | Sewer | |
| | 2013 | 2012 | 2013 | 2012 |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and temporary investments | \$ 1,966,764 | \$ 2,854,079 | \$ 1,884,920 | \$ 2,039,434 |
| Cash held with fiscal agent | 954,832 | - | 1,167,016 | - |
| Receivables | | | | |
| Accrued interest | 10,139 | 10,931 | 5,636 | 5,774 |
| Accounts | 208,882 | 171,220 | 97,271 | 107,993 |
| Special assessments | 34,655 | 32,226 | 20,270 | 36,486 |
| Due from other governments | 20,935 | 12,749 | 282 | - |
| Due from other funds | 1,445,222 | 1,018,754 | - | - |
| Inventory | - | - | - | - |
| TOTAL CURRENT ASSETS | 4,641,429 | 4,099,959 | 3,175,395 | 2,189,687 |
| NONCURRENT ASSETS | | | | |
| Special assessments | - | - | 112,772 | 101,711 |
| Capital assets | | | | |
| Land | 18,115 | 18,115 | 2,337,838 | 2,337,838 |
| Construction in progress | - | 192,931 | - | 1,626,846 |
| Buildings | 8,994,235 | 8,994,235 | 7,256,415 | 7,256,415 |
| Machinery and equipment | 151,148 | 151,148 | 151,321 | 151,321 |
| Infrastructure | 5,006,832 | 4,811,973 | 2,981,282 | 1,348,387 |
| Less accumulated depreciation | (2,575,635) | (2,249,318) | (3,366,022) | (3,048,991) |
| NET CAPITAL ASSETS | 11,594,695 | 11,919,084 | 9,360,834 | 9,671,816 |
| TOTAL NONCURRENT ASSETS | 11,594,695 | 11,919,084 | 9,473,606 | 9,773,527 |
| TOTAL ASSETS | 16,236,124 | 16,019,043 | 12,649,001 | 11,963,214 |

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

Business-type Activities - Enterprise Funds

609

| Liquor Store | | Totals | |
|------------------|------------------|--------------------|--------------------|
| 2013 | 2012 | 2013 | 2012 |
| \$ 1,425,913 | \$ 1,260,367 | \$ 5,277,597 | \$ 6,153,880 |
| - | - | 2,121,848 | - |
| 4,402 | 3,725 | 20,177 | 20,430 |
| 18,938 | 18,199 | 325,091 | 297,412 |
| | | 54,925 | 68,712 |
| - | - | 21,217 | 12,749 |
| - | - | 1,445,222 | 1,018,754 |
| 206,491 | 214,794 | 206,491 | 214,794 |
| <u>1,655,744</u> | <u>1,497,085</u> | <u>9,472,568</u> | <u>7,786,731</u> |
| - | - | 112,772 | 101,711 |
| 3,234 | 3,234 | 2,359,187 | 2,359,187 |
| - | - | - | 1,819,777 |
| 608,660 | 608,660 | 16,859,310 | 16,859,310 |
| 204,710 | 204,710 | 507,179 | 507,179 |
| - | - | 7,988,114 | 6,160,360 |
| <u>(462,861)</u> | <u>(430,069)</u> | <u>(6,404,518)</u> | <u>(5,728,378)</u> |
| <u>353,743</u> | <u>386,535</u> | <u>21,309,272</u> | <u>21,977,435</u> |
| <u>353,743</u> | <u>386,535</u> | <u>21,422,044</u> | <u>22,079,146</u> |
| <u>2,009,487</u> | <u>1,883,620</u> | <u>30,894,612</u> | <u>29,865,877</u> |

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
DECEMBER 31, 2013 AND 2012

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------------|---------------------|---------------------|
| | 601 | | 602 | |
| | Water | | Sewer | |
| | 2013 | 2012 | 2013 | 2012 |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 9,658 | \$ 19,847 | \$ 13,306 | \$ 25,707 |
| Contracts payable | 2,570 | 157,975 | 65,604 | 65,604 |
| Accrued salaries payable | 4,479 | 4,365 | 3,928 | 4,374 |
| Due to other governments | 1,654 | 1,406 | 1,203 | 1,035 |
| Accrued interest payable | 126,493 | 120,051 | 73,886 | 62,557 |
| Unearned revenue | 2,407 | 856 | - | - |
| Compensated absences payable - current | 5,003 | 3,389 | 5,003 | 3,389 |
| Bonds payable - current | 593,500 | 575,250 | 406,500 | 392,750 |
| TOTAL CURRENT LIABILITIES | 745,764 | 883,139 | 569,430 | 555,416 |
| NONCURRENT LIABILITIES | | | | |
| Compensated absences payable | 2,180 | 3,655 | 2,180 | 3,655 |
| Bonds payable | 9,818,250 | 9,435,250 | 4,587,750 | 3,800,750 |
| TOTAL NONCURRENT LIABILITIES | 9,820,430 | 9,438,905 | 4,589,930 | 3,804,405 |
| TOTAL LIABILITIES | 10,566,194 | 10,322,044 | 5,159,360 | 4,359,821 |
| NET POSITION | | | | |
| Net investment in capital assets | 2,159,445 | 1,908,584 | 5,560,084 | 5,478,316 |
| Unrestricted | 3,510,485 | 3,788,415 | 1,929,557 | 2,125,077 |
| TOTAL NET POSITION | \$ 5,669,930 | \$ 5,696,999 | \$ 7,489,641 | \$ 7,603,393 |

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

Business-type Activities - Enterprise Funds

609

| Liquor Store | | Totals | |
|---------------------|---------------------|----------------------|----------------------|
| 2013 | 2012 | 2013 | 2012 |
| \$ 80,212 | \$ 68,601 | \$ 103,176 | \$ 114,155 |
| - | - | 68,174 | 223,579 |
| 9,527 | 7,779 | 17,934 | 16,518 |
| 17,720 | 17,708 | 20,577 | 20,149 |
| - | - | 200,379 | 182,608 |
| - | - | 2,407 | 856 |
| 7,886 | 8,634 | 17,892 | 15,412 |
| - | - | 1,000,000 | 968,000 |
| <u>115,345</u> | <u>102,722</u> | <u>1,430,539</u> | <u>1,541,277</u> |
| 7,074 | 3,948 | 11,434 | 11,258 |
| - | - | 14,406,000 | 13,236,000 |
| <u>7,074</u> | <u>3,948</u> | <u>14,417,434</u> | <u>13,247,258</u> |
| <u>122,419</u> | <u>106,670</u> | <u>15,847,973</u> | <u>14,788,535</u> |
| 353,743 | 386,535 | 8,073,272 | 7,773,435 |
| <u>1,533,325</u> | <u>1,390,415</u> | <u>6,973,367</u> | <u>7,303,907</u> |
| <u>\$ 1,887,068</u> | <u>\$ 1,776,950</u> | <u>\$ 15,046,639</u> | <u>\$ 15,077,342</u> |

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------------|---------------------|---------------------|
| | 601 | | 602 | |
| | Water | | Sewer | |
| | 2013 | 2012 | 2013 | 2012 |
| OPERATING REVENUES | | | | |
| Sales | \$ - | \$ - | \$ - | \$ - |
| Cost of sales | - | - | - | - |
| GROSS PROFIT | - | - | - | - |
| Charges for services | 1,126,439 | 1,137,548 | 884,367 | 875,916 |
| TOTAL OPERATING REVENUES | <u>1,126,439</u> | <u>1,137,548</u> | <u>884,367</u> | <u>875,916</u> |
| OPERATING EXPENSES | | | | |
| Personal services | 128,162 | 136,032 | 126,637 | 132,992 |
| Supplies | 160,784 | 136,146 | 50,332 | 35,387 |
| Professional services | 88,500 | 87,827 | 139,343 | 79,176 |
| Communications | 3,819 | 5,538 | 2,090 | 2,925 |
| Insurance | 15,901 | 13,680 | 9,578 | 8,768 |
| Utilities | 80,080 | 74,951 | 103,953 | 97,178 |
| Repairs and maintenance | 37,334 | 61,936 | 34,382 | 69,305 |
| Depreciation | 326,318 | 322,687 | 317,030 | 264,128 |
| Other | 11,109 | 4,595 | 16,039 | 17,363 |
| TOTAL OPERATING EXPENSES | <u>852,007</u> | <u>843,392</u> | <u>799,384</u> | <u>707,222</u> |
| OPERATING INCOME | <u>274,432</u> | <u>294,156</u> | <u>84,983</u> | <u>168,694</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Miscellaneous grants | - | 6,500 | - | - |
| Interest income | 19,788 | 35,203 | 6,446 | 18,050 |
| Miscellaneous | 5,767 | 9,970 | 21,815 | 22,376 |
| Bond issuance costs | (14,528) | - | (17,756) | - |
| Interest expense | (290,048) | (293,227) | (155,840) | (151,460) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>(279,021)</u> | <u>(241,554)</u> | <u>(145,335)</u> | <u>(111,034)</u> |
| INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | <u>(4,589)</u> | <u>52,602</u> | <u>(60,352)</u> | <u>57,660</u> |
| TRANSFERS AND CONTRIBUTIONS | | | | |
| Capital contributions - connection fees | 78,600 | 32,400 | 50,400 | 33,600 |
| Transfers out | (101,080) | - | (103,800) | - |
| TOTAL TRANSFERS AND CONTRIBUTIONS | <u>(22,480)</u> | <u>32,400</u> | <u>(53,400)</u> | <u>33,600</u> |
| CHANGE IN NET POSITION | (27,069) | 85,002 | (113,752) | 91,260 |
| NET POSITION, JANUARY 1 | <u>5,696,999</u> | <u>5,611,997</u> | <u>7,603,393</u> | <u>7,512,133</u> |
| NET POSITION, DECEMBER 31 | <u>\$ 5,669,930</u> | <u>\$ 5,696,999</u> | <u>\$ 7,489,641</u> | <u>\$ 7,603,393</u> |

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

Business-type Activities - Enterprise Funds

| 609 | | | |
|---------------------|---------------------|----------------------|----------------------|
| Liquor Store | | Totals | |
| 2013 | 2012 | 2013 | 2012 |
| \$ 2,058,003 | \$ 2,094,876 | \$ 2,058,003 | \$ 2,094,876 |
| (1,522,305) | (1,511,868) | (1,522,305) | (1,511,868) |
| 535,698 | 583,008 | 535,698 | 583,008 |
| - | - | 2,010,806 | 2,013,464 |
| 535,698 | 583,008 | 2,546,504 | 2,596,472 |
| 211,003 | 199,461 | 465,802 | 468,485 |
| 4,978 | 13,023 | 216,094 | 184,556 |
| 82,784 | 76,713 | 310,627 | 243,716 |
| 1,587 | 2,234 | 7,496 | 10,697 |
| 12,468 | 7,829 | 37,947 | 30,277 |
| 17,491 | 16,987 | 201,524 | 189,116 |
| 7,509 | 13,633 | 79,225 | 144,874 |
| 32,792 | 32,325 | 676,140 | 619,140 |
| 6,550 | 9,072 | 33,698 | 31,030 |
| 377,162 | 371,277 | 2,028,553 | 1,921,891 |
| 158,536 | 211,731 | 517,951 | 674,581 |
| - | - | - | 6,500 |
| 10,923 | 11,650 | 37,157 | 64,903 |
| 659 | 1,135 | 28,241 | 33,481 |
| - | - | (32,284) | - |
| - | - | (445,888) | (444,687) |
| 11,582 | 12,785 | (412,774) | (339,803) |
| 170,118 | 224,516 | 105,177 | 334,778 |
| - | - | 129,000 | 66,000 |
| (60,000) | (60,000) | (264,880) | (60,000) |
| (60,000) | (60,000) | (135,880) | 6,000 |
| 110,118 | 164,516 | (30,703) | 340,778 |
| 1,776,950 | 1,612,434 | 15,077,342 | 14,736,564 |
| <u>\$ 1,887,068</u> | <u>\$ 1,776,950</u> | <u>\$ 15,046,639</u> | <u>\$ 15,077,342</u> |

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF CASH FLOWS - CONTINUED ON THE FOLLOWING PAGES
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------------|---------------------|---------------------|
| | 601 | | 602 | |
| | Water | | Sewer | |
| | 2013 | 2012 | 2013 | 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 1,085,480 | \$ 1,130,141 | \$ 932,838 | \$ 893,073 |
| Payments to suppliers | (404,898) | (390,193) | (302,346) | (301,227) |
| Payments to employees | (127,909) | (142,439) | (126,944) | (139,231) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>552,673</u> | <u>597,509</u> | <u>503,548</u> | <u>452,615</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| (Increase) decrease in due from other funds | (426,468) | 196,543 | - | - |
| Transfers to other funds | (101,080) | - | (103,800) | - |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>(527,548)</u> | <u>196,543</u> | <u>(103,800)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | |
| Connection fees received | 78,600 | 32,400 | 50,400 | 33,600 |
| Special assessments received | - | - | (11,061) | 6,243 |
| Acquisition of capital assets | (159,904) | (52,685) | (71,652) | (26,850) |
| Refunding bond proceeds | 976,101 | - | 1,193,012 | - |
| Payment made to refunding bond escrow agent | (966,346) | - | (1,181,089) | - |
| Issuance costs paid | (14,129) | - | (17,268) | - |
| Interest paid on bonds | (283,606) | (298,894) | (144,511) | (154,786) |
| Principal paid on bonds | (575,250) | (461,500) | (392,750) | (233,500) |
| NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES | <u>(944,534)</u> | <u>(780,679)</u> | <u>(574,919)</u> | <u>(375,293)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received on investments | 32,094 | 73,185 | 20,657 | 34,489 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (887,315) | 86,558 | (154,514) | 111,811 |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>2,854,079</u> | <u>2,767,521</u> | <u>2,039,434</u> | <u>1,927,623</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u>\$ 1,966,764</u> | <u>\$ 2,854,079</u> | <u>\$ 1,884,920</u> | <u>\$ 2,039,434</u> |

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

Business-type Activities - Enterprise Funds

609

| Liquor Store | | Totals | |
|---------------------|---------------------|---------------------|---------------------|
| 2013 | 2012 | 2013 | 2012 |
| \$ 2,057,923 | \$ 2,102,852 | \$ 4,076,241 | \$ 4,126,066 |
| (1,635,746) | (1,683,564) | (2,342,990) | (2,374,984) |
| <u>(206,877)</u> | <u>(198,300)</u> | <u>(461,730)</u> | <u>(479,970)</u> |
| | | | |
| <u>215,300</u> | <u>220,988</u> | <u>1,271,521</u> | <u>1,271,112</u> |
| | | | |
| - | - | (426,468) | 196,543 |
| <u>(60,000)</u> | <u>(60,000)</u> | <u>(264,880)</u> | <u>(60,000)</u> |
| | | | |
| <u>(60,000)</u> | <u>(60,000)</u> | <u>(691,348)</u> | <u>136,543</u> |
| | | | |
| - | - | 129,000 | 66,000 |
| - | - | (11,061) | 6,243 |
| - | (7,060) | (231,556) | (86,595) |
| - | - | 2,169,113 | - |
| - | - | (2,147,435) | - |
| - | - | (31,397) | - |
| - | - | (428,117) | (453,680) |
| <u>-</u> | <u>-</u> | <u>(968,000)</u> | <u>(695,000)</u> |
| | | | |
| <u>-</u> | <u>(7,060)</u> | <u>(1,519,453)</u> | <u>(1,163,032)</u> |
| | | | |
| <u>10,246</u> | <u>20,997</u> | <u>62,997</u> | <u>128,671</u> |
| | | | |
| 165,546 | 174,925 | (876,283) | 373,294 |
| <u>1,260,367</u> | <u>1,085,442</u> | <u>6,153,880</u> | <u>5,780,586</u> |
| | | | |
| <u>\$ 1,425,913</u> | <u>\$ 1,260,367</u> | <u>\$ 5,277,597</u> | <u>\$ 6,153,880</u> |

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | Business-type Activities - Enterprise Funds | | | |
|---|---|--------------------------|--------------------------|--------------------------|
| | 601 Water | | 602 Sewer | |
| | 2013 | 2012 | 2013 | 2012 |
| RECONCILIATION OF OPERATING INCOME | | | | |
| TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | |
| Operating income | \$ 274,432 | \$ 294,156 | \$ 84,983 | \$ 168,694 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | |
| Depreciation | 326,318 | 322,687 | 317,030 | 264,128 |
| Other income related to operations | 5,767 | 16,470 | 21,815 | 22,376 |
| (Increase) decrease in assets | | | | |
| Receivables | | | | |
| Accounts | (37,662) | (17,672) | 10,722 | (8,071) |
| Special assessments | (2,429) | 3,748 | 16,216 | 2,852 |
| Due from other governments | (8,186) | (8,974) | (282) | - |
| Inventories | - | - | - | - |
| Increase (decrease) in liabilities | | | | |
| Accounts payable | (7,619) | (6,351) | 53,203 | 8,268 |
| Due to other governments | 248 | 831 | 168 | 607 |
| Accrued salaries payable | 114 | (796) | (446) | (628) |
| Unearned revenue | 1,551 | (979) | - | - |
| Compensated absences payable | 139 | (5,611) | 139 | (5,611) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 552,673</u> | <u>\$ 597,509</u> | <u>\$ 503,548</u> | <u>\$ 452,615</u> |
| NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES | | | | |
| Decrease in market value of investments | <u>\$ 11,514</u> | <u>\$ -</u> | <u>\$ 14,073</u> | <u>\$ -</u> |
| Capital assets acquired on account | <u>\$ -</u> | <u>\$ 157,975</u> | <u>\$ -</u> | <u>\$ 65,604</u> |

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

Business-type Activities - Enterprise Funds

609

| Liquor Store | | Totals | |
|-------------------|-------------------|---------------------|---------------------|
| 2013 | 2012 | 2013 | 2012 |
| \$ 158,536 | \$ 211,731 | \$ 517,951 | \$ 674,581 |
| 32,792 | 32,325 | 676,140 | 619,140 |
| 659 | 1,135 | 28,241 | 39,981 |
| (739) | 6,841 | (27,679) | (18,902) |
| - | - | 13,787 | 6,600 |
| - | - | (8,468) | (8,974) |
| 8,303 | (11,013) | 8,303 | (11,013) |
| 11,611 | (20,915) | 57,195 | (18,998) |
| 12 | (277) | 428 | 1,161 |
| 1,748 | (127) | 1,416 | (1,551) |
| - | - | 1,551 | (979) |
| 2,378 | 1,288 | 2,656 | (9,934) |
| <u>\$ 215,300</u> | <u>\$ 220,988</u> | <u>\$ 1,271,521</u> | <u>\$ 1,271,112</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,587</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 223,579</u> |

CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

| | Agency |
|--------------------------------|-------------------|
| | 853 |
| | Escrow |
| ASSETS | |
| Cash and temporary investments | \$ 134,251 |
| Special assessments receivable | 46 |
| TOTAL ASSETS | \$ 134,297 |
| LIABILITIES | |
| Accounts payable | \$ 5,138 |
| Deposits payable | 129,159 |
| TOTAL LIABILITIES | \$ 134,297 |

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

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

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

Blended component unit

The Economic Development Authority (EDA) of the City was created pursuant to Minnesota statutes 469.090 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The five member Board consists of two City Council members and three other City Council approved members. The EDA may not exercise any of its authorized powers without prior approval of the City Council. The EDA provides services entirely to the City. Separate financial statements are not issued for this component unit.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contribution, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The City reports the following major governmental funds:

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

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

The *Rum River Bluff's Development* accounts for financial resources used to finance the Rum River Bluff's Development.

The City reports the following major proprietary funds:

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

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

The *Liquor Store fund* accounts for the costs associated with the City's liquor operations.

Additionally, the City reports the following fund types:

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

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

This fund is used to account for developer deposits and funds held on the behalf of others. The developer deposits are used to pay for specific expenses related to development and planning. Once the development is complete, any remaining funds are returned to the original depositor.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and liquor enterprise funds are charges to customers for sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, liabilities and net position/fund balance

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investments for the City are reported at fair value. Earnings on investments are allocated to the individual funds based upon the average cash and investment balances. The Minnesota Municipal Money Market Fund (4M) investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M fund can be obtained by contacting RBC Global Asset Management at 100 South 5th Street, Suite 23000, Minneapolis, MN 55402-1240.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the City during January, July and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Accounts receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2013. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund receivables and payables

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

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Inventories

The inventories are stated at average cost, which approximates market using the first-in, first-out (FIFO) method.

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Useful Live in Years |
|----------------------------|-------------------------|
| Land improvements | 15 |
| Buildings and improvements | 15 to 40 |
| Infrastructure | 20 to 50 |
| Machinery and equipment | 3 to 20 |

Compensated absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which is paid to the employee upon separation. A portion of unused sick leave may also be paid upon separation from City service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate the governmental compensated absences liability.

Postemployment benefits other than pensions

In August 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the City's fiscal year 2009. Statement No. 45 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The City has no plans that would result in an OPEB liability and, therefore, the City anticipates it will not incur any future explicit or implicit OPEB costs for its employees and, therefore, no liability will be recorded.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Long-term obligations

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

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

Fund balance

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

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

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

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

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

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

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 45 percent of budgeted operating expenditures for cash-flow timing needs.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred inflows of resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, developer/other receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

Net position

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

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

Comparative data/reclassifications

Comparative total data for the prior year have been presented only for the individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year’s presentation.

Restricted assets

Certain resources set aside for the repayment of revenue bonds are classified as restricted assets because its use is limited by applicable bond resolutions. In accordance with these resolutions, reserve accounts have been established for the retirement of outstanding debt.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, special revenue funds, G.O. Bonds 2007A Debt Service fund, EDA Lease Revenue Debt Service fund, Park Improvements, Fire Truck Replacement, Capital Projects fund, Creekview Estate Street and Utility Improvement, and Ivywood and 230th Lane fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 15th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City’s department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is at the department level. The budget was not amended during 2013.

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

B. Excess of expenditures over appropriations

For the year ended December 31, 2013 expenditures exceeded appropriations in the following fund:

| Fund | Budget | Actual | Excess of Expenditures Over Appropriations |
|------------------------|---------|------------|---|
| Capital Project | \$ - | \$ 172,364 | \$ 172,364 |
| Go Bonds 2007A | 100,607 | 106,164 | 5,557 |
| EDA Lease Revenue | 520,045 | 521,445 | 1,400 |
| Park Development | - | 91,305 | 91,305 |
| Creekview Estates | - | 59 | 59 |
| Ivywood and 230th Lane | - | 79 | 79 |

The excess expenditures were funded by revenues in excess of expectations and/or future revenue sources.

C. Deficit fund equity

The following funds had deficits at December 31, 2013:

| Fund | Amount |
|---|------------|
| Major governmental | |
| Run River Bluff's Development | \$ 503,134 |
| Nonmajor governmental | |
| River's Edge Trunk Utility Improvement | 516,320 |
| Watermain Looping | 287,151 |
| Creekview Estate Street and Utility Improvement | 87,785 |
| Ivywood and 230th Lane | 100,212 |

- The deficit in the Run River Bluff's Development fund will be eliminated with receipts from a developer.
- The deficit in the River's Edge Trunk Utility Improvement fund will be financed with future collections of trunk charges as housing development emerges.
- The deficit in the Watermain Looping fund will be eliminated with receipts from a developer.
- The deficit in the Creekview Estate Street and Utility Improvements fund will be eliminated through future collections of special assessments.
- The deficit in the Ivywood and 230th Lane fund will be eliminated with future special assessments.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

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

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

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

At year end, the City's carrying amount of deposits was \$893,976 and the bank balance was \$886,053. The bank balance was covered by federal depository insurance totaling \$500,000. The remaining balance was covered by collateral held by the City's agent in the City's name.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Cash and investments summary

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

| | |
|---|-----------------------------|
| Carrying amount of deposits | \$ 893,976 |
| Investments | <u>11,188,416</u> |
| Total | <u><u>\$ 12,082,392</u></u> |
| As reported on the financial statements | |
| Statement of net position | |
| Cash and temporary investments | \$ 8,726,424 |
| Cash with fiscal agent | 2,669,922 |
| Restricted cash | 551,795 |
| Fiduciary statement of net position | <u>134,251</u> |
| Total | <u><u>\$ 12,082,392</u></u> |

Investments

As of December 31, 2013, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

| Types of Investments | Credit Quality/ Rating (1) | Segmented Time Distribution (2) | Fair Value and Carrying Amount |
|----------------------------------|----------------------------------|---------------------------------------|---|
| Non Pooled investments | | | |
| Brokered Certificates of Deposit | N/A | less than 6 months | \$ 198,000 |
| Brokered Certificates of Deposit | N/A | 6 months to 1 year | 344,000 |
| Brokered Certificates of Deposit | N/A | 1 to 3 years | 648,000 |
| Brokered Certificates of Deposit | N/A | more than 3 years | 1,402,000 |
| State and Local Government Sec. | AA+ | 1 to 3 years | 52,923 |
| State and Local Government Sec. | AA+ | more than 3 years | 508,670 |
| US Government Securities | AAA | more than 3 years | 2,759,995 |
| US Treasuries | AAA | less than 6 months | 29,005 |
| US Treasuries | AAA | 1 to 3 years | 25,583 |
| Pooled investments | | | |
| Minnesota Municipal Money Market | N/A | less than 6 months | 99,563 |
| Broker Money Market | N/A | less than 6 months | <u>5,120,677</u> |
| Total investments | | | <u><u>\$ 11,188,416</u></u> |

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

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

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 58 of the notes. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk.
- *Concentration of Credit risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with its investment policy, the investment portfolio should be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific issuer, maturity or class of securities. Extended maturities may be utilized to take advantage of higher yields; however, no more than 10 percent of the total investments should extend beyond five (5) years and in no circumstance should any extend beyond 10 years.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Capital assets

Capital asset activity for the year ended December 31, 2013 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-------------------------|-------------------------|---------------------------|-------------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,427,736 | \$ - | \$ - | \$ 1,427,736 |
| Construction in progress | 7,931,366 | 604,261 | (8,032,493) | 503,134 |
| Total capital assets not being depreciated | 9,359,102 | 604,261 | (8,032,493) | 1,930,870 |
| Capital assets, being depreciated | | | | |
| Land improvements | 174,771 | - | - | 174,771 |
| Buildings | 1,124,789 | 7,836,025 | (127,000) | 8,833,814 |
| Infrastructure | 4,460,520 | 277,715 | - | 4,738,235 |
| Machinery and equipment | 2,818,536 | 136,161 | (59,978) | 2,894,719 |
| Total capital assets being depreciated | 8,578,616 | 8,249,901 | (186,978) | 16,641,539 |
| Less accumulated depreciation for | | | | |
| Land improvements | (70,096) | (8,738) | - | (78,834) |
| Buildings | (322,160) | (224,562) | 47,171 | (499,551) |
| Infrastructure | (655,960) | (170,007) | - | (825,967) |
| Machinery and equipment | (1,843,629) | (229,519) | 33,209 | (2,039,939) |
| Total accumulated depreciation | (2,891,845) | (632,826) | 80,380 | (3,444,291) |
| Total capital assets being depreciated, net | 5,686,771 | 7,617,075 | (106,598) | 13,197,248 |
| Governmental activities capital assets, net | <u>\$15,045,873</u> | <u>\$ 8,221,336</u> | <u>\$ (8,139,091)</u> | <u>\$15,128,118</u> |

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------|----------------|-------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,359,187 | \$ - | \$ - | \$ 2,359,187 |
| Construction in progress | 1,819,777 | 7,977 | (1,827,754) | - |
| Total capital assets not being depreciated | 4,178,964 | 7,977 | (1,827,754) | 2,359,187 |
| Capital assets being depreciated | | | | |
| Buildings | 16,859,310 | - | - | 16,859,310 |
| Infrastructure | 6,160,360 | 1,827,754 | - | 7,988,114 |
| Machinery and equipment | 507,179 | - | - | 507,179 |
| Total capital assets being depreciated | 23,526,849 | 1,827,754 | - | 25,354,603 |
| Less accumulated depreciation for | | | | |
| Buildings | (3,843,816) | (389,142) | - | (4,232,958) |
| Infrastructure | (1,567,423) | (260,535) | - | (1,827,958) |
| Machinery and equipment | (317,139) | (26,463) | - | (343,602) |
| Total accumulated depreciation | (5,728,378) | (676,140) | - | (6,404,518) |
| Total capital assets being depreciated, net | 17,798,471 | 1,151,614 | - | 18,950,085 |
| Business-type activities capital assets, net | \$21,977,435 | \$ 1,159,591 | \$ (1,827,754) | \$21,309,272 |

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

| | |
|---|------------|
| Governmental activities | |
| General government | \$ 26,093 |
| Public safety | 194,823 |
| Community development | 2,482 |
| Public works | 314,002 |
| Culture and recreation | 95,426 |
| Total depreciation expense - governmental activities | \$ 632,826 |
| Business-type activities | |
| Water | \$ 326,318 |
| Sewer | 317,030 |
| Liquor store | 32,792 |
| Total depreciation expense - business-type activities | \$ 676,140 |

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

C. Construction commitments

The City had the following outstanding construction commitments at December 31, 2013:

| <u>Project</u> | <u>Spent to date</u> | <u>Remaining Commitment</u> |
|----------------------------|--------------------------|---------------------------------|
| Ambassador Trunk Utilities | \$ 1,354,722 | \$ 42,649 |
| Rum River Bluff | 376,584 | 96,337 |

D. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2013 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|------------------------|------------------------------|-----------------------|---------------------|
| Water | Rum River Bluffs Development | To provide cash flows | \$ 453,754 |
| Water | Other Governmental | To provide cash flows | 991,468 |
| Total | | | <u>\$ 1,445,222</u> |

The City made transfers during the fiscal year 2013 as shown and described below:

| <u>Fund</u> | <u>Transfer in</u> | | <u>Total</u> |
|--------------|--------------------|-------------------------|-------------------|
| | <u>General</u> | <u>Debt Service</u> | |
| Transfer out | | | |
| General | \$ - | \$ 340,000 | \$ 340,000 |
| Water | - | 101,080 | 101,080 |
| Sewer | - | 103,800 | 103,800 |
| Liquor Store | 60,000 | - | 60,000 |
| Total | <u>\$ 60,000</u> | <u>\$ 544,880</u> | <u>\$ 604,880</u> |

The City made the following transfers during 2013:

- The General fund transferred \$340,000 to the EDA Lease Revenue Bond fund for future debt service payments.
- The Liquor fund transferred \$60,000 to the General fund for its annual contribution in lieu of taxes and for its annual contribution to Pioneer Days.
- The Water and Sewer funds each transferred \$82,500 to the EDA Lease Revenue Bond fund for future debt service payments.
- The Water and Sewer funds transferred \$18,580 and \$21,300, respectively, to the 2007A Improvement Bond fund for future debt service payments.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

E. Long-term debt

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for proprietary activities. These bonds are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund general obligation bonds.

General obligation improvement bonds

The following bond was issued to finance various improvement projects throughout the City. It will be retired through a combination of transfers from enterprise funds, generated through utility revenues, future tax levies and special assessments.

| Description | Authorized and Issued | Interest Rate | Issue Date | Maturity Date | Balance at Year End |
|--|--------------------------|------------------|---------------|------------------|----------------------------|
| G.O. Improvement and Utility Revenue Bonds, Series 2007A | \$ 1,110,000 | 4.000 - 4.375 % | 12/13/07 | 02/01/23 | \$ 820,000 |
| G.O. Crossover Refunding Refunding Bonds Series 2013A | 560,000 | 1.000 - 2.000 | 03/27/13 | 02/01/23 | <u>560,000</u> |
| Total General Obligation Bonds | | | | | <u><u>\$ 1,380,000</u></u> |

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

| Year Ending December 31, | Governmental Activities | | |
|-----------------------------|----------------------------|--------------------------|----------------------------|
| | Principal | Interest | Total |
| 2014 | \$ 70,000 | \$ 45,109 | \$ 115,109 |
| 2015 | 70,000 | 38,596 | 108,596 |
| 2016 | 75,000 | 35,695 | 110,695 |
| 2017 | 75,000 | 32,695 | 107,695 |
| 2018 | 170,000 | 29,104 | 199,104 |
| 2019-2023 | <u>920,000</u> | <u>71,197</u> | <u>991,197</u> |
| Total | <u><u>\$ 1,380,000</u></u> | <u><u>\$ 252,396</u></u> | <u><u>\$ 1,632,396</u></u> |

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

General obligation revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

| Description | Authorized and Issued | Interest Rate | Issue Date | Maturity Date | Balance at Year End |
|---|--------------------------|------------------|---------------|------------------|----------------------------|
| G.O. Water and Sewer Revenue Crossover Refunding Bonds, Series 2006 | \$ 2,840,000 | 3.300 - 4.000 % | 02/27/06 | 02/01/16 | \$ 1,600,000 |
| G.O. Improvement and Utility Revenue Bonds, Series 2007 | 3,115,000 | 4.000 - 4.375 | 12/13/07 | 02/01/28 | 2,565,000 |
| MPFA - Water Revenue Bonds Series 2008 | 9,013,468 | 2.563 | 12/18/07 | 08/20/27 | 7,561,000 |
| G.O. Sewer Revenue Bonds, Series 2010A | 1,600,000 | 2.000 - 3.500 | 09/20/10 | 02/01/31 | 1,510,000 |
| G.O. Crossover Refunding Refunding Bonds Series 2013A | 560,000 | 1.000 - 2.300 | 03/27/13 | 02/01/23 | <u>2,170,000</u> |
| Total G.O. Revenue Bonds | | | | | <u><u>\$15,406,000</u></u> |

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

| Year Ending December 31, | Business-type Activities | | |
|-----------------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2014 | \$ 1,000,000 | \$ 451,030 | \$ 1,451,030 |
| 2015 | 1,043,000 | 399,304 | 1,442,304 |
| 2016 | 1,082,000 | 363,519 | 1,445,519 |
| 2017 | 737,000 | 337,771 | 1,074,771 |
| 2018 | 941,000 | 315,902 | 1,256,902 |
| 2019-2023 | 5,091,000 | 1,197,755 | 6,288,755 |
| 2024-2028 | 5,162,000 | 567,467 | 5,729,467 |
| 2029-2031 | 350,000 | 18,831 | 368,831 |
| Total | <u>\$ 15,406,000</u> | <u>\$ 3,651,579</u> | <u>\$ 19,057,579</u> |

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Lease revenue bonds

The EDA has issued lease revenue bonds for financing building projects in accordance with Minnesota statutes. The agreements are supported by capital leases between the EDA and the City. The bonds will be paid back with future City property tax levies.

| Description | Authorized and Issued | Interest Rate | Issue Date | Maturity Date | Balance at Year End |
|---------------------|--------------------------|------------------|---------------|------------------|------------------------|
| Public Project | | | | | |
| Lease Revenue Bonds | \$ 8,200,000 | 1.0-5.0 % | 01/01/12 | 02/01/37 | <u>\$ 8,005,000</u> |

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

| Year Ending December 31, | Governmental Activities | | |
|-----------------------------|-------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2014 | \$ 225,000 | \$ 322,383 | \$ 547,383 |
| 2015 | 230,000 | 318,395 | 548,395 |
| 2016 | 235,000 | 313,510 | 548,510 |
| 2017 | 240,000 | 308,045 | 548,045 |
| 2018 | 245,000 | 301,980 | 546,980 |
| 2019-2023 | 1,335,000 | 1,395,169 | 2,730,169 |
| 2024-2028 | 1,585,000 | 1,130,058 | 2,715,058 |
| 2029-2033 | 1,960,000 | 734,469 | 2,694,469 |
| 2034-2037 | 1,950,000 | 201,250 | 2,151,250 |
| Total | <u>\$ 8,005,000</u> | <u>\$ 5,025,259</u> | <u>\$ 13,030,259</u> |

Capital leases payable

The City has entered into capital leasing financing agreements for the following items.

| Asset | Cost | Accumulated Depreciation | Net Book Value |
|------------|-------------------|-----------------------------|-------------------|
| Fire Truck | <u>\$ 310,000</u> | <u>\$ (310,000)</u> | <u>\$ -</u> |

The balances of capital leases as of December 31, 2013 are as follows:

| Description | Authorized and Issued | Interest Rate | Issue Date | Maturity Date | Balance at Year End |
|------------------|--------------------------|------------------|---------------|------------------|---------------------------|
| Fire Truck Lease | \$ 310,000 | 6.72 % | 02/15/00 | 02/15/15 | <u>\$ 46,521</u> |

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Annual lease payment and accrued interest payments until maturity for capital leases are as follows:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> | | |
|-------------------------------------|--------------------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2014 | \$ 30,499 | \$ 2,622 | \$ 33,121 |
| 2015 | 16,022 | 539 | 16,561 |
| Total | <u>\$ 46,521</u> | <u>\$ 3,161</u> | <u>\$ 49,682</u> |

Changes in long-term liabilities

Noncurrent liability activity for the year ended December 31, 2013 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities | | | | | |
| Bonds payable | | | | | |
| General obligation bonds | \$ 885,000 | \$ 560,000 | \$ (65,000) | \$ 1,380,000 | \$ 70,000 |
| Lease revenue bonds | 8,200,000 | - | (195,000) | 8,005,000 | 225,000 |
| Other noncurrent debt | | | | | |
| Capital leases payable | 75,070 | - | (28,549) | 46,521 | 30,499 |
| Compensated absences payable | 152,649 | 78,811 | (86,581) | 144,879 | 73,634 |
| Governmental activity long-term liabilities | <u>\$ 9,312,719</u> | <u>\$ 638,811</u> | <u>\$ (375,130)</u> | <u>\$ 9,576,400</u> | <u>\$ 399,133</u> |
| Business-type activities | | | | | |
| Bonds payable | | | | | |
| General obligations revenue bonds | \$ 14,204,000 | \$ 2,170,000 | \$ (968,000) | \$ 15,406,000 | \$ 1,000,000 |
| Compensated absences payable | 26,670 | 20,389 | (17,733) | 29,326 | 17,892 |
| Business-type activity long-term liabilities | <u>\$ 14,230,670</u> | <u>\$ 2,190,389</u> | <u>\$ (985,733)</u> | <u>\$ 15,435,326</u> | <u>\$ 1,017,892</u> |

G.O. Crossover Refunding Bonds

On March 01, 2013, the City issued \$2,730,000 of General Obligation Crossover Refunding Bonds, Series 2013A. The bonds bear an average interest rate of 1.93 percent. The bonds will be used to call \$2,560,000 of the G.O. Improvement and Utility Bonds, Series 2007A on February 1, 2017. The City will pay the scheduled principal and interest on the Series 2003A bonds until the call date. As a result of the refunding issue, the City will save \$172,905 in debt service payments and achieve an economic gain (the present value of the difference between the old debt service and the new debt service) of \$141,520.

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Fund balance classification

At December 31, 2013, a summary of the governmental fund balance classifications are as follows:

| | General | Debt Service | Other Governmental Funds | Total |
|------------------------|-----------------|---------------------|--------------------------------|---------------------|
| Nonspendable | | | | |
| Inventory | \$ 15,079 | \$ - | \$ - | \$ 15,079 |
| Restricted for | | | | |
| Debt service | \$ - | \$ 1,333,389 | \$ - | \$ 1,333,389 |
| Police expenditures | - | - | 7,014 | 7,014 |
| Turtle ridge project | - | - | 19,139 | 19,139 |
| Park improvements | - | - | 171,415 | 171,415 |
| Capital purchases | - | - | 15,486 | 15,486 |
| Capital projects | - | - | 234,567 | 234,567 |
| Total restricted | <u>\$ -</u> | <u>\$ 1,333,389</u> | <u>\$ 447,621</u> | <u>\$ 1,781,010</u> |
| Assigned to | | | | |
| Fire truck replacement | \$ - | \$ - | \$ 453,642 | \$ 453,642 |
| Capital projects | - | - | 47,268 | 47,268 |
| Bicentennial | 8,174 | - | - | 8,174 |
| Total assigned | <u>\$ 8,174</u> | <u>\$ -</u> | <u>\$ 500,910</u> | <u>\$ 509,084</u> |

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. Plan description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers and fire-fighters who qualify for membership by statute are covered by the PEPFF.

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

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of the step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan for each year of service.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 4: DEFINED BENEFIT PENSION PLANS – STATEWIDE – CONTINUED

For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For GERF and PEPFF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at age 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree -- no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA, 60 Empire Street, #200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

B. Funding policy

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.60 percent of their annual covered salary in 2013. The City is required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERF members, 7.25 percent for Coordinated Plan GERF members and 14.40 percent for PEPFF members. The City's contributions to the GERF for the years ending December 31, 2013, 2012, and 2011 were \$73,521, \$76,772, and \$71,048, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2013, 2012, and 2011 were \$102,309, \$105,104, and \$103,649, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 5: OTHER INFORMATION

A. Legal debt margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The City has no debt subject to the limit.

B. Risk management

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

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

C. Tax increment financing districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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

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

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

| | Special Revenue | Capital Projects | Total |
|---|--------------------|---------------------|---------------------|
| ASSETS | | | |
| Cash and temporary investments | \$ 32,635 | \$ 922,679 | \$ 955,314 |
| Receivables | | | |
| Accrued interest | 75 | 2,701 | 2,776 |
| Accounts | - | 283,987 | 283,987 |
| Special assessments | - | 205,471 | 205,471 |
| Due from other governments | - | 68,950 | 68,950 |
| | | | |
| TOTAL ASSETS | <u>\$ 32,710</u> | <u>\$ 1,483,788</u> | <u>\$ 1,516,498</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 6,557 | \$ - | \$ 6,557 |
| Contracts payable | - | 4,459 | 4,459 |
| Due to other funds | - | 991,468 | 991,468 |
| | | | |
| TOTAL LIABILITIES | 6,557 | 995,927 | 1,002,484 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenues - developer/other receivables | - | 351,480 | 351,480 |
| Unavailable revenues - special assessments | - | 205,471 | 205,471 |
| | | | |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | 556,951 | 556,951 |
| FUND BALANCES | | | |
| Restricted | 26,153 | 421,468 | 447,621 |
| Assigned | - | 500,910 | 500,910 |
| Unassigned | - | (991,468) | (991,468) |
| | | | |
| TOTAL FUND BALANCES | 26,153 | (69,090) | (42,937) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 32,710</u> | <u>\$ 1,483,788</u> | <u>\$ 1,516,498</u> |

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | Special Revenue | Capital Projects | Total |
|--|--------------------|---------------------|--------------------|
| REVENUES | | | |
| Taxes | \$ 14,270 | \$ - | \$ 14,270 |
| Intergovernmental | - | 44,135 | 44,135 |
| Charges for services | 5,899 | 23,791 | 29,690 |
| Special assessments | - | 27,117 | 27,117 |
| Interest on investments | 143 | 7,556 | 7,699 |
| Miscellaneous | 142 | 59,156 | 59,298 |
| | <u>20,454</u> | <u>161,755</u> | <u>182,209</u> |
| TOTAL REVENUES | | | |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | 7,482 | - | 7,482 |
| Community development | 13,291 | - | 13,291 |
| Capital outlay | | | |
| Public safety | - | 23,856 | 23,856 |
| Public works | - | 148,646 | 148,646 |
| Culture and recreation | - | 91,305 | 91,305 |
| | <u>20,773</u> | <u>263,807</u> | <u>284,580</u> |
| TOTAL EXPENDITURES | | | |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (319) | (102,052) | (102,371) |
| FUND BALANCES, JANUARY 1 | <u>26,472</u> | <u>32,962</u> | <u>59,434</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 26,153</u> | <u>\$ (69,090)</u> | <u>\$ (42,937)</u> |

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NONMAJOR SPECIAL REVENUE FUNDS

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

Police Forfeiture - proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.

Turtle Ridge TIF - activity associated with the City's only Tax Increment Financing District established for the Turtle Ridge Townhome project.

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

| | 208 Police Forfeiture | 250 Turtle Ridge TIF | Total |
|--|------------------------------------|-----------------------------------|------------------|
| ASSETS | | | |
| Cash and temporary investments | \$ 7,152 | \$ 25,483 | \$ 32,635 |
| Accrued interest receivable | - | 75 | 75 |
| | <u>\$ 7,152</u> | <u>\$ 25,558</u> | <u>\$ 32,710</u> |
| TOTAL ASSETS | <u>\$ 7,152</u> | <u>\$ 25,558</u> | <u>\$ 32,710</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 138 | \$ 6,419 | \$ 6,557 |
| | <u>\$ 138</u> | <u>\$ 6,419</u> | <u>\$ 6,557</u> |
| FUND BALANCES | | | |
| Restricted for | | | |
| Police expenditures | 7,014 | - | 7,014 |
| Turtle ridge project | - | 19,139 | 19,139 |
| | <u>7,014</u> | <u>19,139</u> | <u>26,153</u> |
| TOTAL FUND BALANCES | <u>7,014</u> | <u>19,139</u> | <u>26,153</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 7,152</u> | <u>\$ 25,558</u> | <u>\$ 32,710</u> |

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 208 Police Forfeiture | 250 Turtle Ridge TIF | Total |
|--|------------------------------------|-----------------------------------|------------------|
| REVENUES | | | |
| Tax increments | \$ - | \$ 14,270 | \$ 14,270 |
| Charges for services | 5,899 | - | 5,899 |
| Interest on investments | - | 143 | 143 |
| Miscellaneous | | | |
| Contributions and donations | 142 | - | 142 |
| | <u>6,041</u> | <u>14,413</u> | <u>20,454</u> |
| TOTAL REVENUES | | | |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | 7,482 | - | 7,482 |
| Community development | - | 13,291 | 13,291 |
| | <u>7,482</u> | <u>13,291</u> | <u>20,773</u> |
| TOTAL EXPENDITURES | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,441) | 1,122 | (319) |
| FUND BALANCES, JANUARY 1 | <u>8,455</u> | <u>18,017</u> | <u>26,472</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 7,014</u> | <u>\$ 19,139</u> | <u>\$ 26,153</u> |

CITY OF ST. FRANCIS, MINNESOTA
POLICE FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|--|-------------------|-------------------|-----------------|-----------------|-----------------|
| | Budget Amounts | | Actual | Variance with | Actual |
| | Original | Final | Amounts | Final Budget | Amounts |
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 5,899 | \$ 5,899 | \$ - |
| Charges for services | - | - | 142 | 142 | - |
| TOTAL REVENUES | - | - | 6,041 | 6,041 | - |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public safety | 9,630 | 9,630 | 7,482 | 2,148 | 2,728 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (9,630) | (9,630) | (1,441) | 8,189 | (2,728) |
| FUND BALANCES, JANUARY 1 | 8,455 | 8,455 | 8,455 | - | 11,183 |
| FUND BALANCES, DECEMBER 31 | <u>\$ (1,175)</u> | <u>\$ (1,175)</u> | <u>\$ 7,014</u> | <u>\$ 8,189</u> | <u>\$ 8,455</u> |

CITY OF ST. FRANCIS, MINNESOTA
TAX INCREMENT TURTLE RIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|---|------------------|------------------|-------------------|-------------------------------|-------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Tax increments | \$ 15,200 | \$ 15,200 | \$ 14,270 | \$ (930) | \$ 15,144 |
| Interest on investments | - | - | 143 | 143 | 182 |
| TOTAL REVENUES | 15,200 | 15,200 | 14,413 | (787) | 15,326 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Community development | 14,600 | 14,600 | 13,291 | 1,309 | 14,177 |
| EXCESS OF REVENUES OVER EXPENDITURES | 600 | 600 | 1,122 | 522 | 1,149 |
| FUND BALANCES, JANUARY 1 | 18,017 | 18,017 | 18,017 | - | 16,868 |
| FUND BALANCES, DECEMBER 31 | <u>\$ 18,617</u> | <u>\$ 18,617</u> | <u>\$ 19,139</u> | <u>\$ 522</u> | <u>\$ 18,017</u> |

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NONMAJOR CAPITAL PROJECTS FUNDS

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

Charitable Gambling - accounts for accumulation of resources to finance future police and fire capital expenditures.

Park Improvements - for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.

Capital Projects - accounts for financial resources for the future purchases of capital outlay.

Fire Truck Replacement - funds set aside for future purchases of vehicles. Resources are currently provided by transfers from other funds.

River's Edge Trunk Utility Improvement - 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 - accounts for the accumulation of resources to finance the extension of the City's water and sewer infrastructure.

Creekview Estate Street and Utility Improvement - accounts for the accumulation of resources to finance the 2006 street reconstruction project.

Ivywood and 230th Lane - accounts for financial resources used to finance a future street reconstruction project.

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

| | 210 | 225 | 402 | 403 |
|--|--------------------------------|------------------------------|-----------------------------|-----------------------------------|
| | <u>Charitable Gambling</u> | <u>Park Improvements</u> | <u>Capital Projects</u> | <u>Fire Truck Replacement</u> |
| ASSETS | | | | |
| Cash and temporary investments | \$ 13,988 | \$ 174,445 | \$ 281,940 | \$ 452,306 |
| Receivables | | | | |
| Accrued interest | 41 | 491 | 833 | 1,336 |
| Accounts | 1,457 | - | - | - |
| Special assessments | - | - | - | - |
| Due from other governments | - | 68,950 | - | - |
| | <u>15,486</u> | <u>243,886</u> | <u>282,773</u> | <u>453,642</u> |
| TOTAL ASSETS | <u>\$ 15,486</u> | <u>\$ 243,886</u> | <u>\$ 282,773</u> | <u>\$ 453,642</u> |
| LIABILITIES | | | | |
| Contracts payable | \$ - | \$ 3,521 | \$ 938 | \$ - |
| Due to other funds | - | - | - | - |
| | <u>-</u> | <u>3,521</u> | <u>938</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>-</u> | <u>3,521</u> | <u>938</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues - developer/other receivables | - | 68,950 | - | - |
| Unavailable revenues - special assessments | - | - | - | - |
| | <u>-</u> | <u>68,950</u> | <u>-</u> | <u>-</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>68,950</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted for | | | | |
| Park improvements | - | 171,415 | - | - |
| Capital purchases | 15,486 | - | - | - |
| Capital projects | - | - | 234,567 | - |
| Assigned for | | | | |
| Capital projects | - | - | 47,268 | - |
| Fire truck replacement | - | - | - | 453,642 |
| Unassigned | - | - | - | - |
| | <u>15,486</u> | <u>171,415</u> | <u>281,835</u> | <u>453,642</u> |
| TOTAL FUND BALANCES | <u>15,486</u> | <u>171,415</u> | <u>281,835</u> | <u>453,642</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 15,486</u> | <u>\$ 243,886</u> | <u>\$ 282,773</u> | <u>\$ 453,642</u> |

| 423 River's Edge Trunk Utility Improvement | 427 Watermain Looping | 505 Creekview Estate Street and Utility Improvement | 507 Ivywood and 230th Lane | Total |
|--|------------------------------------|---|--|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 922,679 |
| - | - | - | - | 2,701 |
| - | 282,530 | - | - | 283,987 |
| - | - | 92,903 | 112,568 | 205,471 |
| - | - | - | - | 68,950 |
| <u>\$ -</u> | <u>\$ 282,530</u> | <u>\$ 92,903</u> | <u>\$ 112,568</u> | <u>\$ 1,483,788</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 4,459 |
| 516,320 | 287,151 | 87,785 | 100,212 | 991,468 |
| <u>516,320</u> | <u>287,151</u> | <u>87,785</u> | <u>100,212</u> | <u>995,927</u> |
| - | 282,530 | - | - | 351,480 |
| - | - | 92,903 | 112,568 | 205,471 |
| - | 282,530 | 92,903 | 112,568 | 556,951 |
| - | - | - | - | 171,415 |
| - | - | - | - | 15,486 |
| - | - | - | - | 234,567 |
| - | - | - | - | 47,268 |
| - | - | - | - | 453,642 |
| <u>(516,320)</u> | <u>(287,151)</u> | <u>(87,785)</u> | <u>(100,212)</u> | <u>(991,468)</u> |
| <u>(516,320)</u> | <u>(287,151)</u> | <u>(87,785)</u> | <u>(100,212)</u> | <u>(69,090)</u> |
| <u>\$ -</u> | <u>\$ 282,530</u> | <u>\$ 92,903</u> | <u>\$ 112,568</u> | <u>\$ 1,483,788</u> |

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 210 | 225 | 402 | 403 |
|--|--------------------------------|------------------------------|-----------------------------|-----------------------------------|
| | <u>Charitable Gambling</u> | <u>Park Improvements</u> | <u>Capital Projects</u> | <u>Fire Truck Replacement</u> |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 44,135 | \$ - | \$ - |
| Charges for services | 13,016 | 10,775 | - | - |
| Special assessments | - | - | - | - |
| Interest on investments | 97 | 1,759 | 2,078 | 3,622 |
| Miscellaneous | - | 41,575 | 13,229 | - |
| | <u>13,113</u> | <u>98,244</u> | <u>15,307</u> | <u>3,622</u> |
| TOTAL REVENUES | | | | |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Public safety | - | - | 23,856 | - |
| Public works | - | - | 148,508 | - |
| Culture and recreation | - | 91,305 | - | - |
| | <u>-</u> | <u>91,305</u> | <u>172,364</u> | <u>-</u> |
| TOTAL EXPENDITURES | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 13,113 | 6,939 | (157,057) | 3,622 |
| FUND BALANCES, JANUARY 1 | <u>2,373</u> | <u>164,476</u> | <u>438,892</u> | <u>450,020</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 15,486</u> | <u>\$ 171,415</u> | <u>\$ 281,835</u> | <u>\$ 453,642</u> |

| 423 River's Edge Trunk Utility Improvement | 427 Watermain Looping | 505 Creekview Estate Street and Utility Improvement | 507 Ivywood and 230th Lane | Total |
|--|------------------------------------|---|--|--------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 44,135 |
| - | - | - | - | 23,791 |
| - | - | 14,515 | 12,602 | 27,117 |
| - | - | - | - | 7,556 |
| 4,321 | - | - | 31 | 59,156 |
| <u>4,321</u> | <u>-</u> | <u>14,515</u> | <u>12,633</u> | <u>161,755</u> |
| - | - | - | - | 23,856 |
| - | - | 59 | 79 | 148,646 |
| - | - | - | - | 91,305 |
| <u>-</u> | <u>-</u> | <u>59</u> | <u>79</u> | <u>263,807</u> |
| 4,321 | - | 14,456 | 12,554 | (102,052) |
| <u>(520,641)</u> | <u>(287,151)</u> | <u>(102,241)</u> | <u>(112,766)</u> | <u>32,962</u> |
| <u>\$ (516,320)</u> | <u>\$ (287,151)</u> | <u>\$ (87,785)</u> | <u>\$ (100,212)</u> | <u>\$ (69,090)</u> |

CITY OF ST. FRANCIS, MINNESOTA
 CHARITABLE GAMBLING FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|----------------------------|------------------|------------------|-------------------|-------------------------------|-------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Charges for services | \$ 10,000 | \$ 10,000 | \$ 13,016 | \$ 3,016 | \$ 2,373 |
| Investment earnings | - | - | 97 | 97 | - |
| TOTAL REVENUES | 10,000 | 10,000 | 13,113 | 3,113 | 2,373 |
| FUND BALANCES, JANUARY 1 | 2,373 | 2,373 | 2,373 | - | - |
| FUND BALANCES, DECEMBER 31 | <u>\$ 12,373</u> | <u>\$ 12,373</u> | <u>\$ 15,486</u> | <u>\$ 3,113</u> | <u>\$ 2,373</u> |

CITY OF ST. FRANCIS, MINNESOTA
 PARK IMPROVEMENTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|--|-------------------|-------------------|-------------------|-------------------------------|-------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 44,135 | \$ 44,135 | \$ 123,980 |
| Charges for services | 1,000 | 1,000 | 10,775 | 9,775 | 3,275 |
| Interest on investments | 1,000 | 1,000 | 1,759 | 759 | 989 |
| Contributions and donations | 500 | 500 | 41,575 | 41,075 | - |
| TOTAL REVENUES | 2,500 | 2,500 | 98,244 | 95,744 | 128,244 |
| EXPENDITURES | | | | | |
| Capital outlay | | | | | |
| Culture and recreation | - | - | 91,305 | (91,305) | 127,225 |
| Debt service | | | | | |
| Interest and other | - | - | - | - | 561 |
| TOTAL EXPENDITURES | - | - | 91,305 | (91,305) | 127,786 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,500 | 2,500 | 6,939 | 4,439 | 458 |
| FUND BALANCES, JANUARY 1 | 164,476 | 164,476 | 164,476 | - | 164,018 |
| FUND BALANCES, DECEMBER 31 | <u>\$ 166,976</u> | <u>\$ 166,976</u> | <u>\$ 171,415</u> | <u>\$ 4,439</u> | <u>\$ 164,476</u> |

CITY OF ST. FRANCIS, MINNESOTA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013

| | 2013 | | | | 2012 |
|--|-------------------|-------------------|-------------------|-------------------------------|-------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Interest on investments | \$ 16,000 | \$ 16,000 | \$ 2,078 | \$ (13,922) | \$ 29,961 |
| Miscellaneous | - | - | 13,229 | 13,229 | 2,000 |
| TOTAL REVENUES | 16,000 | 16,000 | 15,307 | (693) | 31,961 |
| EXPENDITURES | | | | | |
| Capital outlay | | | | | |
| General government | - | - | - | - | 6,534 |
| Public safety | - | - | 23,856 | (23,856) | 97,825 |
| Public works | - | - | 148,508 | (148,508) | 6,763,168 |
| Debt service | | | | | |
| Bond issuance costs | - | - | - | - | 172,199 |
| TOTAL EXPENDITURES | - | - | 172,364 | (172,364) | 7,039,726 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 16,000 | 16,000 | (157,057) | (173,057) | (7,007,765) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond proceeds | - | - | - | - | 8,200,000 |
| Transfers out | - | - | - | - | (551,795) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | 7,648,205 |
| NET CHANGE IN FUND BALANCES | 16,000 | 16,000 | (157,057) | (173,057) | 640,440 |
| FUND BALANCES, JANUARY 1 | 438,892 | 438,892 | 438,892 | - | (201,548) |
| FUND BALANCES, DECEMBER 31 | <u>\$ 454,892</u> | <u>\$ 454,892</u> | <u>\$ 281,835</u> | <u>\$ (173,057)</u> | <u>\$ 438,892</u> |

CITY OF ST. FRANCIS, MINNESOTA
 FIRE TRUCK REPLACEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Budget Amounts | | Actual | Variance with | Actual |
| | Original | Final | Amounts | Final Budget | Amounts |
| REVENUES | | | | | |
| Interest on investments | \$ 5,000 | \$ 5,000 | \$ 3,622 | \$ (1,378) | \$ 3,837 |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | - | - | - | - | 40,000 |
| NET CHANGE IN FUND BALANCES | 5,000 | 5,000 | 3,622 | (1,378) | 43,837 |
| FUND BALANCES, JANUARY 1 | 450,020 | 450,020 | 450,020 | - | 406,183 |
| FUND BALANCES, DECEMBER 31 | <u>\$ 455,020</u> | <u>\$ 455,020</u> | <u>\$ 453,642</u> | <u>\$ (1,378)</u> | <u>\$ 450,020</u> |

CITY OF ST. FRANCIS, MINNESOTA
CREEKVIEW ESTATES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Special assessments | \$ 12,000 | \$ 12,000 | \$ 14,515 | \$ 2,515 | \$ 14,457 |
| Interest on investments | - | - | - | - | (301) |
| TOTAL REVENUES | 12,000 | 12,000 | 14,515 | 2,515 | 14,156 |
| EXPENDITURES | | | | | |
| Capital outlay | | | | | |
| Public works | - | - | 59 | (59) | 54 |
| EXCESS OF REVENUES OVER EXPENDITURES | 12,000 | 12,000 | 14,456 | 2,456 | 14,102 |
| FUND BALANCES, JANUARY 1 | (102,241) | (102,241) | (102,241) | - | (116,343) |
| FUND BALANCES, DECEMBER 31 | <u>\$ (90,241)</u> | <u>\$ (90,241)</u> | <u>\$ (87,785)</u> | <u>\$ 2,456</u> | <u>\$ (102,241)</u> |

CITY OF ST. FRANCIS, MINNESOTA
 IVYWOOD AND 230TH LANE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|---|---------------------|---------------------|---------------------|---------------|---------------------|
| | Budget Amounts | | Actual | Variance with | Actual |
| | Original | Final | Amounts | Final Budget | Amounts |
| REVENUES | | | | | |
| Intergovernmental | \$ 12,000 | \$ 12,000 | \$ 12,602 | \$ 602 | \$ 18,133 |
| Interest on investments | - | - | - | - | (338) |
| Miscellaneous | - | - | 31 | 31 | 60 |
| TOTAL REVENUES | 12,000 | 12,000 | 12,633 | 633 | 17,855 |
| EXPENDITURES | | | | | |
| Capital outlay | | | | | |
| Public works | - | - | 79 | (79) | 75 |
| EXCESS OF REVENUES OVER EXPENDITURES | 12,000 | 12,000 | 12,554 | 554 | 17,780 |
| FUND BALANCES, JANUARY 1 | (112,766) | (112,766) | (112,766) | - | (130,546) |
| FUND BALANCES, DECEMBER 31 | <u>\$ (100,766)</u> | <u>\$ (100,766)</u> | <u>\$ (100,212)</u> | <u>\$ 554</u> | <u>\$ (112,766)</u> |

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CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | Variance with Final Budget | 2012 |
|----------------------------------|----------------|--------------|--------------|-------------------------------|--------------|
| | Budget Amounts | | Actual | | Actual |
| | Original | Final | Amounts | | Amounts |
| REVENUES | | | | | |
| Property taxes | \$ 2,990,200 | \$ 2,990,200 | \$ 2,986,193 | \$ (4,007) | \$ 2,893,540 |
| Licenses and permits | | | | | |
| Business | 24,280 | 24,280 | 25,155 | 875 | 29,068 |
| Nonbusiness | 66,388 | 66,388 | 62,143 | (4,245) | 60,232 |
| Total | 90,668 | 90,668 | 87,298 | (3,370) | 89,300 |
| Intergovernmental | | | | | |
| State | | | | | |
| Local government aid | 80,929 | 80,929 | 80,929 | - | 80,929 |
| Property tax credits | - | - | 3,092 | 3,092 | 4,394 |
| Police and fire aid | 106,711 | 106,711 | 130,339 | 23,628 | 109,093 |
| Municipal State Aid | 121,460 | 121,460 | 113,303 | (8,157) | 113,957 |
| Other | 1,971 | 1,971 | 2,486 | 515 | 1,971 |
| County | - | - | 75,000 | 75,000 | - |
| Total | 311,071 | 311,071 | 405,149 | 94,078 | 310,344 |
| Charges for services | | | | | |
| General government | 193,955 | 193,955 | 227,193 | 33,238 | 180,951 |
| Public safety | 70,227 | 70,227 | 65,355 | (4,872) | 112,365 |
| Public works | 4,551 | 4,551 | 4,361 | (190) | 3,767 |
| Total | 268,733 | 268,733 | 296,909 | 28,176 | 297,083 |
| Fines and forfeitures | 27,230 | 27,230 | 33,927 | 6,697 | 35,166 |
| Interest on investments | 32,205 | 32,205 | 11,263 | (20,942) | 16,199 |
| Miscellaneous | | | | | |
| Rents and leases | 64,333 | 64,333 | 80,668 | 16,335 | 69,903 |
| Recycling and landfill abatement | 17,201 | 17,201 | 23,699 | 6,498 | 20,872 |
| Donations and other | 35,088 | 35,088 | 30,210 | (4,878) | 43,347 |
| Total | 116,622 | 116,622 | 134,577 | 17,955 | 134,122 |
| TOTAL REVENUES | 3,836,729 | 3,836,729 | 3,955,316 | 118,587 | 3,775,754 |

CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|----------------------------|----------------|----------------|----------------|---------------|----------------|
| | Budget Amounts | | Actual | Variance with | Actual |
| | Original | Final | Amounts | Final Budget | Amounts |
| EXPENDITURES | | | | | |
| Current expenditures | | | | | |
| General government | | | | | |
| Mayor and Council | | | | | |
| Personal services | \$ 27,290 | \$ 27,290 | \$ 22,703 | \$ 4,587 | \$ 23,169 |
| Other services and charges | 7,300 | 7,300 | 6,965 | 335 | 2,643 |
| Total | <u>34,590</u> | <u>34,590</u> | <u>29,668</u> | <u>4,922</u> | <u>25,812</u> |
| City administration | | | | | |
| Personal services | 302,380 | 302,380 | 256,716 | 45,664 | 300,714 |
| Supplies | 18,600 | 18,600 | 7,911 | 10,689 | 8,972 |
| Other services and charges | 31,820 | 31,820 | 38,072 | (6,252) | 32,919 |
| Total | <u>352,800</u> | <u>352,800</u> | <u>302,699</u> | <u>50,101</u> | <u>342,605</u> |
| Elections | | | | | |
| Personal services | 20 | 20 | 6 | 14 | 2,979 |
| Supplies | - | - | - | - | 748 |
| Other services and charges | 20 | 20 | 99 | (79) | 1,250 |
| Total | <u>40</u> | <u>40</u> | <u>105</u> | <u>(65)</u> | <u>4,977</u> |
| Financial administration | | | | | |
| Personal services | 117,640 | 117,640 | 109,274 | 8,366 | 104,659 |
| Supplies | 2,150 | 2,150 | 567 | 1,583 | 1,644 |
| Other services and charges | 2,400 | 2,400 | 2,224 | 176 | 2,146 |
| Total | <u>122,190</u> | <u>122,190</u> | <u>112,065</u> | <u>10,125</u> | <u>108,449</u> |
| Assessor | | | | | |
| Other services and charges | 41,030 | 41,030 | 39,451 | 1,579 | 39,266 |
| Legal and accounting | | | | | |
| Other services and charges | 139,110 | 139,110 | 152,522 | (13,412) | 109,852 |
| Municipal building | | | | | |
| Supplies | 3,700 | 3,700 | 1,437 | 2,263 | 1,931 |
| Other services and charges | 22,985 | 22,985 | 13,280 | 9,705 | 19,617 |
| Rent for offices | 3,910 | 3,910 | 3,404 | 506 | 3,679 |
| Total | <u>30,595</u> | <u>30,595</u> | <u>18,121</u> | <u>12,474</u> | <u>25,227</u> |
| Total general government | <u>720,355</u> | <u>720,355</u> | <u>654,631</u> | <u>65,724</u> | <u>656,188</u> |

CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | Variance with Final Budget | 2012 |
|----------------------------------|------------------|------------------|------------------|-------------------------------|------------------|
| | Budget Amounts | | Actual | | Actual |
| | Original | Final | Amounts | | Amounts |
| EXPENDITURES - CONTINUED | | | | | |
| Current expenditures - continued | | | | | |
| Public safety | | | | | |
| Police | | | | | |
| Personal services | \$ 1,113,820 | \$ 1,113,820 | \$ 1,078,827 | \$ 34,993 | \$ 1,083,711 |
| Supplies | 138,000 | 138,000 | 91,641 | 46,359 | 75,146 |
| Other services and charges | 127,000 | 127,000 | 93,809 | 33,191 | 84,115 |
| Total | 1,378,820 | 1,378,820 | 1,264,277 | 114,543 | 1,242,972 |
| Fire | | | | | |
| Personal services | 134,440 | 134,440 | 145,423 | (10,983) | 121,473 |
| Supplies | 52,500 | 52,500 | 40,228 | 12,272 | 58,760 |
| Other services and charges | 53,700 | 53,700 | 69,480 | (15,780) | 54,134 |
| Total | 240,640 | 240,640 | 255,131 | (14,491) | 234,367 |
| Animal control | | | | | |
| Other services and charges | 7,240 | 7,240 | 6,159 | 1,081 | 6,227 |
| Total public safety | 1,626,700 | 1,626,700 | 1,525,567 | 101,133 | 1,483,566 |
| Public works | | | | | |
| Streets and highways | | | | | |
| Personal services | 177,400 | 177,400 | 176,147 | 1,253 | 197,001 |
| Supplies | 55,550 | 55,550 | 54,483 | 1,067 | 48,279 |
| Other services and charges | 421,850 | 421,850 | 425,121 | (3,271) | 221,224 |
| Total | 654,800 | 654,800 | 655,751 | (951) | 466,504 |
| Recycling | | | | | |
| Personal services | 14,110 | 14,110 | 16,469 | (2,359) | 22,252 |
| Supplies | 3,250 | 3,250 | 1,373 | 1,877 | 2,703 |
| Other services and charges | 22,100 | 22,100 | 12,608 | 9,492 | 13,529 |
| Total | 39,460 | 39,460 | 30,450 | 9,010 | 38,484 |
| Total public works | 694,260 | 694,260 | 686,201 | 8,059 | 504,988 |

CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | Variance with Final Budget | 2012 |
|-------------------------------------|------------------|------------------|------------------|-------------------------------|------------------|
| | Budget Amounts | | Actual | | Actual |
| | Original | Final | Amounts | | Amounts |
| EXPENDITURES - CONTINUED | | | | | |
| Current expenditures - continued | | | | | |
| Culture and recreation | | | | | |
| Parks and recreation | | | | | |
| Personal services | \$ 135,200 | \$ 135,200 | \$ 106,974 | \$ 28,226 | \$ 136,437 |
| Supplies | 49,510 | 49,510 | 45,560 | 3,950 | 40,041 |
| Other services and charges | 121,310 | 121,310 | 89,207 | 32,103 | 68,403 |
| Total | 306,020 | 306,020 | 241,741 | 64,279 | 244,881 |
| Pioneer days | | | | | |
| Other services and charges | 32,200 | 32,200 | 5,801 | 26,399 | 32,374 |
| Total culture and recreation | 338,220 | 338,220 | 247,542 | 90,678 | 277,255 |
| Community development | | | | | |
| Planning and zoning | | | | | |
| Personal services | 11,000 | 11,000 | 6,976 | 4,024 | 5,635 |
| Supplies | 600 | 600 | - | 600 | 85 |
| Other services and charges | 73,200 | 73,200 | 149,304 | (76,104) | 77,694 |
| Total | 84,800 | 84,800 | 156,280 | (71,480) | 83,414 |
| Building inspection | | | | | |
| Personal services | 81,910 | 81,910 | 87,949 | (6,039) | 52,035 |
| Supplies | 1,200 | 1,200 | 4,119 | (2,919) | 2,946 |
| Other services and charges | 970 | 970 | 3,020 | (2,050) | 3,198 |
| Total | 84,080 | 84,080 | 95,088 | (11,008) | 58,179 |
| Total community development | 168,880 | 168,880 | 251,368 | (82,488) | 141,593 |
| Unallocated | | | | | |
| Miscellaneous | | | | | |
| Other services and charges | 6,100 | 6,100 | 5,571 | 529 | 18,494 |
| Total current expenditures | 3,554,515 | 3,554,515 | 3,370,880 | 183,635 | 3,082,084 |
| Capital outlay | | | | | |
| General government | 16,000 | 16,000 | 3,164 | 12,836 | - |
| Public safety | 65,900 | 65,900 | 62,435 | 3,465 | 32,735 |
| Public works | - | - | - | - | 265,560 |
| Culture and recreation | 31,940 | 31,940 | 28,889 | 3,051 | 80,818 |
| Community development | - | - | 26,470 | (26,470) | - |
| Total capital outlay | 113,840 | 113,840 | 120,958 | (7,118) | 379,113 |

CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | Variance with Final Budget | 2012 |
|---|---------------------|---------------------|---------------------|-------------------------------|---------------------|
| | Budget Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| EXPENDITURES - CONTINUED | | | | | |
| Debt service | | | | | |
| Principal | \$ 28,549 | \$ 28,549 | \$ 28,549 | \$ - | \$ 26,723 |
| Interest and other charges | 4,573 | 4,573 | 4,573 | - | 6,399 |
| Total debt service | <u>33,122</u> | <u>33,122</u> | <u>33,122</u> | <u>-</u> | <u>33,122</u> |
| TOTAL EXPENDITURES | <u>3,701,477</u> | <u>3,701,477</u> | <u>3,524,960</u> | <u>176,517</u> | <u>3,494,319</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>135,252</u> | <u>135,252</u> | <u>430,356</u> | <u>295,104</u> | <u>281,435</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 60,000 | 60,000 | 60,000 | - | 60,000 |
| Sale of capital assets | 28,000 | 28,000 | 27,321 | (679) | 30,041 |
| Transfers out | <u>(340,000)</u> | <u>(340,000)</u> | <u>(340,000)</u> | <u>-</u> | <u>(370,000)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(252,000)</u> | <u>(252,000)</u> | <u>(252,679)</u> | <u>(679)</u> | <u>(279,959)</u> |
| NET CHANGE IN FUND BALANCES | (116,748) | (116,748) | 177,677 | 294,425 | 1,476 |
| FUND BALANCES, JANUARY 1 | <u>2,071,489</u> | <u>2,071,489</u> | <u>2,071,489</u> | <u>-</u> | <u>2,070,013</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 1,954,741</u> | <u>\$ 1,954,741</u> | <u>\$ 2,249,166</u> | <u>\$ 294,425</u> | <u>\$ 2,071,489</u> |

CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

| | 311 | 330 | |
|---|--------------------------|--------------------------|----------------------------|
| | G.O. Bonds | EDA Lease | |
| | 2007A | Revenue Bond | Total |
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and temporary investments | \$ 132,071 | \$ 98,427 | \$ 230,498 |
| Cash held with fiscal agent | 548,074 | - | 548,074 |
| Restricted cash | - | 551,795 | 551,795 |
| Receivables | | | |
| Accrued interest | 282 | 2,002 | 2,284 |
| Delinquent taxes | 650 | - | 650 |
| Special assessments | 167,781 | - | 167,781 |
| Due from other governments | 738 | - | 738 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL ASSETS | <u><u>\$ 849,596</u></u> | <u><u>\$ 652,224</u></u> | <u><u>\$ 1,501,820</u></u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenues - taxes | \$ 650 | \$ - | \$ 650 |
| Unavailable revenues - special assessments | 167,781 | - | 167,781 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 168,431 | - | 168,431 |
| FUND BALANCES | | | |
| Restricted for debt service | 681,165 | 652,224 | 1,333,389 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u><u>\$ 849,596</u></u> | <u><u>\$ 652,224</u></u> | <u><u>\$ 1,501,820</u></u> |

CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 311 G.O. Bonds 2007A | 330 EDA Lease Revenue Bond | Total |
|--|-----------------------------------|---|---------------------|
| REVENUES | | | |
| Taxes | \$ 20,984 | \$ - | \$ 20,984 |
| Special assessments | 24,024 | - | 24,024 |
| Interest on investments | (2,833) | (33,961) | (36,794) |
| TOTAL REVENUES | <u>42,175</u> | <u>(33,961)</u> | <u>8,214</u> |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal | 65,000 | 195,000 | 260,000 |
| Bond issuance costs | 5,847 | - | 5,847 |
| Interest and other charges | 35,317 | 326,445 | 361,762 |
| TOTAL EXPENDITURES | <u>106,164</u> | <u>521,445</u> | <u>627,609</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(63,989)</u> | <u>(555,406)</u> | <u>(619,395)</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 39,880 | 505,000 | 544,880 |
| Bonds proceeds | 560,000 | - | 560,000 |
| TOTAL OTHER FINANCING SOURCES | <u>599,880</u> | <u>505,000</u> | <u>1,104,880</u> |
| NET CHANGE IN FUND BALANCES | 535,891 | (50,406) | 485,485 |
| FUND BALANCES, JANUARY 1 | <u>145,274</u> | <u>702,630</u> | <u>847,904</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 681,165</u> | <u>\$ 652,224</u> | <u>\$ 1,333,389</u> |

CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE FUND G.O. BONDS 2007A
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|--|-------------------|-------------------|-------------------|-------------------------------|-------------------|
| | Budget Amounts | | Actual Amounts | Variance with Final Budget | Actual Amounts |
| | Original | Final | | | |
| REVENUES | | | | | |
| Property taxes | \$ 20,900 | \$ 20,900 | \$ 20,984 | \$ 84 | \$ 21,098 |
| Special assessments | 24,000 | 24,000 | 24,024 | 24 | 32,359 |
| Investment earnings | 1,600 | 1,600 | (2,833) | (4,433) | 1,091 |
| TOTAL REVENUES | 46,500 | 46,500 | 42,175 | (4,325) | 54,548 |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal | 65,000 | 65,000 | 65,000 | - | 65,000 |
| Bond issuance costs | - | - | 5,847 | (5,847) | - |
| Interest and other charges | 35,607 | 35,607 | 35,317 | 290 | 38,328 |
| TOTAL EXPENDITURES | 100,607 | 100,607 | 106,164 | (5,557) | 103,328 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (54,107) | (54,107) | (63,989) | (9,882) | (48,780) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | 39,880 | 39,880 | 39,880 | - | - |
| Bonds issued | - | - | 560,000 | 560,000 | - |
| TOTAL OTHER FINANCING SOURCES | 39,880 | 39,880 | 599,880 | 560,000 | - |
| NET CHANGE IN FUND BALANCES | (14,227) | (14,227) | 535,891 | 550,118 | (48,780) |
| FUND BALANCES, JANUARY 1 | 145,274 | 145,274 | 145,274 | - | 194,054 |
| FUND BALANCES, DECEMBER 31 | <u>\$ 131,047</u> | <u>\$ 131,047</u> | <u>\$ 681,165</u> | <u>\$ 550,118</u> | <u>\$ 145,274</u> |

CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE FUND EDA LEASE REVENUE BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | 2012 |
|--|----------------|------------|-------------|---------------|------------|
| | Budget Amounts | | Actual | Variance with | Actual |
| | Original | Final | Amounts | Final Budget | Amounts |
| REVENUES | | | | | |
| Investment earnings | \$ 800 | \$ 800 | \$ (33,961) | \$ (34,761) | \$ 11,013 |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal | 195,000 | 195,000 | 195,000 | - | - |
| Interest and other charges | 325,045 | 325,045 | 326,445 | (1,400) | 190,178 |
| TOTAL EXPENDITURES | 520,045 | 520,045 | 521,445 | (1,400) | 190,178 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (519,245) | (519,245) | (555,406) | (36,161) | (179,165) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | 505,000 | 505,000 | 505,000 | - | 881,795 |
| NET CHANGE IN FUND BALANCES | (14,245) | (14,245) | (50,406) | (36,161) | 702,630 |
| FUND BALANCES, JANUARY 1 | 702,630 | 702,630 | 702,630 | - | - |
| FUND BALANCES, DECEMBER 31 | \$ 688,385 | \$ 688,385 | \$ 652,224 | \$ (36,161) | \$ 702,630 |

CITY OF ST. FRANCIS, MINNESOTA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2012

| | Balance January 1 | Additions | Deductions | Balance December 31 |
|--------------------------------|----------------------|-------------------|--------------------|------------------------|
| Escrows | | | | |
| ASSETS | | | | |
| Cash and temporary investments | \$ 40,637 | \$ 163,407 | \$ (69,793) | \$ 134,251 |
| Special assessments receivable | 46 | - | - | 46 |
| | <u>\$ 40,683</u> | <u>\$ 163,407</u> | <u>\$ (69,793)</u> | <u>\$ 134,297</u> |
| TOTAL ASSETS | <u>\$ 40,683</u> | <u>\$ 163,407</u> | <u>\$ (69,793)</u> | <u>\$ 134,297</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 537 | \$ 5,138 | \$ (537) | \$ 5,138 |
| Deposits payable | 40,146 | 162,405 | (73,392) | 129,159 |
| | <u>\$ 40,683</u> | <u>\$ 167,543</u> | <u>\$ (73,929)</u> | <u>\$ 134,297</u> |
| TOTAL LIABILITIES | <u>\$ 40,683</u> | <u>\$ 167,543</u> | <u>\$ (73,929)</u> | <u>\$ 134,297</u> |

CITY OF ST. FRANCIS, MINNESOTA
SUMMARY FINANCIAL REPORT
GOVERNMENTAL FUNDS
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | Total | | Percent Increase (Decrease) |
|---|---------------------|----------------------|-----------------------------------|
| | 2013 | 2012 | |
| REVENUES | | | |
| Taxes | \$ 3,021,447 | \$ 2,929,782 | 3.13 % |
| Licenses and permits | 87,298 | 89,300 | (2.24) |
| Intergovernmental | 449,284 | 434,324 | 3.44 |
| Charges for services | 326,599 | 302,731 | 7.88 |
| Fines and forfeits | 33,927 | 35,166 | (3.52) |
| Special assessments | 51,141 | 64,949 | (21.26) |
| Interest on investments | (17,832) | 61,301 | (129.09) |
| Miscellaneous | 193,875 | 136,182 | 42.36 |
| TOTAL REVENUES | \$ 4,145,739 | \$ 4,053,735 | 2.27 % |
| Per Capita | \$ 570 | \$ 559 | 1.96 % |
| EXPENDITURES | | | |
| Current | | | |
| General government | \$ 654,631 | \$ 656,188 | (0.24) % |
| Public safety | 1,533,049 | 1,486,294 | 3.15 |
| Public works | 686,201 | 504,988 | 35.88 |
| Culture and recreation | 247,542 | 277,255 | (10.72) |
| Community development | 264,659 | 155,770 | 69.90 |
| Miscellaneous | 5,571 | 18,494 | (69.88) |
| Capital outlay | | | |
| General government | 3,164 | 6,534 | (51.58) |
| Public safety | 86,291 | 130,560 | (33.91) |
| Public works | 651,780 | 7,028,857 | (90.73) |
| Culture and recreation | 120,194 | 208,043 | (42.23) |
| Community development | 26,470 | - | 100.00 |
| Debt service | | | |
| Principal | 288,549 | 91,723 | 214.59 |
| Bond issuance costs | 5,847 | 172,199 | (96.60) |
| Interest and other charges | 366,335 | 235,466 | 55.58 |
| TOTAL EXPENDITURES | \$ 4,940,283 | \$ 10,972,371 | (54.98) % |
| Per Capita | \$ 679 | \$ 1,512 | (55.11) % |
| Total Long-term Indebtedness | \$ 9,431,521 | \$ 9,160,071 | 2.96 % |
| Per Capita | 1,296 | 1,263 | 2.65 |
| General Fund Balance - December 31 | \$ 2,249,166 | \$ 2,071,489 | 8.58 % |
| Per Capita | 309 | 286 | 8.25 |

The purpose of this report is to provide a summary of financial information concerning the City of St. Francis to interested citizens. The complete financial statements may be examined at City Hall, 23340 Cree Street NW, St. Francis, MN 55070. Questions about this report should be directed to Darcy Mulvihill, Finance Director at (763) 753-2630.

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STATISTICAL SECTION (UNAUDITED)

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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STATISTICAL SECTION (UNAUDITED)

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

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

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

Operating information

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

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

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 1,467,161 | \$ 2,304,280 | \$ 3,661,148 | \$ 3,613,007 |
| Restricted | 791,252 | 827,320 | - | 461,673 |
| Unrestricted | 1,685,167 | 2,379,184 | 2,123,872 | 6,298,009 |
| Total governmental activities net position | <u>\$ 3,943,580</u> | <u>\$ 5,510,784</u> | <u>\$ 5,785,020</u> | <u>\$ 10,372,689</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 3,067,781 | \$ 5,114,283 | \$ 5,197,719 | \$ 9,305,330 |
| Restricted | - | - | 3,082,159 | - |
| Unrestricted | 5,384,434 | 4,474,335 | 2,184,782 | 99,992 |
| Total business-type activities net position | <u>\$ 8,452,215</u> | <u>\$ 9,588,618</u> | <u>\$ 10,464,660</u> | <u>\$ 9,405,322</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 4,534,942 | \$ 7,418,563 | \$ 8,858,867 | \$ 12,918,337 |
| Restricted | 791,252 | 827,320 | 3,082,159 | 461,673 |
| Unrestricted | 7,069,601 | 6,853,519 | 4,308,654 | 6,398,001 |
| Total primary government net position | <u>\$ 12,395,795</u> | <u>\$ 15,099,402</u> | <u>\$ 16,249,680</u> | <u>\$ 19,778,011</u> |

Table 1

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ 5,221,614 | \$ 7,782,258 | \$ 5,903,447 | \$ 7,168,911 | \$ 6,292,733 | \$ 6,491,164 |
| 477,193 | 437,786 | 404,530 | 571,078 | 1,080,107 | 1,066,566 |
| 4,855,454 | 3,579,646 | 3,076,111 | 1,745,047 | 1,999,789 | 2,345,374 |
| <u>\$ 10,554,261</u> | <u>\$ 11,799,690</u> | <u>\$ 9,384,088</u> | <u>\$ 9,485,036</u> | <u>\$ 9,372,629</u> | <u>\$ 9,903,104</u> |
| \$ 7,015,882 | \$ 4,899,083 | \$ 6,899,701 | \$ 7,453,005 | \$ 7,773,435 | \$ 8,073,272 |
| - | - | - | - | - | - |
| 3,952,097 | 6,433,382 | 7,561,395 | 7,383,130 | 7,303,907 | 6,973,367 |
| <u>\$ 10,967,979</u> | <u>\$ 11,332,465</u> | <u>\$ 14,461,096</u> | <u>\$ 14,836,135</u> | <u>\$ 15,077,342</u> | <u>\$ 15,046,639</u> |
| \$ 12,237,496 | \$ 12,681,341 | \$ 12,803,148 | \$ 14,621,916 | \$ 14,066,168 | \$ 14,564,436 |
| 477,193 | 437,786 | 404,530 | 571,078 | 1,080,107 | 1,066,566 |
| 8,807,551 | 10,013,028 | 10,637,506 | 9,128,177 | 9,303,696 | 9,318,741 |
| <u>\$ 21,522,240</u> | <u>\$ 23,132,155</u> | <u>\$ 23,845,184</u> | <u>\$ 24,321,171</u> | <u>\$ 24,449,971</u> | <u>\$ 24,949,743</u> |

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

| | Fiscal Year | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 409,843 | \$ 466,252 | \$ 346,904 | \$ 565,314 |
| Public safety | 1,215,840 | 1,221,819 | 1,402,463 | 1,418,210 |
| Public works | 316,944 | 406,180 | 515,598 | 514,688 |
| Culture and recreation | 236,555 | 196,231 | 264,694 | 303,262 |
| Community development | - | - | 621,741 | 202,461 |
| Miscellaneous | 251,106 | 145,710 | 54,998 | 9,497 |
| Interest on long-term debt | 48,302 | 46,741 | 39,825 | 80,663 |
| Total governmental activities expenses | 2,478,590 | 2,482,933 | 3,246,223 | 3,094,095 |
| Business-type activities | | | | |
| Water | 473,625 | 463,773 | 524,512 | 603,368 |
| Sewer | 625,872 | 583,882 | 675,494 | 498,250 |
| Liquor store | 1,407,147 | 1,570,007 | 1,720,606 | 1,845,597 |
| Total business-type activities expenses | 2,506,644 | 2,617,662 | 2,920,612 | 2,947,215 |
| Total primary government expenses | \$ 4,985,234 | \$ 5,100,595 | \$ 6,166,835 | \$ 6,041,310 |
| Program revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 29,372 | \$ 28,980 | \$ 27,574 | \$ 36,720 |
| Public safety | 555,748 | 557,993 | 274,357 | 306,085 |
| Public works | - | 3,323 | 46,133 | 502,741 |
| Culture and recreation | 8,740 | 1,170 | 1,260 | 875 |
| Community development | - | - | 261,130 | 243,422 |
| Miscellaneous | 4,359 | 30,281 | 24,454 | 47,819 |
| Operating grants and contributions | 155,005 | 223,827 | 206,244 | 245,515 |
| Capital grants and contributions | 645,139 | 703,543 | 245,003 | 1,057,637 |
| Total governmental activities program revenues | 1,398,363 | 1,549,117 | 1,086,155 | 2,440,814 |
| Business-type activities | | | | |
| Charges for services | | | | |
| Water | 759,065 | 896,638 | 925,509 | 1,108,117 |
| Sewer | 535,770 | 493,924 | 510,398 | 596,062 |
| Liquor store | 1,543,167 | 1,717,092 | 1,831,828 | 1,956,503 |
| Operating grants and contributions | - | - | - | 1,880 |
| Capital grants and contributions | 685,173 | 538,160 | 258,063 | 380,989 |
| Total business-type activities program revenues | 3,523,175 | 3,645,814 | 3,525,798 | 4,043,551 |
| Total primary government program revenues | \$ 4,921,538 | \$ 5,194,931 | \$ 4,611,953 | \$ 6,484,365 |

Table 2

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ 590,722 | \$ 663,068 | \$ 823,109 | \$ 708,620 | \$ 700,606 | \$ 684,752 |
| 1,482,823 | 1,485,755 | 1,570,589 | 1,607,064 | 1,689,773 | 1,742,193 |
| 523,808 | 931,674 | 812,302 | 1,033,276 | 699,037 | 1,098,082 |
| 332,060 | 310,479 | 351,844 | 366,321 | 378,696 | 362,829 |
| 189,895 | 119,724 | 116,532 | 119,378 | 155,770 | 268,789 |
| 18,754 | 12,705 | 6,339 | 3,309 | 18,494 | 5,571 |
| 72,208 | 61,780 | 66,240 | 58,313 | 541,676 | 376,293 |
| <u>3,210,270</u> | <u>3,585,185</u> | <u>3,746,955</u> | <u>3,896,281</u> | <u>4,184,052</u> | <u>4,538,509</u> |
| 912,437 | 1,046,900 | 1,111,363 | 1,143,017 | 1,136,619 | 1,156,583 |
| 584,940 | 755,755 | 878,226 | 958,231 | 858,682 | 972,980 |
| 1,873,355 | 1,893,024 | 1,900,572 | 1,873,937 | 1,883,145 | 1,899,467 |
| <u>3,370,732</u> | <u>3,695,679</u> | <u>3,890,161</u> | <u>3,975,185</u> | <u>3,878,446</u> | <u>4,029,030</u> |
| <u>\$ 6,581,002</u> | <u>\$ 7,280,864</u> | <u>\$ 7,637,116</u> | <u>\$ 7,871,466</u> | <u>\$ 8,062,498</u> | <u>\$ 8,567,539</u> |
| \$ 26,329 | \$ 156,448 | \$ 161,884 | \$ 162,613 | \$ 195,491 | \$ 246,588 |
| 229,991 | 163,048 | 167,977 | 161,869 | 147,531 | 105,181 |
| 11,613 | 14,596 | 16,488 | 5,204 | 3,767 | 4,361 |
| 1,635 | 1,885 | 1,958 | 7,441 | 1,955 | 1,345 |
| 122,987 | 102,799 | 116,095 | 152,503 | 120,685 | 130,917 |
| 38,029 | 31,527 | 39,207 | 54,182 | 70,175 | 111,023 |
| 235,577 | 251,441 | 156,964 | 161,155 | 130,368 | 163,138 |
| 25,687 | 300,511 | 254,328 | 456,588 | 291,558 | 957,583 |
| <u>691,848</u> | <u>1,022,255</u> | <u>914,901</u> | <u>1,161,555</u> | <u>961,530</u> | <u>1,720,136</u> |
| 1,031,221 | 1,087,286 | 1,063,256 | 1,064,157 | 1,147,518 | 1,132,206 |
| 739,149 | 784,372 | 805,969 | 900,193 | 898,292 | 906,182 |
| 2,029,577 | 2,067,517 | 2,050,403 | 2,037,209 | 2,096,011 | 2,058,662 |
| 610 | 5,241 | 57,312 | - | 6,500 | - |
| 69,600 | 77,600 | 238,200 | 20,800 | 66,000 | 129,000 |
| <u>3,870,157</u> | <u>4,022,016</u> | <u>4,215,140</u> | <u>4,022,359</u> | <u>4,214,321</u> | <u>4,226,050</u> |
| <u>\$ 4,562,005</u> | <u>\$ 5,044,271</u> | <u>\$ 5,130,041</u> | <u>\$ 5,183,914</u> | <u>\$ 5,175,851</u> | <u>\$ 5,946,186</u> |

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

| | Fiscal Year | | | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Net revenues (expenses) | | | | |
| Governmental activities | \$ (1,080,227) | \$ (933,816) | \$ (2,160,068) | \$ (653,281) |
| Business-type activities | 1,016,531 | 1,028,152 | 605,186 | 1,096,336 |
| Total primary government net revenues (expenses) | <u>\$ (63,696)</u> | <u>\$ 94,336</u> | <u>\$ (1,554,882)</u> | <u>\$ 443,055</u> |
| General revenues and other changes in net position | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property taxes | \$ 1,450,874 | \$ 1,871,121 | \$ 2,048,870 | \$ 2,296,913 |
| Tax increments | 24,982 | 27,693 | 17,801 | 18,670 |
| Grants and contributions not restricted to specific programs | 357,812 | 339,144 | 366,495 | 363,439 |
| Other general revenues | 224,283 | 186,738 | - | 17,981 |
| Unrestricted investment earnings | 46,218 | 62,824 | 82,413 | 61,935 |
| Transfers - capital assets | - | - | - | (2,047,914) |
| Transfers - debt | - | - | - | 3,115,000 |
| Transfers | 13,500 | 13,500 | (81,275) | 257,780 |
| Total governmental activities | <u>2,117,669</u> | <u>2,501,020</u> | <u>2,434,304</u> | <u>4,083,804</u> |
| Business-type activities | | | | |
| Unrestricted investment earnings | 121,691 | 121,751 | 189,581 | 321,338 |
| Gain on sale of capital assets | - | - | - | 5,000 |
| Transfers - capital assets | - | - | - | 2,047,914 |
| Transfers - debt | - | - | - | (3,115,000) |
| Transfers | (13,500) | (13,500) | 81,275 | (257,780) |
| Total business-type activities | <u>108,191</u> | <u>108,251</u> | <u>270,856</u> | <u>(998,528)</u> |
| Total primary government | <u>\$ 2,225,860</u> | <u>\$ 2,609,271</u> | <u>\$ 2,705,160</u> | <u>\$ 3,085,276</u> |
| Change in net position | | | | |
| Governmental activities | \$ 1,037,442 | \$ 1,567,204 | \$ 274,236 | \$ 3,430,523 |
| Business-type activities | 1,124,722 | 1,136,403 | 876,042 | 97,808 |
| Total primary government | <u>\$ 2,162,164</u> | <u>\$ 2,703,607</u> | <u>\$ 1,150,278</u> | <u>\$ 3,528,331</u> |

Table 2

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ (2,518,422) | \$ (2,562,930) | \$ (2,832,054) | \$ (2,734,726) | \$ (3,222,522) | \$ (2,818,373) |
| 499,425 | 326,337 | 324,979 | 47,174 | 335,875 | 197,020 |
| <u>\$ (2,018,997)</u> | <u>\$ (2,236,593)</u> | <u>\$ (2,507,075)</u> | <u>\$ (2,687,552)</u> | <u>\$ (2,886,647)</u> | <u>\$ (2,621,353)</u> |
| | | | | | |
| \$ 2,581,538 | \$ 2,612,273 | \$ 2,739,739 | \$ 2,724,403 | \$ 2,890,203 | \$ 3,001,538 |
| 16,429 | 15,317 | 18,285 | 15,374 | 15,144 | 14,270 |
| 769,967 | 983,567 | 170,718 | 149,366 | 87,294 | 85,992 |
| 36,512 | 14,927 | 3,435 | 2,644 | 5,529 | - |
| 96,571 | 69,793 | 46,421 | 26,971 | 61,301 | (17,832) |
| (741,564) | - | (2,144,660) | (192,320) | - | - |
| - | - | - | - | - | - |
| (59,459) | 112,482 | (427,693) | 99,880 | 60,000 | 264,880 |
| <u>2,699,994</u> | <u>3,808,359</u> | <u>406,245</u> | <u>2,826,318</u> | <u>3,119,471</u> | <u>3,348,848</u> |
| | | | | | |
| 255,877 | 150,631 | 122,866 | 120,322 | 64,903 | 37,157 |
| 6,332 | - | - | 15,532 | - | - |
| 741,564 | - | 2,144,660 | 192,320 | - | - |
| - | - | - | - | - | - |
| 59,459 | (112,482) | 427,693 | (99,880) | (60,000) | (264,880) |
| <u>1,063,232</u> | <u>38,149</u> | <u>2,695,219</u> | <u>228,294</u> | <u>4,903</u> | <u>(227,723)</u> |
| <u>\$ 3,763,226</u> | <u>\$ 3,846,508</u> | <u>\$ 3,101,464</u> | <u>\$ 3,054,612</u> | <u>\$ 3,124,374</u> | <u>\$ 3,121,125</u> |
| | | | | | |
| \$ 181,572 | \$ 1,245,429 | \$ (2,425,809) | \$ 91,592 | \$ (103,051) | \$ 530,475 |
| 1,562,657 | 364,486 | 3,020,198 | 275,468 | 340,778 | (30,703) |
| <u>\$ 1,744,229</u> | <u>\$ 1,609,915</u> | <u>\$ 594,389</u> | <u>\$ 367,060</u> | <u>\$ 237,727</u> | <u>\$ 499,772</u> |

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

| | Fiscal Year | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| General fund | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 861,030 | 1,491,866 | 1,295,003 | 1,549,075 |
| Nonspendable | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total General fund | <u>\$ 861,030</u> | <u>\$ 1,491,866</u> | <u>\$ 1,295,003</u> | <u>\$ 1,549,075</u> |
| All other governmental funds | | | | |
| Reserved | \$ 4,226,773 | \$ 3,484,047 | \$ 3,477,478 | \$ 2,642,776 |
| Unreserved, reported in | | | | |
| Special revenue funds | 795,496 | 822,527 | 77,698 | 159,709 |
| Capital project funds | 950,540 | 951,384 | 1,703,319 | 1,260,475 |
| Restricted | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total all other governmental funds | <u>\$ 5,972,809</u> | <u>\$ 5,257,958</u> | <u>\$ 5,258,495</u> | <u>\$ 4,062,960</u> |

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

Table 3

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ - | \$ - | \$ 1,803 | \$ - | \$ - | \$ - |
| 1,906,188 | 2,086,873 | 2,048,599 | - | - | - |
| - | - | - | 3,055 | 9,861 | 15,079 |
| - | - | - | 8,095 | 8,174 | 8,174 |
| - | - | - | 2,058,863 | 2,053,454 | 2,225,913 |
| <u>\$ 1,906,188</u> | <u>\$ 2,086,873</u> | <u>\$ 2,050,402</u> | <u>\$ 2,070,013</u> | <u>\$ 2,071,489</u> | <u>\$ 2,249,166</u> |
| \$ 2,934,413 | \$ 850,341 | \$ 209,998 | \$ - | \$ - | \$ - |
| 143,321 | 292,039 | 263,279 | - | - | - |
| 743,062 | 760,880 | 199,289 | - | - | - |
| - | - | - | 386,123 | 1,448,156 | 1,781,010 |
| - | - | - | 406,183 | 481,981 | 500,910 |
| - | - | - | (1,254,897) | (1,022,799) | (1,494,602) |
| <u>\$ 3,820,796</u> | <u>\$ 1,903,260</u> | <u>\$ 672,566</u> | <u>\$ (462,591)</u> | <u>\$ 907,338</u> | <u>\$ 787,318</u> |

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

| | Fiscal Year | | | |
|--|-------------------|--------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Revenues | | | | |
| Taxes | | | | |
| General property tax | \$ 1,460,635 | \$ 1,842,144 | \$ 2,033,511 | \$ 2,248,640 |
| Tax increments | 24,982 | 27,693 | 17,801 | 18,670 |
| Special assessments | - | - | 20,578 | 100,578 |
| Licenses and permits | 221,842 | 216,517 | 164,998 | 173,379 |
| Intergovernmental | 849,356 | 1,246,831 | 536,850 | 941,278 |
| Charges for services | 735,751 | 825,388 | 350,592 | 901,866 |
| Fines and forfeitures | 43,174 | 46,800 | 55,167 | 58,461 |
| Interest on investments | 152,506 | 135,974 | 204,822 | 252,714 |
| Miscellaneous | 1,219,698 | 712,908 | 137,688 | 238,562 |
| Total revenues | <u>4,707,944</u> | <u>5,054,255</u> | <u>3,522,007</u> | <u>4,934,148</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 403,306 | 621,147 | 559,985 | 536,924 |
| Public safety | 943,865 | 1,042,626 | 1,217,117 | 1,296,240 |
| Public works | 365,787 | 394,700 | 419,061 | 483,993 |
| Culture and recreation | 193,235 | 244,246 | 242,623 | 230,783 |
| Community development | 186,345 | 96,003 | 227,228 | 249,961 |
| Miscellaneous | 65,300 | 62,196 | 54,998 | 9,497 |
| Capital outlay | | | | |
| General government | 303,503 | 9,051 | 114,946 | 518,430 |
| Public safety | 85,789 | 45,018 | 65,333 | 103,323 |
| Public works | 371,138 | 441,742 | 405,443 | 5,501,287 |
| Culture and recreation | 225,719 | 2,281 | 807,453 | 130,397 |
| Community development | 261,559 | 236,896 | 394,513 | - |
| Debt service | | | | |
| Principal | 358,032 | 1,683,449 | 384,432 | 951,325 |
| Interest and other charges | 316,623 | 272,415 | 301,959 | 360,058 |
| Total expenditures | <u>4,080,201</u> | <u>5,151,770</u> | <u>5,195,091</u> | <u>10,372,218</u> |
| Excess (deficiency) or revenues over (under) expenditures | <u>627,743</u> | <u>(97,515)</u> | <u>(1,673,084)</u> | <u>(5,438,070)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 606,413 | 346,995 | 1,202,595 | 740,487 |
| Transfers out | (592,913) | (333,495) | (2,563,256) | (482,707) |
| Bond proceeds | 300,000 | - | 2,828,248 | 4,200,715 |
| Contract for deed issued | - | - | - | - |
| Sale of capital assets | - | - | 9,171 | 38,112 |
| Total other financing sources (uses) | <u>313,500</u> | <u>13,500</u> | <u>1,476,758</u> | <u>4,496,607</u> |
| Net change in fund balance | <u>\$ 941,243</u> | <u>\$ (84,015)</u> | <u>\$ (196,326)</u> | <u>\$ (941,463)</u> |
| Debt service as a percentage of noncapital expenditures | <u>31.27%</u> | <u>79.48%</u> | <u>25.23%</u> | <u>46.71%</u> |

Table 4

| Fiscal Year | | | | | |
|-------------------|-------------------|---------------------|-----------------------|---------------------|------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ 2,541,791 | \$ 2,639,498 | \$ 2,744,495 | \$ 2,733,171 | \$ 2,914,638 | \$ 3,007,177 |
| 16,429 | 15,317 | 18,285 | 15,374 | 15,144 | 14,270 |
| 116,915 | 94,319 | 54,438 | 63,380 | 64,949 | 51,141 |
| 87,735 | 66,207 | 78,242 | 99,415 | 89,300 | 87,298 |
| 961,515 | 1,217,007 | 380,977 | 698,484 | 434,324 | 449,284 |
| 340,973 | 295,362 | 313,878 | 310,544 | 302,731 | 326,599 |
| 46,213 | 38,555 | 30,537 | 30,414 | 35,166 | 33,927 |
| 196,947 | 69,793 | 46,421 | 26,971 | 61,301 | (17,832) |
| 110,832 | 106,392 | 135,789 | 145,615 | 136,182 | 193,875 |
| <u>4,419,350</u> | <u>4,542,450</u> | <u>3,803,062</u> | <u>4,123,368</u> | <u>4,053,735</u> | <u>4,145,739</u> |
| 662,716 | 627,997 | 646,947 | 651,933 | 656,188 | 654,631 |
| 1,344,164 | 1,363,710 | 1,457,092 | 1,480,092 | 1,486,294 | 1,533,049 |
| 446,179 | 631,200 | 700,257 | 650,285 | 504,988 | 686,201 |
| 261,044 | 273,802 | 282,548 | 290,081 | 277,255 | 247,542 |
| 189,895 | 119,724 | 116,532 | 119,378 | 155,770 | 264,659 |
| 18,754 | 12,705 | 6,339 | 3,309 | 18,494 | 5,571 |
| - | 330,823 | 226,787 | 29,978 | 6,534 | 3,164 |
| 30,335 | 46,768 | 32,849 | 80,873 | 130,560 | 86,291 |
| 1,000,855 | 661,224 | 466,039 | 1,301,477 | 7,028,857 | 651,780 |
| 185,125 | 76,376 | 72,477 | 435,890 | 208,043 | 120,194 |
| - | - | - | - | - | 26,470 |
| 394,048 | 132,911 | 113,095 | 271,946 | 91,723 | 288,549 |
| 387,068 | 62,825 | 56,871 | 50,595 | 407,665 | 372,182 |
| <u>4,920,183</u> | <u>4,340,065</u> | <u>4,177,833</u> | <u>5,365,837</u> | <u>10,972,371</u> | <u>4,940,283</u> |
| <u>(500,833)</u> | <u>202,385</u> | <u>(374,771)</u> | <u>(1,242,469)</u> | <u>(6,918,636)</u> | <u>(794,544)</u> |
| 759,291 | 865,643 | 794,826 | 516,166 | 981,795 | 604,880 |
| (205,500) | (753,161) | (1,222,519) | (416,286) | (921,795) | (340,000) |
| - | - | - | - | 8,200,000 | 560,000 |
| - | - | 150,000 | - | - | - |
| 61,991 | 49,403 | 29,965 | 27,043 | 30,041 | 27,321 |
| <u>615,782</u> | <u>161,885</u> | <u>(247,728)</u> | <u>126,923</u> | <u>8,290,041</u> | <u>852,201</u> |
| <u>\$ 114,949</u> | <u>\$ 364,270</u> | <u>\$ (622,499)</u> | <u>\$ (1,115,546)</u> | <u>\$ 1,371,405</u> | <u>\$ 57,657</u> |
| <u>26.73%</u> | <u>6.46%</u> | <u>4.84%</u> | <u>9.01%</u> | <u>13.45%</u> | <u>16.04%</u> |

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 (Shown by year of tax collectability)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Estimated market value | | | | |
| Real property | \$334,855,700 | \$442,992,300 | \$472,611,300 | \$524,038,800 |
| Personal property | <u>5,096,400</u> | <u>5,517,300</u> | <u>5,592,900</u> | <u>6,453,700</u> |
| Total estimated market value | <u><u>\$339,952,100</u></u> | <u><u>\$448,509,600</u></u> | <u><u>\$478,204,200</u></u> | <u><u>\$530,492,500</u></u> |
| Tax capacity | | | | |
| Residential property | \$ 2,963,164 | \$ 3,627,898 | \$ 4,197,758 | \$ 4,654,748 |
| Commercial / industrial property | 525,862 | 603,722 | 697,404 | 772,448 |
| Other | 253,761 | 280,188 | 289,383 | 329,447 |
| Contribution to fiscal disparities pool | (211,771) | (253,164) | (277,760) | (315,838) |
| Receivable from fiscal disparities pool | 678,747 | 747,178 | 744,058 | 1,069,287 |
| Tax increment | <u>(26,697)</u> | <u>(28,594)</u> | <u>(18,270)</u> | <u>(19,434)</u> |
| Net tax capacity | <u><u>\$ 4,183,066</u></u> | <u><u>\$ 4,977,228</u></u> | <u><u>\$ 5,632,573</u></u> | <u><u>\$ 6,490,658</u></u> |
| Net tax capacity as a percentage of estimated market value | <u><u>1.230 %</u></u> | <u><u>1.110 %</u></u> | <u><u>1.178 %</u></u> | <u><u>1.224 %</u></u> |
| Gross tax levy | <u><u>\$ 1,521,752</u></u> | <u><u>\$ 1,979,977</u></u> | <u><u>\$ 2,167,157</u></u> | <u><u>\$ 2,402,157</u></u> |
| Tax capacity rate | <u><u>34.850 %</u></u> | <u><u>40.650 %</u></u> | <u><u>38.150 %</u></u> | <u><u>36.790 %</u></u> |

Source: Anoka County Property Records and Taxation Department.

Note: Property in the County is reassessed annually.

Table 5

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$574,451,900 | \$568,978,400 | \$525,397,100 | \$464,184,500 | \$456,064,600 | \$405,703,000 |
| <u>6,255,800</u> | <u>6,167,500</u> | <u>5,988,500</u> | <u>6,502,200</u> | <u>6,573,500</u> | <u>6,496,600</u> |
| <u>\$580,707,700</u> | <u>\$575,145,900</u> | <u>\$531,385,600</u> | <u>\$470,686,700</u> | <u>\$462,638,100</u> | <u>\$412,199,600</u> |
| \$ 4,874,805 | \$ 4,844,770 | \$ 4,563,115 | \$ 4,055,812 | \$ 3,586,358 | \$ 3,153,799 |
| 839,860 | 839,984 | 740,819 | 686,986 | 655,422 | 563,227 |
| 349,124 | 351,157 | 294,516 | 258,316 | 244,970 | 221,807 |
| (353,194) | (378,126) | (377,468) | (341,228) | (323,392) | (310,154) |
| 1,208,203 | 1,406,759 | 1,470,600 | 1,531,408 | 1,383,468 | 1,320,087 |
| <u>(16,615)</u> | <u>(16,078)</u> | <u>(16,833)</u> | <u>(12,820)</u> | <u>(12,628)</u> | <u>(11,899)</u> |
| <u>\$ 6,902,183</u> | <u>\$ 7,048,466</u> | <u>\$ 6,674,749</u> | <u>\$ 6,178,474</u> | <u>\$ 5,534,198</u> | <u>\$ 4,936,867</u> |
| <u>1.189 %</u> | <u>1.226 %</u> | <u>1.256 %</u> | <u>1.313 %</u> | <u>1.196 %</u> | <u>1.198 %</u> |
| <u>\$ 2,690,415</u> | <u>\$ 2,724,202</u> | <u>\$ 2,873,160</u> | <u>\$ 2,873,160</u> | <u>\$ 2,873,160</u> | <u>\$ 2,988,086</u> |
| <u>39.390 %</u> | <u>38.400 %</u> | <u>44.265 %</u> | <u>47.139 %</u> | <u>53.406 %</u> | <u>63.026 %</u> |

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PROPERTY TAX CAPACITY RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Table 6

| Year Taxes Payable | City | | | Overlapping Rates | | | | Totals | |
|--------------------------|---------|--------------|---------|-------------------|------------------------------|-------------------------------|----------------------|---------|----------|
| | General | Debt Service | Total | Anoka County | School District No. 15 | School District No. 728 | Special Districts | No. 15 | No. 728 |
| | 2004 | 34.850 % | 0.000 % | 34.850 % | 35.765 % | 19.063 % | 30.953 % | 4.233 % | 93.911 % |
| 2005 | 40.650 | 0.000 | 40.650 | 33.581 | 18.524 | 32.848 | 4.443 | 97.198 | 111.522 |
| 2006 | 38.150 | 0.000 | 38.150 | 32.543 | 23.077 | 35.950 | 4.016 | 97.786 | 110.659 |
| 2007 | 36.790 | 0.000 | 36.790 | 31.094 | 24.625 | 33.208 | 3.912 | 96.421 | 105.004 |
| 2008 | 39.390 | 0.000 | 39.390 | 31.453 | 23.174 | 32.344 | 5.224 | 99.241 | 108.411 |
| 2009 | 38.161 | 0.239 | 38.400 | 32.445 | 20.965 | 36.136 | 3.797 | 95.607 | 110.778 |
| 2010 | 43.932 | 0.333 | 44.265 | 35.574 | 24.859 | 39.967 | 4.455 | 109.153 | 124.261 |
| 2011 | 46.800 | 0.339 | 47.139 | 40.376 | 28.793 | 43.489 | 4.478 | 120.786 | 135.482 |
| 2012 | 53.015 | 0.391 | 53.406 | 41.615 | 32.835 | 45.548 | 3.875 | 131.731 | 144.444 |
| 2013 | 62.591 | 0.435 | 63.026 | 44.761 | 33.707 | 50.058 | 4.094 | 145.588 | 161.939 |

Source: Anoka County Property Records and Taxation Department.

Note: 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 government's property owners whose property is located within the geographic boundaries of the special district).

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL PROPERTY TAXPAYERS
 DECEMBER 31, 2013

Table 7

| | 2013 | | | 2004 | | |
|---------------------------------------|------------------------|------|---|------------------------|------|---|
| | Net Tax Capacity | Rank | Percent of Total Net Tax Capacity | Net Tax Capacity | Rank | Percent of Total Net Tax Capacity |
| Alliant Techsystems | \$ 175,977 | 1 | 3.56 % | \$ 199,220 | 1 | 3.54 % |
| ALS Properties Woodhaven LLC | 101,934 | 2 | 2.06 | 92,235 | 3 | 1.64 |
| St. Francis Realty LLC | 92,167 | 3 | 1.87 | 113,279 | 2 | 2.01 |
| Connexus Energy | 69,512 | 4 | 1.41 | 80,778 | 4 | 1.43 |
| King Exchange LLC | 61,416 | 5 | 1.24 | - | - | - |
| Minnegasco Inc. | 52,696 | 6 | 1.07 | 36,370 | 5 | 0.65 |
| Northern Capital Investments | 25,000 | 7 | 0.51 | - | - | - |
| Village Bank | 23,024 | 8 | 0.47 | - | - | - |
| Jensen Family LP | 21,582 | 9 | 0.44 | 30,211 | 7 | 0.54 |
| Abbey Field LP | 17,099 | 10 | 0.35 | 33,628 | 6 | - |
| Turtle Ridge Townhomes of St. Francis | - | - | - | 28,798 | 8 | 0.51 |
| Brama Brothers Enterprises, LLC | - | - | - | 28,401 | 9 | 0.50 |
| The Ponds Golf Course LLC | - | - | - | 22,710 | 10 | 0.40 |
| | | | | | | |
| Total | \$ 640,407 | | 12.98 % | \$ 665,630 | | 11.22 % |

Source: Anoka County Property Records and Taxation Department.

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CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

Table 8

| Fiscal Year | Original Gross Levy | Net Levy | Collection of Current Year's Levy | Percentage of Levy Collected | Collection of Prior Years' Levy | Total Collections | Percentage of Total Collections to Levy |
|----------------|------------------------|--------------|---|------------------------------------|---------------------------------------|----------------------|--|
| 2004 | \$ 1,521,752 | \$ 1,381,744 | \$ 1,358,373 | 98.31 % | \$ 23,369 | \$ 1,381,742 | 100.00 % |
| 2005 | 1,979,977 | 1,819,895 | 1,783,612 | 98.01 | 36,269 | 1,819,881 | 100.00 |
| 2006 | 2,167,157 | 2,020,659 | 1,969,696 | 97.48 | 50,825 | 2,020,521 | 99.99 |
| 2007 | 2,402,157 | 2,266,988 | 2,170,996 | 95.77 | 94,163 | 2,265,159 | 99.92 |
| 2008 | 2,690,415 | 2,550,066 | 2,448,984 | 96.04 | 98,478 | 2,547,462 | 99.90 |
| 2009 | 2,724,202 | 2,579,929 | 2,492,264 | 96.60 | 77,314 | 2,569,578 | 99.60 |
| 2010 | 2,873,160 | 2,856,338 | 2,770,029 | 96.98 | 57,986 | 2,828,015 | 99.01 |
| 2011 | 2,873,160 | 2,704,618 | 2,665,913 | 98.57 | 34,799 | 2,700,712 | 99.86 |
| 2012 | 2,873,160 | 2,873,160 | 2,847,168 | 99.10 | 14,152 | 2,861,320 | 99.59 |
| 2013 | 2,988,086 | 2,988,086 | 2,972,920 | 99.49 | - | 2,972,920 | 99.49 |

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

| Fiscal Year | Governmental Activities | | | | |
|----------------|--------------------------------|---------------------------|-------------------|----------------------|---------------------|
| | General Obligation Bonds | Lease Revenue Bonds | Capital Leases | Contract for Deed | Promissory Notes |
| 2004 | \$ - | \$ - | 609,823 | \$ - | \$ 273,175 |
| 2005 | - | - | 547,226 | - | 217,323 |
| 2006 | - | - | 481,034 | - | 159,083 |
| 2007 | 1,110,000 | - | 411,032 | - | 97,761 |
| 2008 | 1,110,000 | - | 276,317 | - | 33,428 |
| 2009 | 1,065,000 | - | 221,834 | - | - |
| 2010 | 1,010,000 | - | 163,739 | 150,000 | - |
| 2011 | 950,000 | - | 101,793 | - | - |
| 2012 | 885,000 | 8,200,000 | 75,070 | - | - |
| 2013 | 1,380,000 | 8,005,000 | 46,521 | - | - |

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

See the Demographic Statistics table on page 139 for personal income and population data.

* - Personal income and population data were not available for the current year, therefore these calculations were not possible.

Table 9

| <u>Business-type Activities</u> | | | | | |
|---------------------------------|----------------|-------------------|------------------------|---------------|--|
| <u>General</u> | | <u>Total</u> | | | |
| <u>Obligation</u> | <u>Capital</u> | <u>Primary</u> | <u>Percentage of</u> | <u>Per</u> | |
| <u>Revenue Bonds</u> | <u>Leases</u> | <u>Government</u> | <u>Personal Income</u> | <u>Capita</u> | |
| \$ 5,135,000 | \$ - | \$ 6,017,998 | 2.72 % | \$ 926 | |
| 3,570,000 | - | 4,334,549 | 1.78 | 605 | |
| 6,150,000 | - | 6,790,117 | 2.68 | 943 | |
| 8,445,000 | - | 10,063,793 | 3.58 | 1,347 | |
| 16,825,231 | - | 18,244,976 | 6.56 | 2,464 | |
| 14,543,660 | - | 15,830,494 | 5.18 | 2,152 | |
| 15,527,000 | - | 16,850,739 | 5.84 | 2,335 | |
| 14,899,000 | - | 15,950,793 | 5.53 | 2,210 | |
| 14,204,000 | - | 23,364,070 | 8.05 | 3,220 | |
| 15,406,000 | - | 24,837,521 | * | * | |

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

Table 10

| Fiscal Year | General Obligation Bonds | Less Amounts Available in Debt Service Funds | Net Bonded Debt | Percentage of Estimated Market Value of Taxable Property | Per Capita |
|----------------|--------------------------------|--|-----------------------|---|------------|
| 2004 | \$ 5,135,000 | \$ 4,226,773 | \$ 908,227 | 0.27 % | \$ 140 |
| 2005 | 3,570,000 | 3,484,047 | 85,953 | 0.02 | 12 |
| 2006 | 6,150,000 | 3,477,478 | 2,672,522 | 0.56 | 371 |
| 2007 | 9,555,000 | 2,642,776 | 6,912,224 | 1.30 | 925 |
| 2008 | 17,935,231 | 2,934,413 | 15,000,818 | 2.58 | 2,026 |
| 2009 | 15,608,660 | 850,341 | 14,758,319 | 2.57 | 2,006 |
| 2010 | 16,537,000 | 209,998 | 16,327,002 | 3.07 | 2,262 |
| 2011 | 15,849,000 | 194,054 | 15,654,946 | 3.33 | 2,169 |
| 2012 | 15,089,000 | 145,274 | 14,943,726 | 3.23 | 2,060 |
| 2013 | 16,786,000 | 681,165 | 16,104,835 | 3.48 | 2,213 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See Assessed Value and Estimated Actual Value of Taxable Property on page 126-127 for property value data.
 See the Demographic Statistics on page 139 for population data.

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2013

Table 11

| | <u>Net Debt</u> | <u>Percentage Applicable to City</u> | <u>Amount Applicable to City of St. Francis Share of Debt</u> |
|-----------------------------------|------------------------------|--|---|
| Direct debt | | | |
| City of St. Francis | <u>\$ 9,431,521</u> | 100.00 % | <u>\$ 9,431,521</u> |
| Overlapping debt | | | |
| Anoka County | \$ 131,210,000 | 1.84 % | \$ 2,492,990 |
| Isanti County | 7,605,000 | 0.02 | 2,282 |
| School District 15 | 36,235,000 | 20.63 | 7,475,281 |
| Metropolitan Council | 618,674 | 0.18 | 1,237 |
| Metro Transit | <u>317,355,092</u> | 0.21 | <u>729,917</u> |
| Total overlapping debt | <u><u>\$493,023,766</u></u> | | <u><u>\$ 10,701,706</u></u> |
| Total direct and overlapping debt | <u><u>\$ 502,455,287</u></u> | | <u><u>\$ 20,133,227</u></u> |

Sources : Market value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

| | Fiscal Year | | | |
|--|---------------------|---------------------|---------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Estimated Market Value of Taxable Property | \$ 339,952,100 | \$ 448,509,600 | \$ 478,204,200 | \$ 530,492,500 |
| Statutory percentage | 2.0% | 2.0% | 2.0% | 2.0% |
| Statutory debt limit | 6,799,042 | 8,970,192 | 9,564,084 | 10,609,850 |
| Total net debt applicable to limit | - | - | - | - |
| Legal debt margin | <u>\$ 6,799,042</u> | <u>\$ 8,970,192</u> | <u>\$ 9,564,084</u> | <u>\$ 10,609,850</u> |

Table 12

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ 580,707,700 | \$ 575,145,900 | \$ 531,385,600 | \$ 470,686,700 | \$ 462,638,100 | \$ 412,199,600 |
| 2.0% | 2.0% | 2.0% | 3.0% | 3.0% | 3.0% |
| 11,614,154 | 11,502,918 | 10,627,712 | 14,120,601 | 13,879,143 | 12,365,988 |
| - | - | - | - | - | - |
| <u>\$ 11,614,154</u> | <u>\$ 11,502,918</u> | <u>\$ 10,627,712</u> | <u>\$ 14,120,601</u> | <u>\$ 13,879,143</u> | <u>\$ 12,365,988</u> |

Legal Debt Margin Calculation for Fiscal Year 2012

| | |
|--|----------------------|
| Estimated Market Value of Taxable Property | \$ 412,199,600 |
| Statutory percentage | <u>3.0%</u> |
| Statutory debt limit | <u>\$ 12,365,988</u> |
| Total bonds outstanding | \$ 24,791,000 |
| Less: Special assessment bonds | (1,380,000) |
| Less: Utility revenue bonds | (15,406,000) |
| Less: Lease revenue bonds | <u>(8,005,000)</u> |
| Debt applicable to limit | <u>-</u> |
| Legal debt margin | <u>\$ 12,365,988</u> |

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

Table 13

| Fiscal Year | G.O. Special Assessment Bonds | | | | | | Coverage |
|-------------|-------------------------------|---------------------|-------------------|--------------|----------|---------|----------|
| | Property Taxes | Special Assessments | Revenue Available | Debt Service | | Total | |
| | | | | Principal | Interest | | |
| 2004 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - % |
| 2005 | - | - | - | - | - | - | - |
| 2006 | - | - | - | - | - | - | - |
| 2007 | - | 80,204 | 80,204 | - | - | - | - |
| 2008 | - | 89,739 | 89,739 | - | 30,322 | 30,322 | - |
| 2009 | 12,394 | 50,958 | 63,352 | 45,000 | 45,008 | 90,008 | 0.704 |
| 2010 | 19,311 | 40,766 | 60,077 | 55,000 | 43,132 | 98,132 | 0.612 |
| 2011 | 19,759 | 23,575 | 43,334 | 60,000 | 40,708 | 100,708 | 0.430 |
| 2012 | 21,098 | 32,359 | 53,457 | 65,000 | 38,328 | 103,328 | 0.517 |
| 2013 | 20,984 | 24,024 | 45,008 | 65,000 | 35,317 | 100,317 | 0.449 |

| Fiscal Year | G.O. Revenue Bonds | | | | | | Coverage |
|-------------|-----------------------|------------------------|-------------|---------------|------------|------------|----------|
| | Operating Revenue (1) | Operating Expenses (2) | Net Revenue | Debt Service | | Total | |
| | | | | Principal (3) | Interest | | |
| 2004 | \$ 884,975 | \$ 576,496 | \$ 308,479 | \$ 260,000 | \$ 269,164 | \$ 529,164 | 58.296 % |
| 2005 | 955,277 | 599,749 | 355,528 | 320,000 | 223,468 | 543,468 | 65.418 |
| 2006 | 1,678,507 | 641,825 | 1,036,682 | 260,000 | 229,174 | 489,174 | 211.925 |
| 2007 | 2,063,779 | 608,211 | 1,455,568 | 820,000 | 252,600 | 1,072,600 | 135.705 |
| 2008 | 1,839,970 | 719,343 | 1,120,627 | 195,000 | 313,036 | 508,036 | 220.580 |
| 2009 | 1,950,118 | 829,000 | 1,121,118 | 569,808 | 499,607 | 1,069,415 | 104.835 |
| 2010 | 1,937,225 | 884,196 | 1,053,029 | 616,660 | 448,408 | 1,065,068 | 98.870 |
| 2011 | 1,941,843 | 947,105 | 994,738 | 628,000 | 470,399 | 1,098,399 | 90.563 |
| 2012 | 2,079,464 | 963,799 | 1,115,665 | 695,000 | 453,680 | 1,148,680 | 97.126 |
| 2013 | 2,139,806 | 1,008,043 | 1,131,763 | 968,000 | 428,117 | 1,396,117 | 81.065 |

(1) Operating revenues includes connection fees.

(2) Excluding depreciation.

(3) Net of crossover refunding.

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

Table 14

| Year | (1) Population | (2) Personal Income | (3) Per Capita Personal Income | (4) Unemployment Rate |
|------|-------------------|---------------------------|---|-----------------------------|
| 2004 | 6,500 | \$220,993,500 | \$ 33,999 | 4.8 % |
| 2005 | 7,163 | 243,556,326 | 34,002 | 4.5 |
| 2006 | 7,201 | 253,007,135 | 35,135 | 4.0 |
| 2007 | 7,473 | 280,797,975 | 37,575 | 4.0 |
| 2008 | 7,404 | 278,205,300 | 37,575 | 4.6 |
| 2009 | 7,356 | 305,605,020 | 41,545 | 5.5 |
| 2010 | 7,218 | 288,727,218 | 40,001 | 8.5 |
| 2011 | 7,218 | 288,618,948 | 39,986 | 5.9 |
| 2012 | 7,255 | 290,098,430 | 39,986 | 5.6 |
| 2013 | 7,277 | 282,303,938 | 38,794 | 5.1 |

(1) Metropolitan Council

(2) Estimates by the City. Calculated by multiplying per capita personal income and the population.

(3) Anoka County

(4) Minnesota Department of Employment and Economic Development

* Information not available at time of publication

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO (1)

Table 15

| | 2013 | | | 2006 | | |
|---|-----------|------|----------------------------------|-----------|------|----------------------------------|
| | Employees | Rank | Percent of City Employment | Employees | Rank | Percent of City Employment |
| Independent School District #15 (includes Bus Garage) | 832 | 1 | 53.61 % | 455 | 1 | 41.36 % |
| County Market | 85 | 2 | 5.48 | 90 | 2 | 8.18 |
| Temperature Specialists, Inc. | 57 | 3 | 3.67 | 33 | 7 | 3.00 |
| McDonald's | 54 | 4 | 3.48 | 58 | 3 | 5.27 |
| Beef O' Bradys | 40 | 5 | 2.58 | - | - | - |
| Northland Screw Products | 38 | 6 | 2.45 | 30 | 8 | 2.73 |
| City of St. Francis | 33 | 7 | 2.13 | 36 | 5 | 3.27 |
| The Ponds Golf Course & Restaurant | 29 | 8 | 1.87 | 48 | 4 | 4.36 |
| Kid's Country | 26 | 9 | 1.68 | 27 | 9 | 2.45 |
| Rum River Inn | 25 | 10 | 1.61 | - | - | - |
| St. Francis Foods | 23 | 11 | 1.48 | - | - | - |
| Village Bank | 13 | 12 | 0.84 | - | - | - |
| Fairview Clinic | 10 | 13 | 0.64 | - | - | - |
| St. Francis Physical Therapy | 8 | 14 | 0.52 | - | - | - |
| Casey's General Store | - | | - | 12 | 10 | 1.09 |
| Total | 1,273 | | 82.04 % | 789 | | 71.71 % |

(1) Information was not available for 2004. The City used the next year available.

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS (1)

Table 16

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government | 4 | 5 | 5 | 5 | 5 | 5 | 6 |
| Public safety | | | | | | | |
| Police | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Public works | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Culture and recreation | 3 | 2 | 3 | 3 | 3 | 3 | 2 |
| Water | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sewer | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Municipal Liquor Store | 5 | 5 | 4 | 4 | 4 | 4 | 4 |
| Total | <u>33</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> |

Source: various city departments

(1) The City began tracking this information during 2007. This table will be updated on a go-forward basis.

CITY OF ST. FRANCIS, MINNESOTA
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS (1)

Table 17

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------|------|-------|-------|-------|-------|-------|
| General government | | | | | | | |
| Ordinances & Resolutions adopted | 93 | 42 | 51 | 54 | 61 | 66 | 54 |
| Administration - Licenses processed | 44 | 41 | 40 | 34 | 41 | 34 | 29 |
| Finance - Payroll checks issued | 1245 | 1217 | 1,229 | 1,240 | 1,259 | 1,245 | 1,230 |
| Finance - Invoices paid | 3871 | 5105 | 5,394 | 3,371 | 3,262 | 3,276 | 5,304 |
| Police | | | | | | | |
| Chargeable offenses (Parts 1 & 2) | 1402 | 1073 | 1,042 | 857 | 735 | 997 | 700 |
| Miscellaneous offenses (Parts 3 & 4) | 4686 | 4627 | 3,993 | 4,297 | 4,124 | 4,378 | 4,290 |
| Public safety calls for service | 7403 | 6776 | 5,995 | 5,154 | 4,859 | 5,375 | 4,990 |
| Traffic citations issued | 1315 | 1076 | 960 | 723 | 695 | 899 | 640 |
| Fire | | | | | | | |
| Number of calls answered | 394 | 371 | 462 | 397 | 393 | 415 | 368 |
| Code enforcement | | | | | | | |
| Building permits issued | 460 | 450 | 264 | 232 | 305 | 428 | 303 |
| Highways and streets | | | | | | | |
| Asphalt Streets maintained | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| Gravel maintenance (miles) | 11 | 11 | 11 | 12 | 12 | 12 | 12 |
| Gravel usage (Tons) | N/A | 3899 | 7,465 | 3,600 | - | 4,200 | 872 |
| Sand/Salt usage (tons) | 115 | 190 | 136 | 233 | 211 | 223 | 189 |
| Water | | | | | | | |
| Water pumped (million gallons) | 221 | 186 | 200 | 187 | 174 | 195 | 188 |
| Water main breaks repaired | N/A | N/A | N/A | 1 | - | 1 | 0 |
| Wastewater | | | | | | | |
| Gallons of wastewater treated (millions) | 107 | 105 | 120 | 102 | 132 | 116 | 119 |
| Miles of sewer mains cleaned | N/A | 5 | 4 | 3 | 3 | 4 | 3 |

Sources: Various government departments.

(1) The City began tracking this information during 2007. This table will be updated on a go-forward basis.

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2013

Table 18

| | |
|--|--------------------|
| Year of incorporation | 1974 |
| Area of City | 23.70 square miles |
| Miles of roadways | |
| City | 47.0 |
| State / County | 26.9 |
| Private | 4.5 |
| 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 employees | 22 |
| Police protection | |
| Number of stations | 1 |
| Number of employees | 12 |
| Parks | |
| Number | 14 |
| Acres | 83.0 |
| Elections | |
| Registered voters last election | 4,743 |
| Number of votes cast last election | 3,673 |
| Percentage of registered voters voting | 77.44% |

Sources: Various government departments.

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CITY OF ST. FRANCIS, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS (1)

Table 19

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public Safety | | | | | | | |
| Police | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Fire stations | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Works | | | | | | | |
| Highways and streets | | | | | | | |
| Streets (miles) | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| Street lights | | | | | 201 | 234 | 252 |
| Traffic signals | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Culture and recreation | | | | | | | |
| Parks division | | | | | | | |
| Parks | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Parks acreage | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Utilities | | | | | | | |
| Water | | | | | | | |
| Miles of water main | 24.7 | 24.7 | 24.7 | 24.7 | 24.7 | 24.7 | 24.7 |
| Consumers | 4,347 | 4,790 | 4,393 | 4,475 | 4,475 | 4,380 | 4,380 |
| Maximum daily capacity (gallons) | 1,000,000 | 1,000,000 | 1,950,000 | 1,950,000 | 1,950,000 | 1,950,000 | 1,950,000 |
| Sewer | | | | | | | |
| Miles of sanitary sewer | 20.6 | 20.6 | 20.6 | 20.6 | 20.6 | 20.6 | 20.6 |
| Lift stations | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Maximum daily treatment capacity (gallons) | 540,000 | 540,000 | 540,000 | 540,000 | 540,000 | 540,000 | 540,000 |
| Storm sewer | | | | | | | |
| Miles of storm sewer | * | * | * | * | 16.7 | 16.7 | 16.7 |

Source: City of St. Francis, Minnesota

Note: No capital asset indicators are available for the general government function.

(1) Information prior to 2007 was not maintained by the City. The table will be updated on a go-forward basis.

* Information relating to miles of storm sewer was not available before 2011.