



Comprehensive Annual Financial Report

for the year ended December 31, 2010

CITY OF ST. FRANCIS, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2010

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

THIS PAGE IS LEFT BLANK
INTENTIONALLY

CITY OF ST. FRANCIS, MINNESOTA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Page No.</u>
INTRODUCTORY SECTION	
Letter of Transmittal from City Administrator and Finance Director	7
Organizational Chart	13
Elected and Appointed Officials	14
FINANCIAL SECTION	
Independent Auditor's Report	17
Management's Discussion and Analysis	21
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	35
Statement of Activities	36
Fund Financial Statements	
Governmental Funds	
Balance Sheet	40
Reconciliation of the Balance Sheet to the Statement of Net Assets	41
Statement of Revenues, Expenditures and Changes in Fund Balances	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	43
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	45
Proprietary Funds	
Statements of Net Assets	46
Statements of Revenues, Expenses and Changes in Fund Net Assets	50
Statements of Cash Flows	52
Fiduciary Fund	
Statement of Fiduciary Net Assets	56
Notes to Financial Statements	57
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Nonmajor Special Revenue Funds	
Combining Balance Sheet	90
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	92
Nonmajor Capital Projects Funds	
Combining Balance Sheet	96
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	100
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	104
Agency Fund	
Combining Schedule of Changes in Assets and Liabilities	109
Supplementary Information (Unaudited)	
Summary Financial Report	
Revenues and Expenditures for General Operations - Governmental Funds	113

CITY OF ST. FRANCIS, MINNESOTA
 TABLE OF CONTENTS - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Table	Page No.
STATISTICAL SECTION (UNAUDITED)		
Net Assets by Component	1	118
Changes in Net Assets	2	120
Fund Balances of Governmental Funds	3	124
Changes in Fund Balances of Governmental Funds	4	126
Assessed Value and Estimated Actual Value of Taxable Property	5	128
Property Tax Capacity Rates - Direct and Overlapping Governments	6	130
Principal Property Taxpayers	7	132
Property Tax Levies and Collections	8	134
Ratio of Outstanding Debt by Type	9	136
Ratios of General Bonded Debt Outstanding	10	138
Computation of Direct and Overlapping Debt	11	139
Legal Debt Margin Information	12	140
Pledged-Revenue Coverage	13	142
Demographic Statistics	14	143
Principal Employers	15	144
Full-Time Equivalent City Government Employees by Function	16	146
Operating Indicators by Function	17	147
Miscellaneous Statistics	18	148

INTRODUCTORY SECTION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK
INTENTIONALLY

May 9, 2011

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, 2010, 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, 2010. 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 7,404. Its small town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

St. Francis is a home rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities’ organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule 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 7,404 and approximately 2,539 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 2010 of 7.8%. This compares with unemployment rates of 7.3% for the State of Minnesota and 9.6% for the United States. During the past ten years, the unemployment rate rose from an initial low of 3.6% (2001) to a decade high of 8.7% (2009). The rate has remained stable over the first few months of 2011.

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 debt service and general government have increased not only in amount, but also as a percentage of total expenses. In the case of debt service, the increase reflects a final payment on a refunded bond issue in the amount of \$2,150,000 made in 2009. The growth in general government expenses reflects the addition of a City Administrator, Finance Director and funds set aside for future facility replacements and improvements.

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 \$794,214 in 2000 to \$2,817,218 in 2010. Its percentage of total revenue in 2000 was 27.5% and in 2010 rose to 74.1%.

Long-term Financial Planning

Unreserved fund balance in the general fund (54.8% of total general fund revenues) 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 revenues. The 2011 budget reflects current policy and is reducing the fund balance to 47.7% of revenues.

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 polices 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 2010 included:

The Ambassador Trunk Utilities project was started and will be completed in 2011. This project eliminated two aging lift sewage lift stations and installed one large lift station that will allow the city to provide sewer service to the northern most border of the city and will allow nine houses with aging septic systems to connect immediately.

In spite of the down housing market and economy, the City issued 13 new single family home permits and 229 addition/alteration building permits for the year at a total value of \$3,163,846.

The City spent \$205,620 on road maintenance in 2010 after completing a comprehensive street evaluation and inventory in 2008.

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 will have to proceed with the facility when the economy improves and growth commences again.

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

The City continues its work on extending Bridge Street through to Highway 47. This is an extensive undertaking and requires cooperation of the State, County and School District. This will also require a significant budget allocation to plan, lobby and hopefully implement.

The construction of a pedestrian path along Pederson Drive is a council priority. This project has been included in the budget for the past few years. The City has recently learned that it has secured grant funding to help with the financing of the project. This will be completed in 2011.

The City has had conversations with community organizations that would benefit from a recreation complex to gauge interest in helping with the construction and maintenance of such a facility.

Awards and Acknowledgements

This will be the City's second submission to the Certificate of Achievement for Excellence in Financial Reporting Program. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) that satisfies both generally accepted accounting principles and applicable legal requirements.

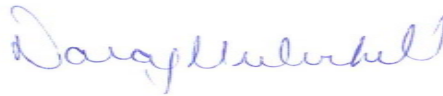
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility.

The 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,



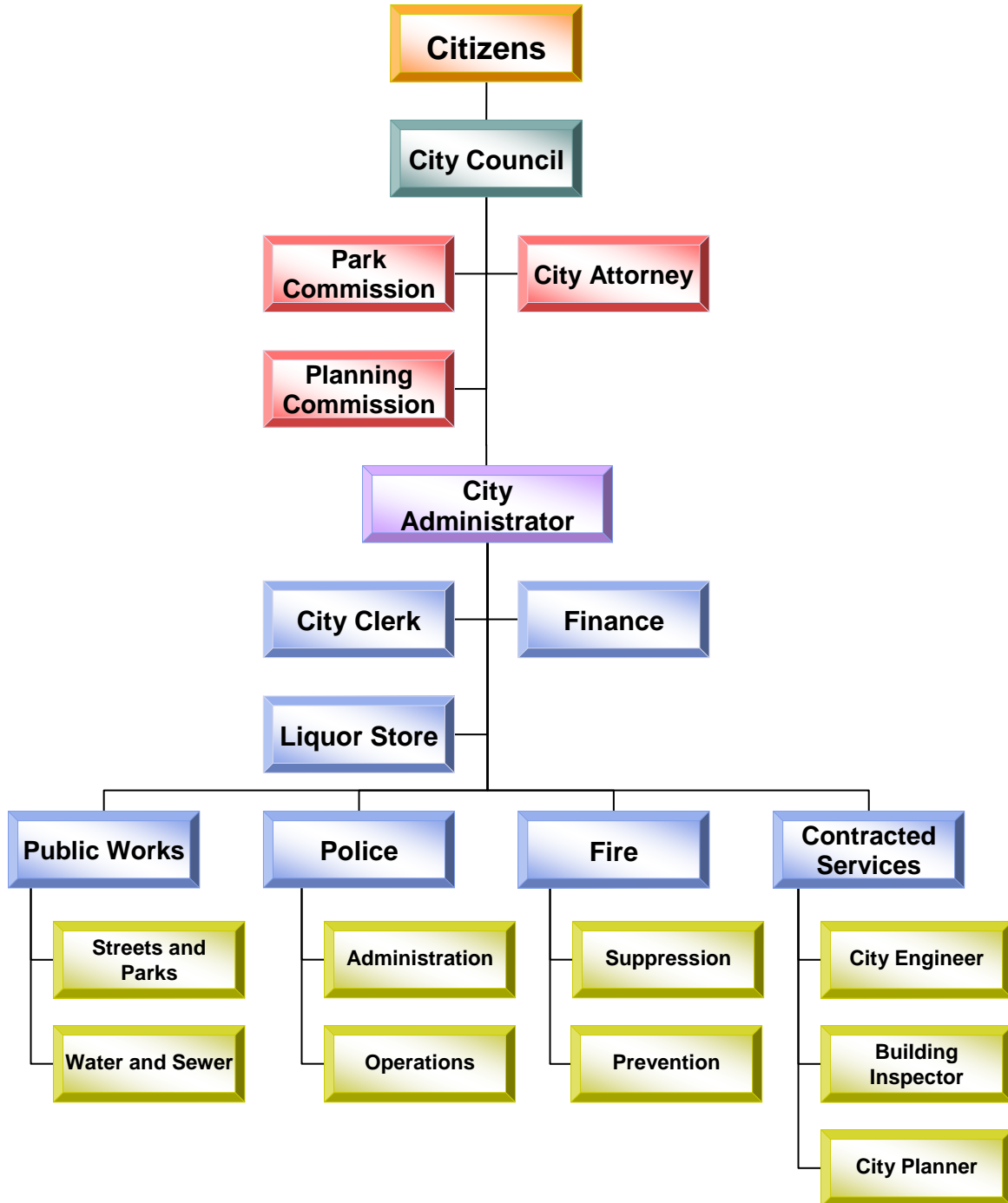
Matthew L. Hylan
City Administrator



Darcy Mulvihill
Finance Director

CITY OF ST. FRANCIS

ORGANIZATIONAL CHART



CITY OF ST. FRANCIS, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2010

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jerry Tveit	Mayor	12/31/12
Tim Brown	Council Member	12/31/10
Leroy Schaffer	Council Member	12/31/14
Jeff Sandoval	Council Member	12/31/12
Steve Kane	Council Member	12/31/12

APPOINTED

<u>Name</u>	<u>Title</u>
Matthew L. Hylen	City Administrator
Barbara Held	City Clerk
Darcy Muvihill	Finance Director

FINANCIAL SECTION

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

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

THIS PAGE IS LEFT BLANK
INTENTIONALLY



5201 Eden Avenue
Suite 250
Edina, MN 55436

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of St. Francis, Minnesota

We have audited the accompanying financial statements of the 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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 2009 financial statements and, in our report dated April 28, 2010, we expressed unqualified 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position, and cash flows, where applicable, and the budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2011 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, 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* and should be considered in assessing the results of our audit.

THIS PAGE IS LEFT BLANK
INTENTIONALLY



Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 21 through 31 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory section, supplementary information 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 them.

May 9, 2011
Minneapolis, Minnesota

ABDO, EICK & MEYERS, LLP
Certified Public Accountants

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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, 2010.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$23,845,184 (net assets). Of this amount, \$10,637,506 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$713,029. All of the increase is increase is attributable to business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,722,968. Approximately 92 percent of this total amount, \$2,511,167, is available for spending at the City's discretion, but a certain portion has been designated for specific purposes.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,048,599, or 61 percent of total 2010 general fund expenditures. While these funds are not legally reserved, they are designated for future purposes.
- The City's total debt increased \$1,032,516 (6 percent) during the current fiscal year. The key factor in this increase was the issuance of \$1,600,000 of General Obligation Revenue Bonds 2010A.

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**

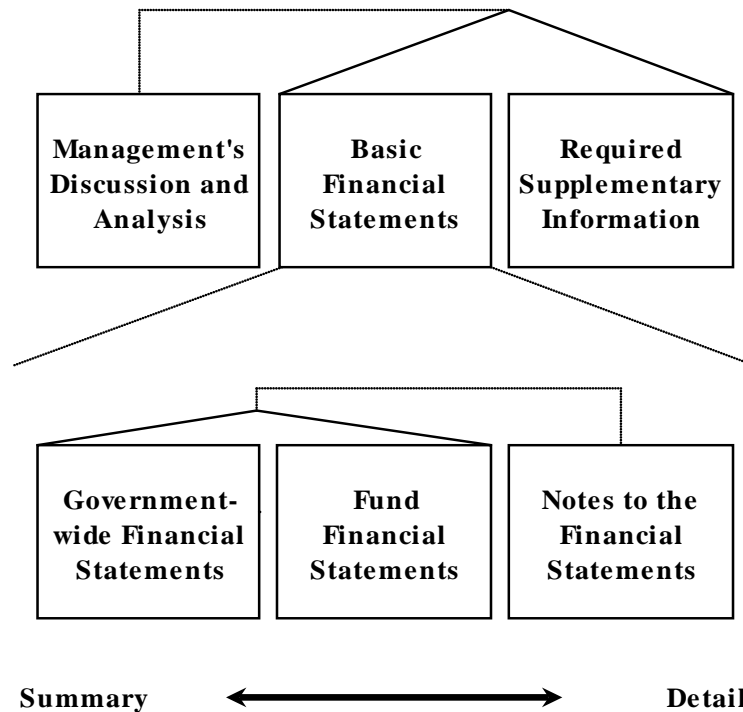


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the 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 of 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 Assets • 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 Assets • Statements of Revenues, Expenses and Changes in Fund Net Assets • 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 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 assets* presents information on all of the City’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 35 of this report.

Fund Financial Statements

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

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

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

The City maintains twenty-one 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, which is considered to be a major fund. Data from the other twenty 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 40 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 46 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 56 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 57 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to financial statements. Combining and individual fund statements and schedules start on page 84 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$23,845,184 at the close of the most recent fiscal year.

The largest portion of the City's net assets (54 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.

Summary of Net Assets

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Assets						
Current and other assets	\$ 3,892,846	\$ 4,577,183	\$ (684,337)	\$ 8,045,084	\$ 6,795,153	\$ 1,249,931
Capital assets	7,227,186	9,069,092	(1,841,906)	22,426,701	19,442,743	2,983,958
Total assets	11,120,032	13,646,275	(2,526,243)	30,471,785	26,237,896	4,233,889
Liabilities						
Noncurrent liabilities outstanding	1,452,406	1,413,369	39,037	15,558,833	14,565,354	993,479
Other liabilities	283,538	433,216	(149,678)	451,856	340,077	111,779
Total liabilities	1,735,944	1,846,585	(110,641)	16,010,689	14,905,431	1,105,258
Net Assets						
Invested in capital assets, net of related debt	5,903,447	7,782,258	(1,878,811)	6,899,701	4,899,083	2,000,618
Restricted for:						
Debt service	404,530	437,786	(33,256)	-	-	-
Unrestricted	3,076,111	3,579,646	(503,535)	7,561,395	6,433,382	1,128,013
Total net assets	\$ 9,384,088	\$ 11,799,690	\$ (2,415,602)	\$ 14,461,096	\$ 11,332,465	\$ 3,128,631

An additional portion of the City's net assets (\$404,530) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$10,637,506) 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 assets, for the City as a whole.

Governmental activities. Governmental activities decreased the City’s net assets by \$2,415,602. Key elements of this decrease are as follows:

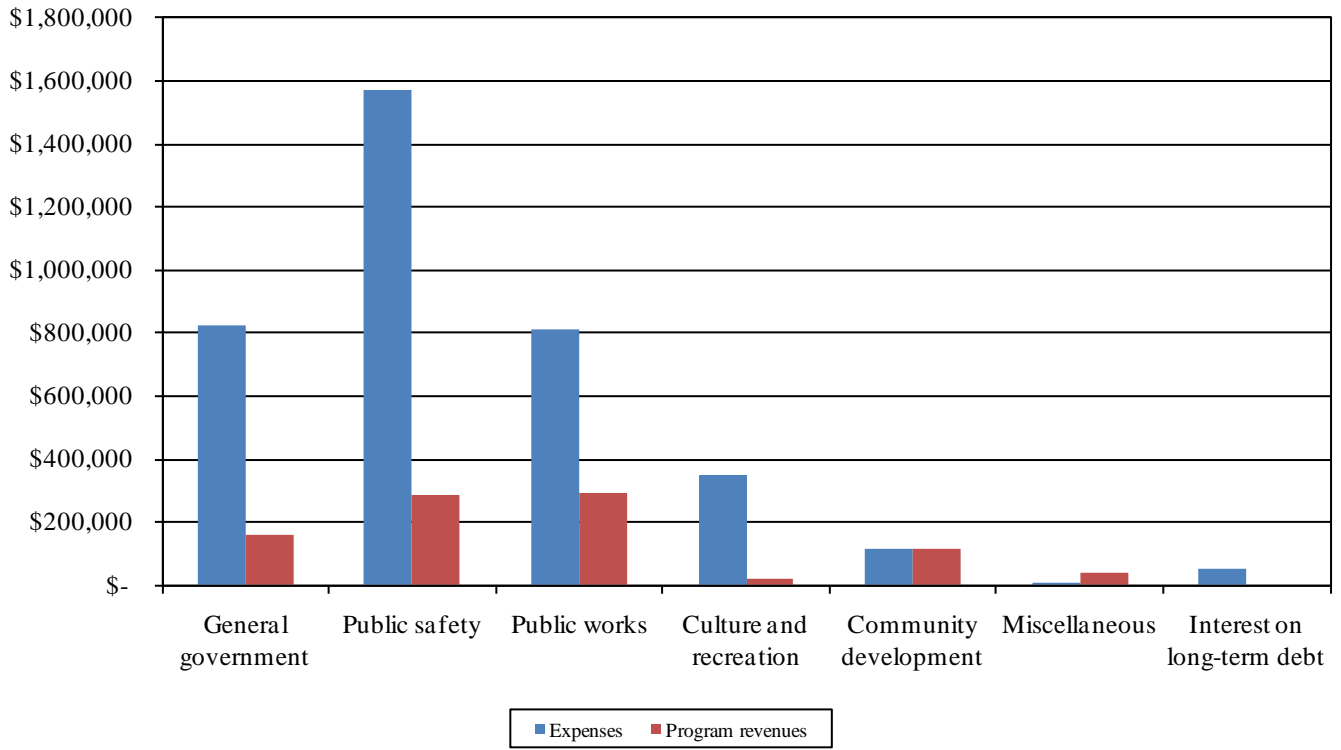
- Total revenues decreased by \$824,633 mainly due to receipts of one-time grants received in 2009 along with the decrease in Local Government Aid.
- Expenses increased due to the purchase of property that was capitalized at the land value only.
- The governmental activities contributed assets of \$2,144,660 to the business-type funds.

Changes in Net Assets

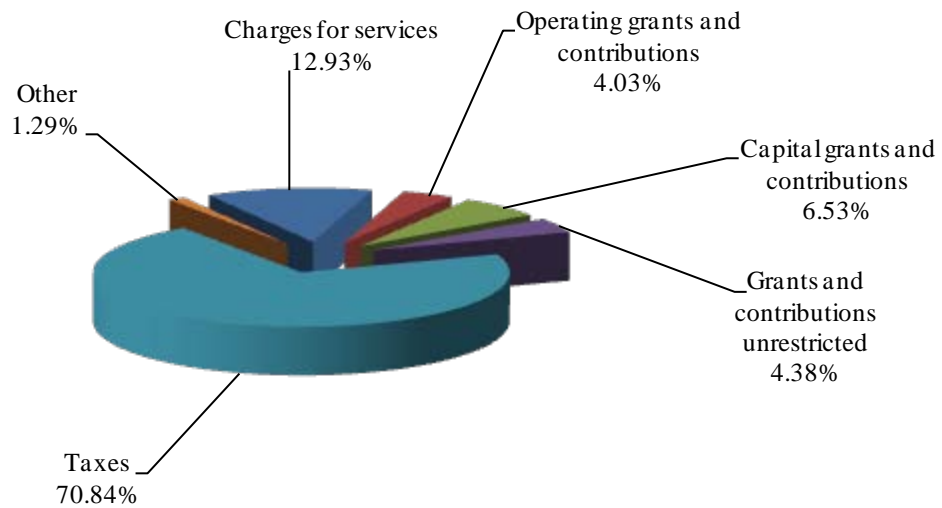
	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 503,609	\$ 470,303	\$ 33,306	\$ 3,919,628	\$ 3,939,175	\$ (19,547)
Operating grants and contributions	156,964	251,441	(94,477)	57,312	5,241	52,071
Capital grants and contributions	254,328	300,511	(46,183)	238,200	77,600	160,600
General revenues						
Taxes						
Property taxes	2,739,739	2,612,273	127,466	-	-	-
Tax increment	18,285	15,317	2,968	-	-	-
Grants and contributions not restricted to specific programs	170,718	983,567	(812,849)	-	-	-
Unrestricted investment earnings	46,421	69,793	(23,372)	122,866	150,631	(27,765)
Gain on sale of capital assets	3,435	14,927	(11,492)	-	-	-
Total revenues	3,893,499	4,718,132	(824,633)	4,338,006	4,172,647	165,359
Expenses						
General government	823,109	663,068	160,041	-	-	-
Public safety	1,570,589	1,485,755	84,834	-	-	-
Public works	812,302	931,674	(119,372)	-	-	-
Culture and recreation	351,844	310,479	41,365	-	-	-
Community development	116,532	119,724	(3,192)	-	-	-
Miscellaneous	6,339	12,705	(6,366)	-	-	-
Interest on long-term debt	56,033	61,780	(5,747)	-	-	-
Water	-	-	-	1,080,227	1,046,900	33,327
Sewer	-	-	-	800,929	755,755	45,174
Liquor store	-	-	-	1,900,572	1,893,024	7,548
Total expenses	3,736,748	3,585,185	151,563	3,781,728	3,695,679	86,049
Increase in net assets before transfers and contributions	156,751	1,132,947	(976,196)	556,278	476,968	79,310
Capital contributions from other funds	(2,144,660)	-	(2,144,660)	2,144,660	-	2,144,660
Transfers (net)	(427,693)	112,482	(540,175)	427,693	(112,482)	540,175
Change in net assets	(2,415,602)	1,245,429	(3,661,031)	3,128,631	364,486	2,764,145
Net assets, January 1	11,799,690	10,554,261	1,245,429	11,332,465	10,967,979	364,486
Net assets, December 31	\$ 9,384,088	\$ 11,799,690	\$ (2,415,602)	\$ 14,461,096	\$ 11,332,465	\$ 3,128,631

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

Expenses and Program Revenue - Governmental Activities



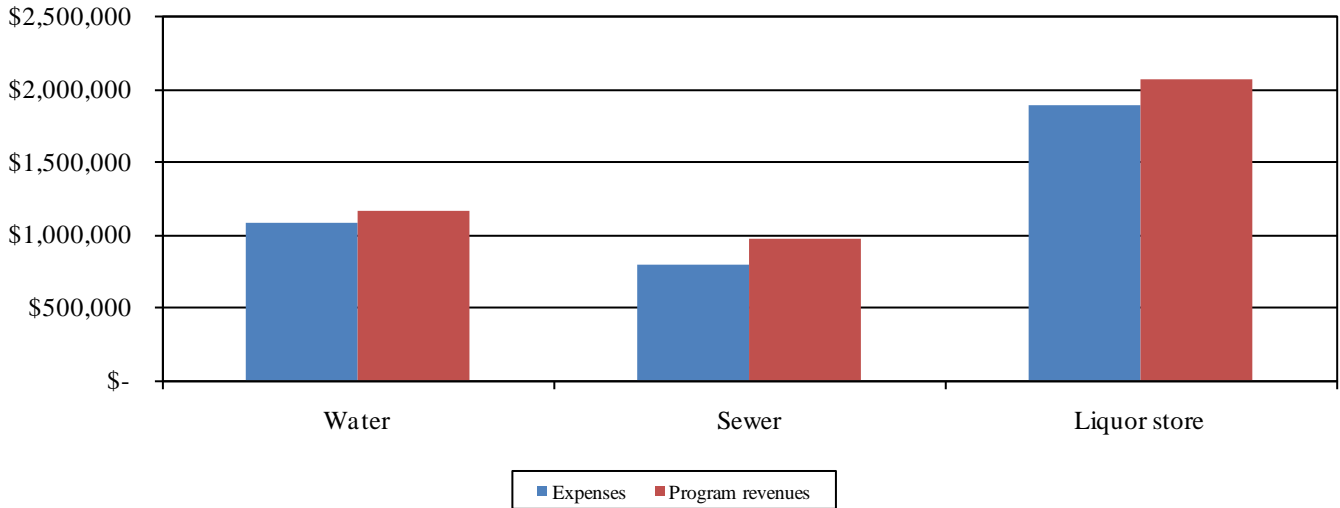
Revenue by Source - Governmental Activities



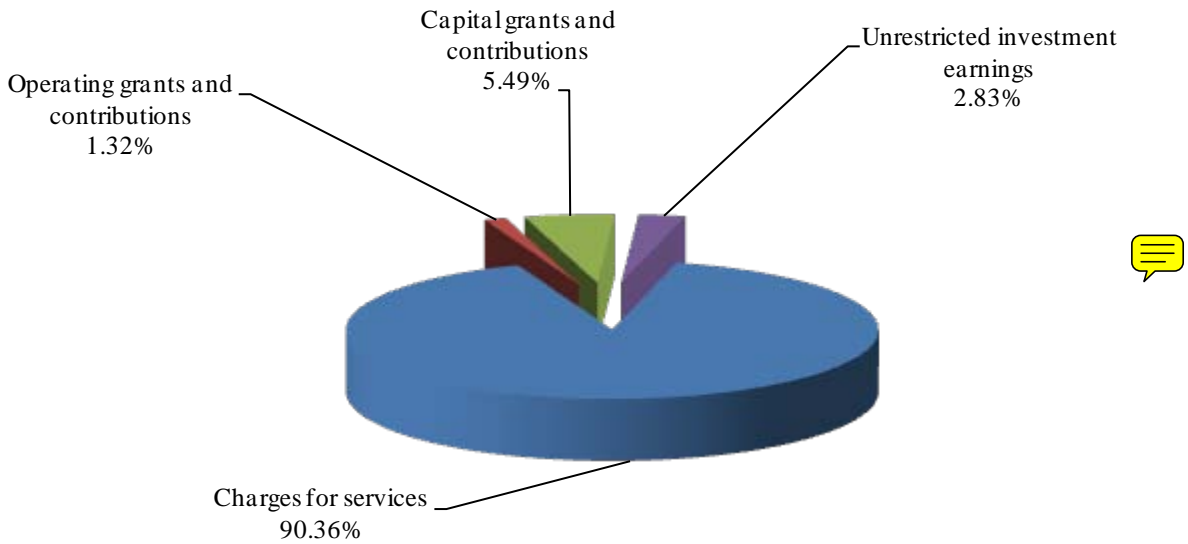
Business-type activities. Business-type activities increased the City’s net assets by \$3,128,631, accounting for all of the total growth in the City’s net assets. Key elements of this increase are as follows:

- Revenues exceeded expenses by \$556,278.
- The business-type activities received capital contributions of \$2,144,660 from the governmental funds.

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, *unreserved 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 \$2,722,968. Approximately 92 percent of this total amount, \$2,511,167, constitutes *unreserved fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service in the amount of \$209,998 and prepaid items of \$1,803.

Major fund	Fund Balances December 31		Increase (Decrease)
	2009	2010	
General	\$ 2,086,873	\$ 2,050,402	\$ (36,471)

Revenues exceeded expenditures by approximately \$300 thousand during the year. This was possible due to expenditures being under budget by approximately \$250 thousand.

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 assets of the enterprise funds at the end of the year amounted to \$7,561,395. The change in net assets for the funds was an increase of \$3,128,631. 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

General Fund revenues were 99.2 percent of the amount budgeted. Intergovernmental revenue was under budget by \$74,771 due to State aid cuts. Expenditures were 93.0 percent of the amount budgeted because department heads held their expenditures under the amounts appropriated. The largest positive variance was reflected in the general government department which came in under budget by \$85,383.

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, 2010, amounts to \$29,653,887 (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 Ambassador Trunk utility project which removes two older lift stations added one bigger lift station and provided for nine homes to connect to the city sanitary sewer system. This project was started in 2010 and will be completed in 2011.
- Purchased the property adjacent to a current city owned site for the future site of a possible public works/police building.
- Installed two signs on the Liquor store building for advertising and a third sign in Community Park for City/Community information.

Additional information on the City's capital assets can be found in Note 3C on pages 69 - 71 of this report.

Capital Assets Net of Depreciation

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Land	\$ 1,427,736	\$ 1,348,136	\$ 79,600	\$ 2,359,188	\$ 2,359,188	\$ -
Construction in progress	697,617	3,070,592	(2,372,975)	1,268,770	-	1,268,770
Land improvements	122,152	130,890	(8,738)	-	-	-
Buildings	867,209	899,499	(32,290)	13,793,775	14,182,917	(389,142)
Infrastructure	3,370,255	2,763,139	607,116	4,817,586	2,797,428	2,020,158
Machinery and equipment	742,217	856,836	(114,619)	187,382	103,210	84,172
Total	\$ 7,227,186	\$ 9,069,092	\$ (1,841,906)	\$ 22,426,701	\$ 19,442,743	\$ 2,983,958

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$16,537,000. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

Outstanding Debt

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
General obligation revenue bonds	\$ 1,010,000	\$ 1,065,000	\$ (55,000)	\$ 15,527,000	\$ 14,543,660	\$ 983,340
Contract for deed	150,000	-	150,000	-	-	-
Capital Leases	163,739	221,834	(58,095)	-	-	-
Compensated absences payable	128,667	126,535	2,132	31,833	21,694	10,139
Total	<u>\$ 1,452,406</u>	<u>\$ 1,413,369</u>	<u>\$ 39,037</u>	<u>\$ 15,558,833</u>	<u>\$ 14,565,354</u>	<u>\$ 993,479</u>

The City's total debt increased \$1,032,516 (6 percent) during the current fiscal year. This increase is primarily the result of the issuance of \$1,600,000 in General Obligation Revenue Bonds, Series 2010A.

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 on pages 72 - 75 of this report.

Economic Factors and Next Year's Budgets and Rates

- Anoka County has an annual average unemployment rate for 2010 of 7.8 percent. This compares with unemployment rates of 7.3 percent for the State of Minnesota and 9.6 percent for the United States.
- Residential property values decreased by 11.6 percent for property taxes payable in 2011.
- The 2010 Census population was 7,218.

These factors were considered in preparing the City's budget for the 2011 fiscal year. The City's adopted 2011 budget includes a property tax levy of \$2,873,160 which is an increase of \$0 (0 percent) over the 2010 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.

THIS PAGE IS LEFT BLANK
INTENTIONALLY

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK
INTENTIONALLY

CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and temporary investments	\$ 3,810,337	\$ 6,147,420	\$ 9,957,757
Receivables			
Accrued interest	49,164	88,615	137,779
Delinquent taxes	132,339	-	132,339
Accounts	308,201	247,663	555,864
Special assessments	496,059	228,433	724,492
Due from other governments	117,844	14,936	132,780
Internal balances	(1,033,107)	1,033,107	-
Prepaid items	1,803	-	1,803
Inventories	-	176,476	176,476
Deferred charges	10,206	108,434	118,640
Capital assets			
Land and construction in progress	2,125,354	3,627,958	5,753,312
Depreciable assets (net of accumulated depreciation)	5,101,832	18,798,743	23,900,575
TOTAL ASSETS	11,120,032	30,471,785	41,591,817
LIABILITIES			
Accounts payable	89,148	150,566	239,714
Contracts payable	21,300	52,361	73,661
Accrued salaries payable	65,526	14,969	80,495
Due to other governments	82,427	20,368	102,795
Accrued interest payable	21,622	210,968	232,590
Deposits payable	1,100	-	1,100
Unearned revenue	2,415	2,624	5,039
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	93,864	12,048	105,912
Contract for deed	75,000	-	75,000
Lease payable	61,945	-	61,945
Bonds payable	60,000	628,000	688,000
Due in more than one year			
Compensated absences payable	34,803	19,785	54,588
Contract for deed	75,000	-	75,000
Lease payable	101,794	-	101,794
Bonds payable	950,000	14,899,000	15,849,000
TOTAL LIABILITIES	1,735,944	16,010,689	17,746,633
NET ASSETS			
Invested in capital assets, net of related debt	5,903,447	6,899,701	12,803,148
Restricted for debt service	404,530	-	404,530
Unrestricted	3,076,111	7,561,395	10,637,506
TOTAL NET ASSETS	\$ 9,384,088	\$ 14,461,096	\$ 23,845,184

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, 2010

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 823,109	\$ 161,884	\$ -	\$ -
Public safety	1,570,589	167,977	116,843	-
Public works	812,302	16,488	22,605	254,328
Culture and recreation	351,844	1,958	17,516	-
Community development	116,532	116,095	-	-
Miscellaneous	6,339	39,207	-	-
Interest on long-term debt	56,033	-	-	-
Total governmental activities	<u>3,736,748</u>	<u>503,609</u>	<u>156,964</u>	<u>254,328</u>
Business-type activities				
Water	1,080,227	1,063,256	26,944	78,000
Sewer	800,929	805,969	13,585	160,200
Liquor store	1,900,572	2,050,403	16,783	-
Total business-type activities	<u>3,781,728</u>	<u>3,919,628</u>	<u>57,312</u>	<u>238,200</u>
Total	<u>\$ 7,518,476</u>	<u>\$ 4,423,237</u>	<u>\$ 214,276</u>	<u>\$ 492,528</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

Gain on sale of capital assets

Transfers - capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets, January 1

Net assets, December 31

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

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (661,225)	\$ -	\$ (661,225)
(1,285,769)	-	(1,285,769)
(518,881)	-	(518,881)
(332,370)	-	(332,370)
(437)	-	(437)
32,868	-	32,868
(56,033)	-	(56,033)
(2,821,847)	-	(2,821,847)
-	87,973	87,973
-	178,825	178,825
-	166,614	166,614
-	433,412	433,412
(2,821,847)	433,412	(2,388,435)
2,720,428	-	2,720,428
19,311	-	19,311
18,285	-	18,285
170,718	-	170,718
46,421	122,866	169,287
3,435	-	3,435
(2,144,660)	2,144,660	-
(427,693)	427,693	-
406,245	2,695,219	3,101,464
(2,415,602)	3,128,631	713,029
11,799,690	11,332,465	23,132,155
\$ 9,384,088	\$ 14,461,096	\$ 23,845,184

THIS PAGE IS LEFT BLANK
INTENTIONALLY

**FUND
FINANCIAL STATEMENTS**

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

CITY OF ST. FRANCIS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and temporary investments	\$ 2,060,200	\$ 1,750,137	\$ 3,810,337
Receivables			
Accrued interest	27,045	22,119	49,164
Delinquent taxes	131,599	740	132,339
Accounts	25,671	282,530	308,201
Special assessments	1,372	494,687	496,059
Due from other governments	100,544	17,300	117,844
Prepaid items	1,803	-	1,803
	<u>1,803</u>	<u>-</u>	<u>1,803</u>
TOTAL ASSETS	<u><u>\$ 2,348,234</u></u>	<u><u>\$ 2,567,513</u></u>	<u><u>\$ 4,915,747</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 66,440	\$ 22,708	\$ 89,148
Contracts payable	-	21,300	21,300
Accrued salaries payable	65,526	-	65,526
Due to other governments	29,380	53,047	82,427
Deposits payable	1,100	-	1,100
Due to other funds	-	1,033,107	1,033,107
Deferred revenue	135,386	764,785	900,171
	<u>135,386</u>	<u>764,785</u>	<u>900,171</u>
TOTAL LIABILITIES	<u>297,832</u>	<u>1,894,947</u>	<u>2,192,779</u>
FUND BALANCES			
Reserved for			
Prepaid items	1,803	-	1,803
Debt service	-	209,998	209,998
Unreserved, designated for			
Equipment replacement	-	1,249,189	1,249,189
Unreserved, undesignated reported in			
General fund	2,048,599	-	2,048,599
Special revenue funds	-	263,279	263,279
Capital projects funds	-	(1,049,900)	(1,049,900)
	<u>2,048,599</u>	<u>(1,049,900)</u>	<u>(1,049,900)</u>
TOTAL FUND BALANCES	<u>2,050,402</u>	<u>672,566</u>	<u>2,722,968</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,348,234</u></u>	<u><u>\$ 2,567,513</u></u>	<u><u>\$ 4,915,747</u></u>

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 ASSETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

Total fund balances - governmental	\$ 2,722,968
Amounts reported for the governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	9,498,011
Less: accumulated depreciation	(2,270,825)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Contract for deed payable	(150,000)
Bonds and leases payable	(1,173,739)
Less: deferred charges, net of accumulated amortization	10,206
Compensated absences payable	(128,667)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
Special assessments	482,887
Delinquent taxes	132,339
Developer receivable	282,530
Governmental funds do not report a liability for accrued interest until due and payable.	(21,622)
Total net assets - governmental activities	\$ 9,384,088

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, 2010

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 2,720,353	\$ 42,427	\$ 2,762,780
Licenses and permits	78,242	-	78,242
Intergovernmental	380,977	-	380,977
Charges for services	289,148	24,730	313,878
Fines and forfeitures	30,537	-	30,537
Special assessments	-	54,438	54,438
Interest on investments	27,452	18,969	46,421
Miscellaneous	104,319	31,470	135,789
	<u>3,631,028</u>	<u>172,034</u>	<u>3,803,062</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General government	646,947	-	646,947
Public safety	1,455,024	2,068	1,457,092
Public works	700,257	-	700,257
Culture and recreation	250,141	32,407	282,548
Community development	99,612	16,920	116,532
Miscellaneous	6,339	-	6,339
Capital outlay			
General government	-	226,787	226,787
Public safety	32,849	-	32,849
Public works	39,151	426,888	466,039
Culture and recreation	31,863	40,614	72,477
Debt service			
Principal	58,095	55,000	113,095
Interest and other charges	13,739	43,132	56,871
	<u>3,334,017</u>	<u>843,816</u>	<u>4,177,833</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>297,011</u>	<u>(671,782)</u>	<u>(374,771)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	115,299	679,527	794,826
Sale of capital assets	29,965	-	29,965
Contract for deed issued	-	150,000	150,000
Transfers out	(478,746)	(743,773)	(1,222,519)
	<u>(333,482)</u>	<u>85,754</u>	<u>(247,728)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES			
	(36,471)	(586,028)	(622,499)
FUND BALANCES, JANUARY 1			
	<u>2,086,873</u>	<u>1,258,594</u>	<u>3,345,467</u>
FUND BALANCES, DECEMBER 31			
	<u>\$ 2,050,402</u>	<u>\$ 672,566</u>	<u>\$ 2,722,968</u>

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, 2010

Total net change in fund balances - governmental funds	\$ (622,499)
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	662,799
Depreciation expense	(333,515)
Gain (loss) on disposal of capital assets	(26,530)
<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 assets. Also, governmental funds report the effect of issuance costs, 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	113,095
Debt issued or incurred	(150,000)
Amortization of deferred charges	(851)
Capital assets transferred to enterprise funds are not recorded in the governmental funds.	(2,144,660)
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.	1,689
Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	91,758
Property taxes	(4,756)
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.	
Compensated absences	(2,132)
Change in net assets - governmental activities	\$ (2,415,602)

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

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,681,842	\$ 2,681,842	\$ 2,720,353	\$ 38,511
Licenses and permits	71,880	71,880	78,242	6,362
Intergovernmental	455,748	455,748	380,977	(74,771)
Charges for services	278,810	278,810	289,148	10,338
Fines and forfeitures	41,370	41,370	30,537	(10,833)
Interest on investments	41,010	41,010	27,452	(13,558)
Miscellaneous	87,890	90,390	104,319	13,929
TOTAL REVENUES	3,658,550	3,661,050	3,631,028	(30,022)
EXPENDITURES				
Current				
General government	732,330	732,330	646,947	85,383
Public safety	1,520,710	1,523,210	1,455,024	68,186
Public works	697,540	697,540	700,257	(2,717)
Culture and recreation	265,930	265,930	250,141	15,789
Community development	148,820	148,820	99,612	49,208
Miscellaneous	25,100	25,100	6,339	18,761
Capital outlay				
General government	5,000	5,000	-	5,000
Public safety	38,150	38,150	32,849	5,301
Public works	22,000	22,000	39,151	(17,151)
Culture and recreation	54,730	54,730	31,863	22,867
Debt service				
Principal	58,090	58,090	58,095	(5)
Interest and other charges	13,740	13,740	13,739	1
TOTAL EXPENDITURES	3,582,140	3,584,640	3,334,017	250,623
EXCESS OF REVENUES OVER EXPENDITURES	76,410	76,410	297,011	220,601
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	115,299	65,299
Sale of capital assets	27,470	27,470	29,965	2,495
Transfers out	(458,020)	(458,020)	(478,746)	(20,726)
TOTAL OTHER FINANCING SOURCES (USES)	(380,550)	(380,550)	(333,482)	47,068
NET CHANGE IN FUND BALANCES	(304,140)	(304,140)	(36,471)	267,669
FUND BALANCES, JANUARY 1	2,086,873	2,086,873	2,086,873	-
FUND BALANCES, DECEMBER 31	\$ 1,782,733	\$ 1,782,733	\$ 2,050,402	\$ 267,669

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

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF NET ASSETS - CONTINUED ON THE FOLLOWING PAGES
PROPRIETARY FUNDS
DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
ASSETS				
CURRENT ASSETS				
Cash and temporary investments	\$ 3,043,644	\$ 4,184,115	\$ 2,191,586	\$ 1,035,380
Receivables				
Accrued interest	52,664	40,679	24,097	11,183
Accounts	125,199	111,201	101,469	90,055
Special assessments				
Delinquent	58,575	72,737	49,658	66,537
Deferred - current	-	-	11,219	-
Due from other governments	8,764	38,753	6,172	1,233
Due from other funds	1,033,107	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	4,321,953	4,447,485	2,384,201	1,204,388
NONCURRENT ASSETS				
Special assessments				
Deferred	-	-	108,981	-
Deferred charges	31,136	34,299	77,298	35,342
Capital assets				
Land	18,115	18,115	2,337,839	2,337,839
Construction in progress	-	-	1,268,770	-
Buildings	8,994,235	8,994,235	7,256,415	7,256,415
Machinery and equipment	156,922	152,170	152,132	147,380
Infrastructure	4,675,645	3,839,523	1,292,395	-
Less accumulated depreciation	(1,629,730)	(1,327,831)	(2,539,697)	(2,334,950)
NET CAPITAL ASSETS	12,215,187	11,676,212	9,767,854	7,406,684
TOTAL NONCURRENT ASSETS	12,246,323	11,710,511	9,954,133	7,442,026
TOTAL ASSETS	16,568,276	16,157,996	12,338,334	8,646,414

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

Business-type Activities - Enterprise Funds - Continued

609

Liquor Store		Totals	
2010	2009	2010	2009
\$ 912,190	\$ 851,911	\$ 6,147,420	\$ 6,071,406
11,854	8,465	88,615	60,327
20,995	21,800	247,663	223,056
-	-	108,233	139,274
-	-	11,219	-
-	3,597	14,936	43,583
-	-	1,033,107	-
176,476	187,866	176,476	187,866
<u>1,121,515</u>	<u>1,073,639</u>	<u>7,827,669</u>	<u>6,725,512</u>
-	-	108,981	-
-	-	108,434	69,641
3,234	3,234	2,359,188	2,359,188
-	-	1,268,770	-
608,660	608,660	16,859,310	16,859,310
207,383	95,024	516,437	394,574
-	-	5,968,040	3,839,523
(375,617)	(347,071)	(4,545,044)	(4,009,852)
<u>443,660</u>	<u>359,847</u>	<u>22,426,701</u>	<u>19,442,743</u>
<u>443,660</u>	<u>359,847</u>	<u>22,644,116</u>	<u>19,512,384</u>
<u>1,565,175</u>	<u>1,433,486</u>	<u>30,471,785</u>	<u>26,237,896</u>

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF NET ASSETS - CONTINUED
PROPRIETARY FUNDS
DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds - Continued			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 15,844	\$ 53,484	\$ 92,651	\$ 36,339
Contracts payable	1,000	1,000	51,361	-
Accrued salaries payable	4,512	3,877	4,661	3,798
Due to other governments	1,084	3,435	1,311	251
Accrued interest payable	131,071	123,398	79,897	52,653
Unearned revenue	2,624	1,270	-	-
Compensated absences payable - current	4,224	5,886	4,224	5,886
Bonds payable - current	441,000	442,845	187,000	184,250
TOTAL CURRENT LIABILITIES	601,359	635,195	421,105	283,177
NONCURRENT LIABILITIES				
Compensated absences payable	6,672	1,054	6,672	1,054
Bonds payable	10,472,000	10,902,565	4,427,000	3,014,000
TOTAL NONCURRENT LIABILITIES	10,478,672	10,903,619	4,433,672	3,015,054
TOTAL LIABILITIES	11,080,031	11,538,814	4,854,777	3,298,231
NET ASSETS				
Invested in capital assets, net of related debt	1,302,187	330,802	5,153,854	4,208,434
Unrestricted	4,186,058	4,288,380	2,329,703	1,139,749
TOTAL NET ASSETS	\$ 5,488,245	\$ 4,619,182	\$ 7,483,557	\$ 5,348,183

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

Business-type Activities - Enterprise Funds - Continued

609

Liquor Store		Totals	
2010	2009	2010	2009
\$ 42,071	\$ 37,414	\$ 150,566	\$ 127,237
-	-	52,361	1,000
5,796	5,597	14,969	13,272
17,973	17,561	20,368	21,247
-	-	210,968	176,051
-	-	2,624	1,270
3,600	6,083	12,048	17,855
-	-	628,000	627,095
<u>69,440</u>	<u>66,655</u>	<u>1,091,904</u>	<u>985,027</u>
6,441	1,731	19,785	3,839
-	-	14,899,000	13,916,565
<u>6,441</u>	<u>1,731</u>	<u>14,918,785</u>	<u>13,920,404</u>
<u>75,881</u>	<u>68,386</u>	<u>16,010,689</u>	<u>14,905,431</u>
443,660	359,847	6,899,701	4,899,083
<u>1,045,634</u>	<u>1,005,253</u>	<u>7,561,395</u>	<u>6,433,382</u>
<u>\$ 1,489,294</u>	<u>\$ 1,365,100</u>	<u>\$ 14,461,096</u>	<u>\$ 11,332,465</u>

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601 Water		602 Sewer	
	2010	2009	2010	2009
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
GROSS PROFIT	-	-	-	-
Charges for services	1,063,256	1,087,847	805,969	784,671
TOTAL OPERATING REVENUES	1,063,256	1,087,847	805,969	784,671
OPERATING EXPENSES				
Personal services	148,361	135,161	145,389	132,934
Supplies	58,265	66,380	25,141	37,073
Professional services	69,721	70,756	81,131	89,867
Communications	7,675	8,640	2,548	2,672
Insurance	21,203	15,839	9,427	6,928
Utilities	68,962	87,685	95,062	110,513
Repairs and maintenance	54,796	22,668	76,488	32,062
Depreciation	301,900	300,377	204,745	204,660
Other	14,150	6,385	5,877	3,437
TOTAL OPERATING EXPENSES	745,033	713,891	645,808	620,146
OPERATING INCOME	318,223	373,956	160,161	164,525
NONOPERATING REVENUES (EXPENSES)				
Connection fees	28,000	33,600	40,000	44,000
Special assessments	-	-	120,200	-
Interest income	71,288	100,657	33,998	27,975
Miscellaneous	76,944	1,569	13,585	1,559
Interest expense	(335,194)	(333,009)	(155,121)	(135,609)
TOTAL NONOPERATING REVENUES (EXPENSES)	(158,962)	(197,183)	52,662	(62,075)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	159,261	176,773	212,823	102,450
TRANSFERS AND CONTRIBUTIONS				
Transfers in	-	83,474	742,474	102,026
Capital contributions from other funds	836,122	-	1,308,538	-
Transfers out	(126,320)	(98,938)	(128,461)	(58,406)
TOTAL TRANSFERS AND CONTRIBUTIONS	709,802	(15,464)	1,922,551	43,620
CHANGE IN NET ASSETS	869,063	161,309	2,135,374	146,070
NET ASSETS, JANUARY 1	4,619,182	4,457,873	5,348,183	5,202,113
NET ASSETS, DECEMBER 31	<u>\$ 5,488,245</u>	<u>\$ 4,619,182</u>	<u>\$ 7,483,557</u>	<u>\$ 5,348,183</u>

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

Business-type Activities - Enterprise Funds - Continued

609

Liquor Store		Totals	
2010	2009	2010	2009
\$ 2,050,403	\$ 2,067,517	\$ 2,050,403	\$ 2,067,517
(1,535,157)	(1,548,837)	(1,535,157)	(1,548,837)
515,246	518,680	515,246	518,680
-	-	1,869,225	1,872,518
515,246	518,680	2,384,471	2,391,198
191,718	182,036	485,468	450,131
4,312	6,263	87,718	109,716
80,367	78,176	231,219	238,799
2,465	2,496	12,688	13,808
9,485	9,425	40,115	32,192
16,226	16,988	180,250	215,186
20,695	6,264	151,979	60,994
28,547	23,951	535,192	528,988
11,600	18,588	31,627	28,410
365,415	344,187	1,756,256	1,678,224
149,831	174,493	628,215	712,974
-	-	68,000	77,600
-	-	120,200	-
17,580	21,999	122,866	150,631
16,783	1,253	107,312	4,381
-	-	(490,315)	(468,618)
34,363	23,252	(71,937)	(236,006)
184,194	197,745	556,278	476,968
-	-	742,474	185,500
-	-	2,144,660	-
(60,000)	(140,638)	(314,781)	(297,982)
(60,000)	(140,638)	2,572,353	(112,482)
124,194	57,107	3,128,631	364,486
1,365,100	1,307,993	11,332,465	10,967,979
\$ 1,489,294	\$ 1,365,100	\$ 14,461,096	\$ 11,332,465

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF CASH FLOWS - CONTINUED ON THE FOLLOWING PAGES
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,171,707	\$ 1,109,479	\$ 820,080	\$ 823,022
Payments to suppliers	(304,610)	(275,114)	(285,905)	(269,094)
Payments to employees	(143,770)	(132,537)	(140,570)	(130,323)
NET CASH PROVIDED BY OPERATING ACTIVITIES	723,327	701,828	393,605	423,605
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase in due from other funds	(1,033,107)	-	-	-
Transfers from other funds	-	83,474	742,474	102,026
Transfers to other funds	(126,320)	(98,938)	(128,461)	(58,406)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,159,427)	(15,464)	614,013	43,620
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Connection fees received	28,000	33,600	40,000	44,000
Acquisition of capital assets	(34,906)	(654,240)	(1,158,413)	(109,814)
Proceeds from bonds issued, net	-	755,318	1,554,217	-
Interest paid on bonds	(324,358)	(339,476)	(124,050)	(160,131)
Principal paid on bonds	(432,410)	(1,380,557)	(184,250)	(1,339,250)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(763,674)	(1,585,355)	127,504	(1,565,195)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	59,303	102,285	21,084	41,138
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,140,471)	(796,706)	1,156,206	(1,056,832)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,184,115	4,980,821	1,035,380	2,092,212
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,043,644	\$ 4,184,115	\$ 2,191,586	\$ 1,035,380

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

Business-type Activities - Enterprise Funds - Continued

609

Liquor Store		Totals	
2010	2009	2010	2009
\$ 2,071,588	\$ 2,063,445	\$ 4,063,375	\$ 3,995,946
(1,663,848)	(1,733,916)	(2,254,363)	(2,278,124)
<u>(189,292)</u>	<u>(178,388)</u>	<u>(473,632)</u>	<u>(441,248)</u>
<u>218,448</u>	<u>151,141</u>	<u>1,335,380</u>	<u>1,276,574</u>
-	-	(1,033,107)	-
-	-	742,474	185,500
<u>(60,000)</u>	<u>(140,638)</u>	<u>(314,781)</u>	<u>(297,982)</u>
<u>(60,000)</u>	<u>(140,638)</u>	<u>(605,414)</u>	<u>(112,482)</u>
-	-	68,000	77,600
(112,360)	-	(1,305,679)	(764,054)
-	-	1,554,217	755,318
-	-	(448,408)	(499,607)
-	-	(616,660)	(2,719,807)
<u>(112,360)</u>	<u>-</u>	<u>(748,530)</u>	<u>(3,150,550)</u>
<u>14,191</u>	<u>19,189</u>	<u>94,578</u>	<u>162,612</u>
60,279	29,692	76,014	(1,823,846)
<u>851,911</u>	<u>822,219</u>	<u>6,071,406</u>	<u>7,895,252</u>
<u>\$ 912,190</u>	<u>\$ 851,911</u>	<u>\$ 6,147,420</u>	<u>\$ 6,071,406</u>

CITY OF ST. FRANCIS, MINNESOTA
STATEMENTS OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds - Continued			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
RECONCILIATION OF OPERATING INCOME				
TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 318,223	\$ 373,956	\$ 160,161	\$ 164,525
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	301,900	300,377	204,745	204,660
Other income related to operations	76,944	1,569	13,585	1,559
(Increase) decrease in assets:				
Receivables				
Accounts	(13,998)	45,917	(11,414)	58,535
Special assessments - delinquent	14,162	(23,105)	16,879	(21,086)
Due from other governments	29,989	(4,019)	(4,939)	(657)
Inventories	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(7,487)	1,534	8,709	13,318
Due to other governments	(2,351)	1,705	1,060	140
Accrued salaries payable	635	470	863	457
Unearned revenue	1,354	1,270	-	-
Compensated absences payable	3,956	2,154	3,956	2,154
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 723,327</u>	<u>\$ 701,828</u>	<u>\$ 393,605</u>	<u>\$ 423,605</u>
NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES				
Deferred charges on bonds issued	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,783</u>	<u>\$ -</u>
Amortization of deferred charges	<u>\$ 3,163</u>	<u>\$ 3,095</u>	<u>\$ 3,827</u>	<u>\$ 3,416</u>
Capital assets acquired on account	<u>\$ -</u>	<u>\$ 30,153</u>	<u>\$ 98,964</u>	<u>\$ -</u>
Capital assets contributed from other funds	<u>\$ 836,122</u>	<u>\$ -</u>	<u>\$ 1,308,538</u>	<u>\$ -</u>

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

Business-type Activities - Enterprise Funds - Continued

609			
Liquor Store		Totals	
2010	2009	2010	2009
\$ 149,831	\$ 174,493	\$ 628,215	\$ 712,974
28,547	23,951	535,192	528,988
16,783	1,253	107,312	4,381
805	(1,738)	(24,607)	102,714
-	-	31,041	(44,191)
3,597	(3,587)	28,647	(8,263)
11,390	7,166	11,390	7,166
4,657	(53,726)	5,879	(38,874)
412	(319)	(879)	1,526
199	925	1,697	1,852
-	-	1,354	1,270
2,227	2,723	10,139	7,031
<u>\$ 218,448</u>	<u>\$ 151,141</u>	<u>\$ 1,335,380</u>	<u>\$ 1,276,574</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,783</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,990</u>	<u>\$ 6,511</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,964</u>	<u>\$ 30,153</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,144,660</u>	<u>\$ -</u>

CITY OF ST. FRANCIS, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Agency Escrow
ASSETS	
Cash and temporary investments	\$ 63,340
Special assessments receivable	1,127
Due from other governments	187
TOTAL ASSETS	\$ 64,654
 LIABILITIES	
Deposits payable	\$ 64,654

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

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 council composed of an elected mayor and four elected council members. The Council exercises legislative authority and determines all matters of policy. The 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. The City has no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets 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. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, 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.

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.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Deferred 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 deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue in the fund financial statements.

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.

The City reports the following major governmental fund:

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.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. These 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary funds financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

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.

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
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, liabilities and net assets or equity

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 Voyageur Asset Management, at 100 South 5th Street, Suite 23000, Minneapolis, MN 55402-1240.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes

The 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.

Taxes payable on homestead property, as defined by Minnesota statutes, were partially reduced by a market value credit aid. The credit is paid to the City by the State of Minnesota (State) in lieu of taxes levied against the homestead property. The State remits this credit in two equal installments in October and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred revenue liability 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 2010. 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 revenue liability 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
 FOR THE YEAR ENDED DECEMBER 31, 2010

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
FOR THE YEAR ENDED DECEMBER 31, 2010

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

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 equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets

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

- a. Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net assets - Consist of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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.

During 2010, the City changed the classification of two debt service funds. The Water and Sewer Bond and the 2007A Utility Bond funds are now being presented as components of the Water and Sewer enterprise funds. These funds were previously reported as governmental funds in the fund financial statements and as business-type in the government-wide financial statements.

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

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. 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 Council for review. The 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 Council. The legal level of budgetary control is at the department level. Budgeted amounts were amended during the year.

Amendments were made to the revenues and expenditures during the year; however, the net change in fund balance was the same for both the original and final budgets.

B. Deficit fund equity

The following funds had deficits at December 31, 2010:

Fund	Amount
Nonmajor governmental funds	
Special revenue	
Pioneer Days	\$ 6,717
Capital projects	
River's Edge Trunk Utility Improvement	510,619
Watermain Looping	287,151
Creekview Estate Street and Utility Improvement	134,520
Ivywood and 230th Lane	117,610

The deficit in the Pioneer Days fund will be eliminated with future transfers.

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
FOR THE YEAR ENDED DECEMBER 31, 2010

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 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 \$1,149,130 and the bank balance was \$1,143,290. The bank balance was covered by federal depository insurance totaling \$250,000. 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
FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 1,149,130
Investments	<u>8,871,967</u>
Total	<u><u>\$ 10,021,097</u></u>
As reported on the financial statements	
Statement of net assets	\$ 9,957,757
Fiduciary statement of net assets	<u>63,340</u>
Total	<u><u>\$ 10,021,097</u></u>

Investments

As of December 31, 2010, 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	\$ 196,000
Brokered Certificates of Deposit	N/A	6 months to 1 year	441,000
Brokered Certificates of Deposit	N/A	1 to 3 years	1,868,000
Brokered Certificates of Deposit	N/A	more than 3 years	194,000
U.S. Government Agencies	AAA	more than 3 years	531,973
State and Local Government Securities	AAA	less than 6 months	115,584
State and Local Government Securities	AAA	1 to 3 years	165,757
State and Local Government Securities	AAA	more than 3 years	51,540
Pooled investments:			
Minnesota Municipal Money Market	P-1	less than 6 months	5,284,890
Broker Money Market	N/A	less than 6 months	<u>23,223</u>
Total investments			<u><u>\$ 8,871,967</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
FOR THE YEAR ENDED DECEMBER 31, 2010

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 60 of  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
 FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Deferred revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General		
Delinquent taxes	\$ 131,599	\$ -
Special assessments	1,372	-
Other	-	2,415
Other governmental		
Delinquent taxes	740	-
Special assessments	481,515	-
Developer receivable	282,530	-
Total	\$ 897,756	\$ 2,415

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

C. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,348,136	\$ 79,600	\$ -	\$ 1,427,736
Construction in progress	<u>3,070,592</u>	<u>479,466</u>	<u>(2,852,440)</u>	<u>697,618</u>
Total capital assets not being depreciated	<u>4,418,728</u>	<u>559,066</u>	<u>(2,852,440)</u>	<u>2,125,354</u>
Capital assets, being depreciated				
Land improvements	174,771	-	-	174,771
Buildings	1,124,789	-	-	1,124,789
Infrastructure	3,011,813	707,780	-	3,719,593
Machinery and equipment	<u>2,279,249</u>	<u>103,734</u>	<u>(29,479)</u>	<u>2,353,504</u>
Total capital assets being depreciated	<u>6,590,622</u>	<u>811,514</u>	<u>(29,479)</u>	<u>7,372,657</u>
Less accumulated depreciation for				
Land improvements	(43,881)	(8,738)	-	(52,619)
Buildings	(225,290)	(32,290)	-	(257,580)
Infrastructure	(248,674)	(100,664)	-	(349,338)
Machinery and equipment	<u>(1,422,413)</u>	<u>(191,823)</u>	<u>2,948</u>	<u>(1,611,288)</u>
Total accumulated depreciation	<u>(1,940,258)</u>	<u>(333,515)</u>	<u>2,948</u>	<u>(2,270,825)</u>
Total capital assets being depreciated, net	<u>4,650,364</u>	<u>477,999</u>	<u>(26,531)</u>	<u>5,101,832</u>
Governmental activities capital assets, net	<u>\$ 9,069,092</u>	<u>\$ 1,037,065</u>	<u>\$ (2,878,971)</u>	<u>\$ 7,227,186</u>

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 2,359,188	\$ -	\$ -	\$ 2,359,188
Construction in progress	-	1,268,770	-	1,268,770
	<u>2,359,188</u>	<u>1,268,770</u>	<u>-</u>	<u>3,627,958</u>
Total capital assets not being depreciated				
	<u>2,359,188</u>	<u>1,268,770</u>	<u>-</u>	<u>3,627,958</u>
Capital assets being depreciated				
Buildings	16,859,310	-	-	16,859,310
Infrastructure	3,839,523	2,128,517	-	5,968,040
Machinery and equipment	394,574	121,863	-	516,437
	<u>21,093,407</u>	<u>2,250,380</u>	<u>-</u>	<u>23,343,787</u>
Total capital assets being depreciated				
	<u>21,093,407</u>	<u>2,250,380</u>	<u>-</u>	<u>23,343,787</u>
Less accumulated depreciation for				
Buildings	(2,676,393)	(389,142)	-	(3,065,535)
Infrastructure	(1,042,095)	(108,359)	-	(1,150,454)
Machinery and equipment	(291,364)	(37,691)	-	(329,055)
	<u>(4,009,852)</u>	<u>(535,192)</u>	<u>-</u>	<u>(4,545,044)</u>
Total accumulated depreciation				
	<u>(4,009,852)</u>	<u>(535,192)</u>	<u>-</u>	<u>(4,545,044)</u>
Total capital assets being depreciated, net				
	<u>17,083,555</u>	<u>1,715,188</u>	<u>-</u>	<u>18,798,743</u>
Business-type activities capital assets, net				
	<u>\$ 19,442,743</u>	<u>\$ 2,983,958</u>	<u>\$ -</u>	<u>\$ 22,426,701</u>

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

Governmental activities	
General government	\$ 27,817
Public safety	109,132
Public works	126,282
Culture and recreation	70,284
	<u>333,515</u>
Total depreciation expense - governmental activities	
	<u>\$ 333,515</u>
Business-type activities	
Water	\$ 301,900
Sewer	204,745
Liquor store	28,547
	<u>535,192</u>
Total depreciation expense - business-type activities	
	<u>\$ 535,192</u>

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Construction commitments

The City had the following outstanding construction commitments at December 31, 2010:

Project	Spent to date	Remaining Commitment
Ambassador Trunk Utilities	\$ 975,852	\$ 318,510
230th/Ivywood	322,623	27,315
Total	<u>\$ 1,298,475</u>	<u>\$ 345,825</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2010 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Water	Other Governmental	To provide cash flows	<u>\$ 1,033,107</u>

The City made transfers during the fiscal year 2010 as shown and described below:

Fund	Transfer in:			Total
	General	Other Governmental	Sewer	
Transfer out:				
General	\$ -	\$ 478,746	\$ -	\$ 478,746
Other Governmental	65,299	-	678,474	743,773
Water	-	62,320	64,000	126,320
Sewer	-	128,461	-	128,461
Liquor Store	50,000	10,000	-	60,000
Total	<u>\$ 115,299</u>	<u>\$ 679,527</u>	<u>\$ 742,474</u>	<u>\$ 1,537,300</u>

The City made the following transfers during 2010:

- The General fund transferred \$478,746 to the other governmental funds to cover project expenditures, to fund capital outlay purchases and to close funds.
- The other governmental funds transferred \$65,299 to the General fund and \$678,474 to the Sewer fund to close funds.
- The Water fund transferred \$62,320 to the other governmental funds to cover project expenditures.
- The Water fund transferred \$64,000 to the Sewer fund for debt service.
- The Sewer fund transferred \$128,461 to the other governmental fund to cover debt service, to cover project expenditures, and to close funds.
- The Liquor fund transferred \$50,000 to the General fund for its annual contribution in lieu of taxes and \$10,000 to the other governmental funds for its annual contribution to Pioneer Days.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	<u>\$ 1,010,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 60,000	\$ 40,283	\$ 100,283
2012	65,000	37,783	102,783
2013	65,000	35,183	100,183
2014	70,000	32,483	102,483
2015	70,000	29,683	99,683
2016-2020	400,000	102,158	502,158
2021-2023	280,000	18,188	298,188
Total	<u>\$ 1,010,000</u>	<u>\$ 295,761</u>	<u>\$ 1,305,761</u>

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 2,560,000
G.O. Improvement and Utility Revenue Bonds, Series 2007	3,115,000	4.000 - 4.375	12/13/07	02/01/28	2,920,000
MPFA - Water Revenue Bonds Series 2008	9,013,468	2.563	12/18/07	08/20/27	8,447,000
G.O. Sewer Revenue Bonds, Series 2010A	1,600,000	2.000 - 3.500	09/20/10	02/01/31	<u>1,600,000</u>
Total G.O. Revenue Bonds					<u>\$ 15,527,000</u>

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

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2011	\$ 628,000	\$ 469,550	\$ 1,097,550
2012	695,000	452,831	1,147,831
2013	968,000	426,770	1,394,770
2014	1,000,000	394,317	1,394,317
2015	1,043,000	359,272	1,402,272
2016-2020	4,154,000	1,385,923	5,539,923
2021-2025	4,403,000	918,520	5,321,520
2026-2030	2,511,000	163,326	2,674,326
2031	<u>125,000</u>	<u>2,188</u>	<u>127,188</u>
Total	<u>\$ 15,527,000</u>	<u>\$ 4,572,697</u>	<u>\$ 20,099,697</u>

CITY OF ST. FRANCIS, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital leases payable

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Fire Hall	\$ 370,000	\$ (129,500)	\$ 240,500
Fire Truck	<u>310,000</u>	<u>(281,045)</u>	<u>28,955</u>
Total	<u>\$ 680,000</u>	<u>\$ (410,545)</u>	<u>\$ 269,455</u>

The balances of capital leases as of December 31, 2010 are as follows:

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
Fire Hall Lease	\$ 370,000	6.39 %	09/18/96	09/18/11	\$ 36,932
Fire Truck Lease	310,000	6.72	02/15/00	02/15/15	<u>126,807</u>
Total capital leases payable					<u>\$ 163,739</u>

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>
2011	\$ 61,945	\$ 9,887	\$ 71,832
2012	26,723	6,399	33,122
2013	28,549	4,573	33,122
2014	30,499	2,622	33,121
2015	<u>16,023</u>	<u>539</u>	<u>16,562</u>
Total	<u>\$ 163,739</u>	<u>\$ 24,020</u>	<u>\$ 187,759</u>

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Contract for deed

During 2010, the City entered into a contract for deed for \$150,000 for the purchase of land for future public works use. The contract carries no interest and will mature in 2012. The outstanding balance at December 31, 2010 was \$150,000.

Changes in long-term liabilities

Noncurrent liability activity for the year ended December 31, 2010 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	\$ 1,065,000	\$ -	\$ (55,000)	\$ 1,010,000	\$ 60,000
Other noncurrent debt					
Capital leases payable	221,834	-	(58,095)	163,739	61,945
Contract for deed payable	-	150,000	-	150,000	75,000
Compensated absences payable	126,535	95,996	(93,864)	128,667	93,864
	<u>126,535</u>	<u>95,996</u>	<u>(93,864)</u>	<u>128,667</u>	<u>93,864</u>
Governmental activity long-term liabilities	<u>\$ 1,413,369</u>	<u>\$ 245,996</u>	<u>\$ (206,959)</u>	<u>\$ 1,452,406</u>	<u>\$ 290,809</u>
Business-type activities					
Bonds payable					
General obligations revenue bonds	\$ 14,543,660	\$ 1,600,000	\$ (616,660)	\$ 15,527,000	\$ 628,000
Compensated absences payable	21,694	22,187	(12,048)	31,833	12,048
	<u>21,694</u>	<u>22,187</u>	<u>(12,048)</u>	<u>31,833</u>	<u>12,048</u>
Business-type activity long-term liabilities	<u>\$ 14,565,354</u>	<u>\$ 1,622,187</u>	<u>\$ (628,708)</u>	<u>\$ 15,558,833</u>	<u>\$ 640,048</u>

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

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 1-800-652-9026.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 4: DEFINED BENEFIT PENSION PLANS – STATEWIDE - CONTINUED

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 6.00 percent, respectively, of their annual covered salary in 2010. PEPFF members were required to contribute 9.40 percent of their annual covered salary in 2010. The City is required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERF members, 7.00 percent for Coordinated Plan GERF members and 14.10 percent for PEPFF members. Employer contribution rates for the Coordinated Plan and PEPFF will increase to 7.25 percent and 14.40 percent, respectively, effective January 1, 2011. The City's contributions to the GERF for the years ending December 31, 2010, 2009, and 2008 were \$71,348, \$70,443, and \$65,345, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2010, 2009, and 2008 were \$99,269, \$98,142, and \$90,843, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

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.

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 5: OTHER INFORMATION - CONTINUED

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 Assets.

Note 6: VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION

A. Plan description

The St. Francis Firefighter's Relief Association (Association) is the administrator of a single employer public employee defined benefit retirement system (PERS) established to provide benefits for members of the St. Francis Fire Department.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the St. Francis Firefighter's Relief Association, Post Office Box 122, St. Francis, Minnesota 55070-0730

CITY OF ST. FRANCIS, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 6: VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION - CONTINUED

B. Funding policy

The financial requirements of the Special fund are determined in accordance with section 69.772 of the Minnesota statutes, which requires the payment of pension benefits in a lump sum or optionally in annual installments. The Association is comprised of volunteers and therefore members have no contribution requirements. During the year, the City recognized as revenue and as expenditure on-behalf payments of \$20,619 made by the State of Minnesota for the Association. The benefits are payable after age 50, 20 years of service, and 10 years of Association membership or upon death. The City's annual pension cost for the current year and related information for the plan is as follows:

Annual pension cost	\$ 20,619
Contributions made:	
State aid	20,619
Actuarial valuation date	12/31/10
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 20,619	100.0 %	\$ -
12/31/09	43,623	100.0	-
12/31/08	43,191	100.0	-

Required Supplementary Information					
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Assets in Excess of (Unfunded) Accrued Liability	Funded Rate	Pension Benefit Per Year of Service
12/31/10	*	*	*	*	\$ 2,100
12/31/09	\$ 684,246	\$ 610,644	\$ 73,602	112.05 %	2,100
12/31/08	551,714	581,546	(29,832)	94.87	2,100

* Information not available at the time of the audit.

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK
INTENTIONALLY

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

The Debt service funds are established to account for the collection of ad valorem taxes and special assessments, as well as the payment of principal and interest of general long-term debt.

G.O. Bonds 2007A – accounts for the taxes and special assessments related to G.O. Bond 2007A project, as well as the principal and interest payments related to the bond.

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

		Debt Service	
	Special	311	
	Revenue	G.O. Bonds	Capital
		2007A	Projects
ASSETS			
Cash and temporary investments	\$ 285,021	\$ 193,352	\$ 1,271,764
Receivables			
Accrued interest	3,548	2,513	16,058
Delinquent taxes	-	740	-
Accounts	-	-	282,530
Special assessments			
Deferred	-	227,719	261,800
Delinquent	-	867	4,301
Due from other governments	-	1,088	16,212
TOTAL ASSETS	\$ 288,569	\$ 426,279	\$ 1,852,665
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 18,109	\$ -	\$ 4,599
Contracts payable	-	-	21,300
Due to other governments	464	127	52,456
Due to other funds	6,717	-	1,026,390
Deferred revenue	-	216,154	548,631
TOTAL LIABILITIES	25,290	216,281	1,653,376
FUND BALANCES			
Reserved for debt service	-	209,998	-
Unreserved			
Designated for equipment replacement	-	-	1,249,189
Undesignated	263,279	-	(1,049,900)
TOTAL FUND BALANCES	263,279	209,998	199,289
TOTAL LIABILITIES AND FUND BALANCES	\$ 288,569	\$ 426,279	\$ 1,852,665

Total

\$ 1,750,137

22,119

740

282,530

489,519

5,168

17,300

\$ 2,567,513

\$ 22,708

21,300

53,047

1,033,107

764,785

1,894,947

209,998

1,249,189

(786,621)

672,566

\$ 2,567,513

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Debt Service</u>		
	Special Revenue	311 G.O. Bonds 2007A	Capital Projects
REVENUES			
Taxes	\$ 18,285	\$ 19,311	\$ 4,831
Charges for services	12,518	-	12,212
Special assessments	-	40,766	13,672
Interest on investments	4,817	2,498	11,654
Miscellaneous	17,629	-	13,841
	<u>53,249</u>	<u>62,575</u>	<u>56,210</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Public safety	2,068	-	-
Culture and recreation	32,407	-	-
Community development	16,920	-	-
Capital outlay			
General government	-	-	226,787
Public works	-	-	426,888
Culture and recreation	40,614	-	-
Debt Service			
Principal	-	55,000	-
Interest and other charges	-	43,132	-
	<u>92,009</u>	<u>98,132</u>	<u>653,675</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,760)</u>	<u>(35,557)</u>	<u>(597,465)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	39,880	629,647
Contract for deed issued	-	-	150,000
Transfers out	-	-	(743,773)
	<u>10,000</u>	<u>39,880</u>	<u>35,874</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(28,760)	4,323	(561,591)
FUND BALANCES, JANUARY 1	<u>292,039</u>	<u>205,675</u>	<u>760,880</u>
FUND BALANCES, DECEMBER 31	<u>\$ 263,279</u>	<u>\$ 209,998</u>	<u>\$ 199,289</u>

<u>Total</u>	
\$	42,427
	24,730
	54,438
	18,969
	<u>31,470</u>
	 172,034
	 2,068
	32,407
	16,920
	 226,787
	426,888
	40,614
	 55,000
	<u>43,132</u>
	 843,816
	 <u>(671,782)</u>
	 679,527
	150,000
	<u>(743,773)</u>
	 85,754
	 (586,028)
	 1,258,594
\$	<u><u>672,566</u></u>

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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.

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

Pioneer Days - accounts for the costs associated with the City's annual Pioneer Days celebration. Revenue is primarily from donations and a transfer from the Liquor Store Fund.

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

Bicentennial - fund established to account for donations received for a future City celebration.

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	208	225	230
	Police	Park	Pioneer
	Forfeiture	Improvements	Days
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and temporary investments	\$ 10,731	\$ 242,093	\$ -
Receivables			
Accrued interest	<u>-</u>	<u>3,130</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 10,731</u></u>	<u><u>\$ 245,223</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ -	\$ 9,884	\$ -
Due to other governments	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>6,717</u>
TOTAL LIABILITIES	-	9,884	6,717
FUND BALANCES (DEFICITS)			
Unreserved			
Undesignated	<u>10,731</u>	<u>235,339</u>	<u>(6,717)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u><u>\$ 10,731</u></u>	<u><u>\$ 245,223</u></u>	<u><u>\$ -</u></u>

250	851	
Turtle Ridge TIF	Bicentennial	Total
\$ 24,341	\$ 7,856	\$ 285,021
<u>316</u>	<u>102</u>	<u>3,548</u>
<u>\$ 24,657</u>	<u>\$ 7,958</u>	<u>\$ 288,569</u>
\$ 8,225	\$ -	\$ 18,109
464	-	464
<u>-</u>	<u>-</u>	<u>6,717</u>
8,689	-	25,290
<u>15,968</u>	<u>7,958</u>	<u>263,279</u>
<u>\$ 24,657</u>	<u>\$ 7,958</u>	<u>\$ 288,569</u>

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	208	225	230
	Police Forfeiture	Park Improvements	Pioneer Days
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Tax increments	\$ -	\$ -	\$ -
Charges for services	11,093	1,425	-
Interest on investments	-	4,472	(130)
Miscellaneous			
Contributions and donations	-	703	16,926
	<u>11,093</u>	<u>6,600</u>	<u>16,796</u>
 EXPENDITURES			
Current			
Public safety	2,068	-	-
Culture and recreation	-	-	32,407
Community development	-	-	-
Capital outlay			
Culture and recreation	-	40,614	-
	<u>2,068</u>	<u>40,614</u>	<u>32,407</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 9,025	 (34,014)	 (15,611)
 OTHER FINANCING SOURCES			
Transfers in	-	-	10,000
	<u>-</u>	<u>-</u>	<u>10,000</u>
 NET CHANGE IN FUND BALANCES	 9,025	 (34,014)	 (5,611)
 FUND BALANCES (DEFICITS), JANUARY 1	 <u>1,706</u>	 <u>269,353</u>	 <u>(1,106)</u>
 FUND BALANCES (DEFICITS), DECEMBER 31	 <u>\$ 10,731</u>	 <u>\$ 235,339</u>	 <u>\$ (6,717)</u>

250	851	
Turtle Ridge TIF	Bicentennial	Total
\$ 18,285	\$ -	\$ 18,285
-	-	12,518
332	143	4,817
-	-	17,629
<u>18,617</u>	<u>143</u>	<u>53,249</u>
-	-	2,068
-	-	32,407
16,920	-	16,920
-	-	40,614
<u>16,920</u>	<u>-</u>	<u>92,009</u>
1,697	143	(38,760)
-	-	10,000
1,697	143	(28,760)
<u>14,271</u>	<u>7,815</u>	<u>292,039</u>
<u>\$ 15,968</u>	<u>\$ 7,958</u>	<u>\$ 263,279</u>

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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.

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

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

MSA Construction - was used to account for the annual State Street Construction Aid allotment. Revenue is now being booked directly to the Capital Projects Fund it was requested for instead of booking it to this fund and completing a transfer from this fund to the related capital fund.

Wastewater Treatment Plant - accounts for the costs associated with the future construction of a wastewater treatment facility.

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.

Trunk Utility Highway 47 - accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve future development along State Highway 47.

Trunk Utility Ambassador Boulevard - accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve current and future development along and around Ambassador Boulevard.

Watermain Looping - accounts for the accumulation of resources to finance the extension of the City's water and sewer infrastructure.

235th Avenue Improvements - accounts for financial resources used to finance the 2007 street reconstruction project.

Rum River Boulevard Improvements - accounts for financial resources used to finance the 2007 street reconstruction project.

Poppy Street Improvements - accounts for financial resources used to finance the 2007 street reconstruction project south of 227th.

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.

Woodbury Park Parking Lot - the construction of this lot will provide additional parking for events held at Woodbury Park while not inconveniencing adjacent businesses' parking for their patrons.

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET - CONTINUED ON THE FOLLOWING PAGES
DECEMBER 31, 2010

	402	403	420
	<u>Capital Equipment</u>	<u>Fire Truck Replacement</u>	<u>MSA Construction</u>
ASSETS			
Cash and temporary investments	\$ 938,036	\$ 297,669	\$ 36,059
Receivables			
Accrued interest	12,190	3,868	-
Accounts	-	-	-
Special assessments			
Deferred	-	-	-
Delinquent	-	-	-
Due from other governments	-	-	16,212
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 950,226</u>	<u>\$ 301,537</u>	<u>\$ 52,271</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ 2,574	\$ -	\$ -
Contracts payable	-	-	-
Due to other governments	-	-	52,271
Due to other funds	-	-	-
Deferred revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>2,574</u>	<u>-</u>	<u>52,271</u>
FUND BALANCES (DEFICITS)			
Unreserved			
Designated for equipment replacement	947,652	301,537	-
Undesignated	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES (DEFICITS)	<u>947,652</u>	<u>301,537</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 950,226</u>	<u>\$ 301,537</u>	<u>\$ 52,271</u>

422 Wastewater Treatment Plant	423 River's Edge Trunk Utility Improvement	424 Trunk Utility Hwy 47	426 Trunk Utility Ambassador Boulevard	427 Watermain Looping	502 235th Ave Improvements
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	282,530	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,530</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 525	\$ -
-	4,320	-	-	-	-
-	-	-	-	-	-
-	506,299	-	-	286,626	-
-	-	-	-	282,530	-
<u>-</u>	<u>510,619</u>	<u>-</u>	<u>-</u>	<u>569,681</u>	<u>-</u>
-	-	-	-	-	-
-	(510,619)	-	-	(287,151)	-
<u>-</u>	<u>(510,619)</u>	<u>-</u>	<u>-</u>	<u>(287,151)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,530</u>	<u>\$ -</u>

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET - CONTINUED
DECEMBER 31, 2010

	503	504	505
	Rum River Boulevard Improvements	Poppy Street Improvements	Creekview Estate Street and Utility Improvement
	<u>Improvements</u>	<u>Improvements</u>	<u>Improvement</u>
ASSETS			
Cash and temporary investments	\$ -	\$ -	\$ -
Receivables			
Accrued interest	-	-	-
Accounts	-	-	-
Special assessments			
Deferred	-	-	117,744
Delinquent	-	-	4,301
Due from other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,045</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Due to other governments	-	-	58
Due to other funds	-	-	134,462
Deferred revenue	-	-	122,045
	<u>-</u>	<u>-</u>	<u>122,045</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>256,565</u>
FUND BALANCES (DEFICITS)			
Unreserved			
Designated for equipment replacement	-	-	-
Undesignated	-	-	(134,520)
	<u>-</u>	<u>-</u>	<u>(134,520)</u>
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>(134,520)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,045</u>

507 Ivywood and 230th Lane	508 Woodbury Park Parking Lot	Total
\$ -	\$ -	\$ 1,271,764
-	-	16,058
-	-	282,530
144,056	-	261,800
-	-	4,301
-	-	16,212
<u>\$ 144,056</u>	<u>\$ -</u>	<u>\$ 1,852,665</u>
\$ 1,500	\$ -	\$ 4,599
16,980	-	21,300
127	-	52,456
99,003	-	1,026,390
144,056	-	548,631
<u>261,666</u>	<u>-</u>	<u>1,653,376</u>
-	-	1,249,189
<u>(117,610)</u>	<u>-</u>	<u>(1,049,900)</u>
<u>(117,610)</u>	<u>-</u>	<u>199,289</u>
<u>\$ 144,056</u>	<u>\$ -</u>	<u>\$ 1,852,665</u>

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS) - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2010

	402	403	420
	Capital Equipment	Fire Truck Replacement	MSA Construction
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Special assessments	-	-	-
Interest on investments	16,798	4,915	-
Miscellaneous	-	-	-
TOTAL REVENUES	<u>16,798</u>	<u>4,915</u>	<u>-</u>
EXPENDITURES			
Capital outlay			
General government	226,787	-	-
Public works	-	-	-
TOTAL EXPENDITURES	<u>226,787</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(209,989)</u>	<u>4,915</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	134,780	100,000	-
Contract for deed issued	150,000	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>284,780</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	74,791	104,915	-
FUND BALANCES (DEFICITS), JANUARY 1	<u>872,861</u>	<u>196,622</u>	<u>-</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u><u>\$ 947,652</u></u>	<u><u>\$ 301,537</u></u>	<u><u>\$ -</u></u>

422 Wastewater Treatment Plant	423 River's Edge Trunk Utility Improvement	424 Trunk Utility Hwy 47	426 Trunk Utility Ambassador Boulevard	427 Watermain Looping	502 235th Ave Improvements
\$ 4,831	\$ -	\$ -	\$ -	\$ -	\$ -
12,212	-	-	-	-	-
-	-	-	-	-	-
3,582	(7,635)	(318)	-	1	23
-	-	-	-	-	-
<u>20,625</u>	<u>(7,635)</u>	<u>(318)</u>	<u>-</u>	<u>1</u>	<u>23</u>
-	-	-	-	-	-
12,212	212	-	-	4,621	-
<u>12,212</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>4,621</u>	<u>-</u>
8,413	(7,847)	(318)	-	(4,620)	23
<u>8,413</u>	<u>(7,847)</u>	<u>(318)</u>	<u>-</u>	<u>(4,620)</u>	<u>23</u>
-	-	21,048	16,143	-	-
-	-	-	-	-	-
(678,474)	-	-	-	-	(4,522)
<u>(678,474)</u>	<u>-</u>	<u>21,048</u>	<u>16,143</u>	<u>-</u>	<u>(4,522)</u>
(670,061)	(7,847)	20,730	16,143	(4,620)	(4,499)
<u>670,061</u>	<u>(502,772)</u>	<u>(20,730)</u>	<u>(16,143)</u>	<u>(282,531)</u>	<u>4,499</u>
<u>\$ -</u>	<u>\$ (510,619)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (287,151)</u>	<u>\$ -</u>

CITY OF ST. FRANCIS, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS) - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2010

	503	504	505
	Rum River Boulevard Improvements	Poppy Street Improvements	Creekview Estate Street and Utility Improvement
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Special assessments	-	-	13,672
Interest on investments	307	(275)	(2,192)
Miscellaneous	13,841	-	-
	<u>14,148</u>	<u>(275)</u>	<u>11,480</u>
TOTAL REVENUES			
EXPENDITURES			
Capital outlay			
General government	-	-	-
Public works	3,810	370	58
	<u>3,810</u>	<u>370</u>	<u>58</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,338</u>	<u>(645)</u>	<u>11,422</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	18,496	-
Contract for deed issued	-	-	-
Transfers out	(60,777)	-	-
	<u>(60,777)</u>	<u>18,496</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(50,439)	17,851	11,422
FUND BALANCES (DEFICITS), JANUARY 1	<u>50,439</u>	<u>(17,851)</u>	<u>(145,942)</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (134,520)</u>

507 Ivywood and 230th Lane	508 Woodbury Park Parking Lot	Total
\$ -	\$ -	\$ 4,831
-	-	12,212
-	-	13,672
(3,515)	(37)	11,654
-	-	13,841
<u>(3,515)</u>	<u>(37)</u>	<u>56,210</u>
-	-	226,787
404,642	963	426,888
<u>404,642</u>	<u>963</u>	<u>653,675</u>
<u>(408,157)</u>	<u>(1,000)</u>	<u>(597,465)</u>
336,950	2,230	629,647
-	-	150,000
-	-	(743,773)
<u>336,950</u>	<u>2,230</u>	<u>35,874</u>
(71,207)	1,230	(561,591)
<u>(46,403)</u>	<u>(1,230)</u>	<u>760,880</u>
<u>\$ (117,610)</u>	<u>\$ -</u>	<u>\$ 199,289</u>

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			2009	
	Budget Amounts		Actual	Variance with	
	Original	Final	Amounts	Final Budget	
REVENUES					
Property taxes	\$ 2,681,842	\$ 2,681,842	\$ 2,720,353	\$ 38,511	\$ 2,623,440
Licenses and permits					
Business	23,230	23,230	24,320	1,090	19,730
Nonbusiness	48,650	48,650	53,922	5,272	46,477
Total	71,880	71,880	78,242	6,362	66,207
Intergovernmental					
State					
Local government aid	80,940	80,940	80,929	(11)	222,535
Property tax credits	176,578	176,578	67,767	(108,811)	162,532
Police and fire aid	96,300	96,300	112,784	16,484	120,658
Municipal State Aid	99,960	99,960	94,291	(5,669)	94,570
Other	1,970	1,970	5,155	3,185	3,971
County	-	-	20,051	20,051	327,080
Total	455,748	455,748	380,977	(74,771)	931,346
Charges for services					
General government	149,440	149,440	158,465	9,025	153,093
Public safety	125,040	125,040	126,407	1,367	125,395
Public works	4,330	4,330	4,276	(54)	4,871
Total	278,810	278,810	289,148	10,338	283,359
Fines and forfeitures	41,370	41,370	30,537	(10,833)	38,555
Interest on investments	41,010	41,010	27,452	(13,558)	34,773
Miscellaneous					
Rents and leases	52,590	52,590	61,614	9,024	58,357
Recycling and landfill abatement	14,000	14,000	22,605	8,605	14,793
Donations and other	21,300	23,800	20,100	(3,700)	13,498
Total	87,890	90,390	104,319	13,929	86,648
TOTAL REVENUES	3,658,550	3,661,050	3,631,028	(30,022)	4,064,328

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010				2009
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES					
Current expenditures					
General government					
Mayor and Council					
Personal services	\$ 27,360	\$ 27,360	\$ 22,693	\$ 4,667	\$ 23,295
Other services and charges	4,160	4,160	3,982	178	2,588
Total	31,520	31,520	26,675	4,845	25,883
City administration					
Personal services	310,330	310,330	293,014	17,316	285,405
Supplies	17,600	17,600	12,708	4,892	12,237
Other services and charges	31,460	31,460	26,833	4,627	24,516
Total	359,390	359,390	332,555	26,835	322,158
Elections					
Personal services	3,620	3,620	66	3,554	14
Supplies	300	300	52	248	-
Other services and charges	1,190	1,190	4,294	(3,104)	18
Total	5,110	5,110	4,412	698	32
Financial administration					
Personal services	130,710	130,710	106,921	23,789	110,258
Supplies	4,870	4,870	3,741	1,129	1,021
Other services and charges	3,850	3,850	2,321	1,529	1,824
Total	139,430	139,430	112,983	26,447	113,103
Assessor					
Other services and charges	34,530	34,530	39,802	(5,272)	32,126
Legal and accounting					
Other services and charges	138,090	138,090	106,677	31,413	111,728
Municipal building					
Supplies	4,250	4,250	3,752	498	3,077
Other services and charges	17,400	17,400	15,996	1,404	16,700
Rent for offices	2,610	2,610	4,095	(1,485)	3,190
Total	24,260	24,260	23,843	417	22,967
Total general government	732,330	732,330	646,947	85,383	627,997

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010				2009
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current expenditures - continued					
Public safety					
Police					
Personal services	\$ 1,073,120	\$ 1,073,120	\$ 1,051,206	\$ 21,914	\$ 993,382
Supplies	101,030	101,030	68,573	32,457	70,751
Other services and charges	75,170	75,170	70,075	5,095	67,720
Total	1,249,320	1,249,320	1,189,854	59,466	1,131,853
Fire					
Personal services	144,650	144,650	141,066	3,584	142,060
Supplies	62,800	65,300	60,563	4,737	43,790
Other services and charges	55,950	55,950	55,699	251	37,103
Total	263,400	265,900	257,328	8,572	222,953
Animal control					
Other services and charges	7,990	7,990	7,842	148	6,851
Total public safety	1,520,710	1,523,210	1,455,024	68,186	1,361,657
Public works					
Streets and highways					
Personal services	191,280	191,280	193,145	(1,865)	187,965
Supplies	50,280	50,280	74,061	(23,781)	39,661
Other services and charges	407,670	407,670	396,715	10,955	336,325
Total	649,230	649,230	663,921	(14,691)	563,951
Recycling					
Personal services	27,130	27,130	23,825	3,305	21,272
Supplies	2,180	2,180	3,842	(1,662)	1,683
Other services and charges	19,000	19,000	8,669	10,331	16,664
Total	48,310	48,310	36,336	11,974	39,619
Total public works	697,540	697,540	700,257	(2,717)	603,570

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010				2009
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current expenditures - continued					
Culture and recreation					
Parks and recreation					
Personal services	\$ 168,470	\$ 168,470	\$ 146,616	\$ 21,854	\$ 147,957
Supplies	39,480	39,480	37,436	2,044	27,147
Other services and charges	57,980	57,980	66,089	(8,109)	68,966
Total culture and recreation	265,930	265,930	250,141	15,789	244,070
Community development					
Planning and zoning					
Personal services	2,000	2,000	575	1,425	740
Supplies	1,000	1,000	49	951	-
Other services and charges	94,500	94,500	76,673	17,827	85,892
Total	97,500	97,500	77,297	20,203	86,632
Building inspection					
Supplies	500	500	-	500	-
Other services and charges	50,820	50,820	22,315	28,505	18,879
Total	51,320	51,320	22,315	29,005	18,879
Total community development	148,820	148,820	99,612	49,208	105,511
Unallocated					
Miscellaneous					
Other services and charges	25,100	25,100	6,339	18,761	12,705
Total current expenditures	3,390,430	3,392,930	3,158,320	234,610	2,955,510
Capital outlay					
General government	5,000	5,000	-	5,000	330,823
Public safety	38,150	38,150	32,849	5,301	45,634
Public works	22,000	22,000	39,151	(17,151)	27,151
Culture and recreation	54,730	54,730	31,863	22,867	72,612
Total capital outlay	119,880	119,880	103,863	16,017	476,220

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010				2009
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
EXPENDITURES - CONTINUED					
Debt service					
Principal	\$ 58,090	\$ 58,090	\$ 58,095	\$ (5)	\$ 87,911
Interest and other charges	13,740	13,740	13,739	1	17,817
Total debt service	<u>71,830</u>	<u>71,830</u>	<u>71,834</u>	<u>(4)</u>	<u>105,728</u>
TOTAL EXPENDITURES	<u>3,582,140</u>	<u>3,584,640</u>	<u>3,334,017</u>	<u>250,623</u>	<u>3,537,458</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>76,410</u>	<u>76,410</u>	<u>297,011</u>	<u>220,601</u>	<u>526,870</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	50,000	115,299	65,299	50,000
Sale of capital assets	27,470	27,470	29,965	2,495	49,403
Transfers out	<u>(458,020)</u>	<u>(458,020)</u>	<u>(478,746)</u>	<u>(20,726)</u>	<u>(445,588)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(380,550)</u>	<u>(380,550)</u>	<u>(333,482)</u>	<u>47,068</u>	<u>(346,185)</u>
NET CHANGE IN FUND BALANCES	(304,140)	(304,140)	(36,471)	267,669	180,685
FUND BALANCES, JANUARY 1	<u>2,086,873</u>	<u>2,086,873</u>	<u>2,086,873</u>	<u>-</u>	<u>1,906,188</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,782,733</u>	<u>\$ 1,782,733</u>	<u>\$ 2,050,402</u>	<u>\$ 267,669</u>	<u>\$ 2,086,873</u>

CITY OF ST. FRANCIS, MINNESOTA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2010

	Balance January 1	Additions	Deductions	Balance December 31
Escrows				
ASSETS				
Cash and temporary investments	\$ 52,258	\$ 26,251	\$ (15,169)	\$ 63,340
Special assessments receivable	15,931	-	(14,804)	1,127
Due from other governments	-	187	-	187
	<u>\$ 68,189</u>	<u>\$ 26,438</u>	<u>\$ (29,973)</u>	<u>\$ 64,654</u>
TOTAL ASSETS				
LIABILITIES				
Deposits payable	<u>\$ 68,189</u>	<u>\$ 11,628</u>	<u>\$ (15,163)</u>	<u>\$ 64,654</u>

THIS PAGE IS LEFT BLANK
INTENTIONALLY

**SUPPLEMENTARY INFORMATION
(UNAUDITED)**

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK
INTENTIONALLY

CITY OF ST. FRANCIS, MINNESOTA
 SUPPLEMENTARY INFORMATION
 SUMMARY FINANCIAL REPORT
 REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
 GOVERNMENTAL FUNDS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Total		Percent Increase (Decrease)
	2010	2009	
REVENUES			
Taxes	\$ 2,762,780	\$ 2,654,815	4.07 %
Licenses and permits	78,242	66,207	18.18
Intergovernmental	380,977	1,217,007	(68.70)
Charges for services	313,878	295,362	6.27
Fines and forfeits	30,537	38,555	(20.80)
Special assessments	54,438	94,319	(42.28)
Interest on investments	46,421	69,793	(33.49)
Miscellaneous	135,789	106,392	27.63
TOTAL REVENUES	\$ 3,803,062	\$ 4,542,450	(16.28) %
Per Capita	\$ 527	\$ 614	(14.12)
EXPENDITURES			
Current			
General government	\$ 646,947	\$ 627,997	3.02 %
Public safety	1,457,092	1,363,710	6.85
Public works	700,257	631,200	10.94
Culture and recreation	282,548	273,802	3.19
Community development	116,532	119,724	(2.67)
Miscellaneous	6,339	12,705	(50.11)
Capital outlay			
General government	226,787	330,823	(31.45)
Public safety	32,849	46,768	(29.76)
Public works	466,039	661,224	(29.52)
Culture and recreation	72,477	76,376	(5.11)
Debt service			
Principal	113,095	132,911	(14.91)
Interest and other charges	56,871	62,825	(9.48)
TOTAL EXPENDITURES	\$ 4,177,833	\$ 4,340,065	(3.74) %
Per Capita	\$ 579	\$ 586	(1.26)
Total Long-term Indebtedness	\$ 1,323,739	\$ 1,286,834	2.87 %
Per Capita	183	174	5.52
General Fund Balance - December 31	\$ 2,050,402	\$ 2,086,873	(1.75) %
Per Capita	284	282	0.78

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. Questions about this report should be directed to Darcy Mulvihill, Finance Director at (763) 753-2630.

THIS PAGE IS LEFT BLANK
INTENTIONALLY

SECTION III

STATISTICAL SECTION
(UNAUDITED)

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK
INTENTIONALLY

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 out-standing debt and the government's ability to issue additional debt in the future.

Demographic and economic information

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

Operating information

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

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

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

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 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 assets	<u>\$ 3,943,580</u>	<u>\$ 5,510,784</u>	<u>\$ 5,785,020</u>	<u>\$ 10,372,689</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 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 assets	<u>\$ 8,452,215</u>	<u>\$ 9,588,618</u>	<u>\$ 10,464,660</u>	<u>\$ 9,405,322</u>
Primary government				
Invested in capital assets, net of related debt	\$ 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 assets	<u>\$ 12,395,795</u>	<u>\$ 15,099,402</u>	<u>\$ 16,249,680</u>	<u>\$ 19,778,011</u>

Note: The City implemented GASB Statement No. 34 in fiscal 2004. This information is not available for previous fiscal years.

Table 1

Fiscal Year		
2008	2009	2010
\$ 5,221,614	\$ 7,782,258	\$ 5,903,447
477,193	437,786	404,530
4,855,454	3,579,646	3,076,111
<u>\$ 10,554,261</u>	<u>\$ 11,799,690</u>	<u>\$ 9,384,088</u>
\$ 7,015,882	\$ 4,899,083	\$ 6,899,701
-	-	-
3,952,097	6,433,382	7,561,395
<u>\$ 10,967,979</u>	<u>\$ 11,332,465</u>	<u>\$ 14,461,096</u>
\$ 12,237,496	\$ 12,681,341	\$ 12,803,148
477,193	437,786	404,530
8,807,551	10,013,028	10,637,506
<u>\$ 21,522,240</u>	<u>\$ 23,132,155</u>	<u>\$ 23,845,184</u>

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 CHANGES IN NET ASSETS - CONTINUED ON THE FOLLOWING PAGES
 LAST SEVEN 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	<u>2,478,590</u>	<u>2,482,933</u>	<u>3,246,223</u>	<u>3,094,095</u>
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	<u>2,506,644</u>	<u>2,617,662</u>	<u>2,920,612</u>	<u>2,947,215</u>
Total primary government expenses	<u>\$ 4,985,234</u>	<u>\$ 5,100,595</u>	<u>\$ 6,166,835</u>	<u>\$ 6,041,310</u>
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	<u>1,398,363</u>	<u>1,549,117</u>	<u>1,086,155</u>	<u>2,440,814</u>
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	<u>3,523,175</u>	<u>3,645,814</u>	<u>3,525,798</u>	<u>4,043,551</u>
Total primary government program revenues	<u>\$ 4,921,538</u>	<u>\$ 5,194,931</u>	<u>\$ 4,611,953</u>	<u>\$ 6,484,365</u>

Table 2

Fiscal Year		
2008	2009	2010
\$ 590,722	\$ 663,068	\$ 823,109
1,482,823	1,485,755	1,570,589
523,808	931,674	812,302
332,060	310,479	351,844
189,895	119,724	116,532
18,754	12,705	6,339
72,208	61,780	56,033
<u>3,210,270</u>	<u>3,585,185</u>	<u>3,736,748</u>
912,437	1,046,900	1,080,227
584,940	755,755	800,929
<u>1,873,355</u>	<u>1,893,024</u>	<u>1,900,572</u>
<u>3,370,732</u>	<u>3,695,679</u>	<u>3,781,728</u>
<u>\$ 6,581,002</u>	<u>\$ 7,280,864</u>	<u>\$ 7,518,476</u>
\$ 26,329	\$ 156,448	\$ 161,884
229,991	163,048	167,977
11,613	14,596	16,488
1,635	1,885	1,958
122,987	102,799	116,095
38,029	31,527	39,207
235,577	251,441	156,964
25,687	300,511	254,328
<u>691,848</u>	<u>1,022,255</u>	<u>914,901</u>
1,031,221	1,087,286	1,063,256
739,149	784,372	805,969
2,029,577	2,067,517	2,050,403
610	5,241	57,312
69,600	77,600	238,200
<u>3,870,157</u>	<u>4,022,016</u>	<u>4,215,140</u>
<u>\$ 4,562,005</u>	<u>\$ 5,044,271</u>	<u>\$ 5,130,041</u>

CITY OF ST. FRANCIS, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN NET ASSETS - CONTINUED
LAST SEVEN 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
	<u>\$ (63,696)</u>	<u>\$ 94,336</u>	<u>\$ (1,554,882)</u>	<u>\$ 443,055</u>
General revenues and other changes in net assets				
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
	<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)
	<u>108,191</u>	<u>108,251</u>	<u>270,856</u>	<u>(998,528)</u>
	<u>\$ 2,225,860</u>	<u>\$ 2,609,271</u>	<u>\$ 2,705,160</u>	<u>\$ 3,085,276</u>
Change in net assets				
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
	<u>\$ 2,162,164</u>	<u>\$ 2,703,607</u>	<u>\$ 1,150,278</u>	<u>\$ 3,528,331</u>

Note: The City implemented GASB Statement No. 34 in fiscal 2004. This information is not available for previous fiscal years.

Table 2

Fiscal Year		
2008	2009	2010
\$ (2,518,422)	\$ (2,562,930)	\$ (2,821,847)
499,425	326,337	433,412
<u>\$ (2,018,997)</u>	<u>\$ (2,236,593)</u>	<u>\$ (2,388,435)</u>
\$ 2,581,538	\$ 2,612,273	\$ 2,739,739
16,429	15,317	18,285
769,967	983,567	170,718
36,512	14,927	3,435
96,571	69,793	46,421
(741,564)	-	(2,144,660)
-	-	-
(59,459)	112,482	(427,693)
<u>2,699,994</u>	<u>3,808,359</u>	<u>406,245</u>
255,877	150,631	122,866
6,332	-	-
741,564	-	2,144,660
-	-	-
59,459	(112,482)	427,693
<u>1,063,232</u>	<u>38,149</u>	<u>2,695,219</u>
<u>\$ 3,763,226</u>	<u>\$ 3,846,508</u>	<u>\$ 3,101,464</u>
\$ 181,572	\$ 1,245,429	\$ (2,415,602)
1,562,657	364,486	3,128,631
<u>\$ 1,744,229</u>	<u>\$ 1,609,915</u>	<u>\$ 713,029</u>

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

	Fiscal Year			
	2001	2002	2003	2004
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>651,849</u>	<u>778,396</u>	<u>853,395</u>	<u>861,030</u>
Total General fund	<u>\$ 651,849</u>	<u>\$ 778,396</u>	<u>\$ 853,395</u>	<u>\$ 861,030</u>
All other governmental funds				
Reserved	\$ 3,506,011	\$ 4,059,954	\$ 3,584,364	\$ 4,226,773
Unreserved, reported in				
Special revenue funds	315,035	468,600	548,902	795,496
Capital project funds	<u>658,311</u>	<u>581,021</u>	<u>905,935</u>	<u>950,540</u>
Total all other governmental funds	<u>\$ 4,479,357</u>	<u>\$ 5,109,575</u>	<u>\$ 5,039,201</u>	<u>\$ 5,972,809</u>

Table 3

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,803
<u>1,491,866</u>	<u>1,295,003</u>	<u>1,549,075</u>	<u>1,906,188</u>	<u>2,086,873</u>	<u>2,048,599</u>
<u>\$ 1,491,866</u>	<u>\$ 1,295,003</u>	<u>\$ 1,549,075</u>	<u>\$ 1,906,188</u>	<u>\$ 2,086,873</u>	<u>\$ 2,050,402</u>
\$ 3,484,047	\$ 3,477,478	\$ 2,642,776	\$ 2,934,413	\$ 850,341	\$ 209,998
822,527	77,698	159,709	143,321	292,039	263,279
<u>951,384</u>	<u>1,703,319</u>	<u>1,260,475</u>	<u>743,062</u>	<u>760,880</u>	<u>199,289</u>
<u>\$ 5,257,958</u>	<u>\$ 5,258,495</u>	<u>\$ 4,062,960</u>	<u>\$ 3,820,796</u>	<u>\$ 1,903,260</u>	<u>\$ 672,566</u>

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

	Fiscal Year			
	2001	2002	2003	2004
Revenues				
Taxes				
General property tax	\$ 996,359	\$ 1,237,949	\$ 1,429,330	\$ 1,460,635
Tax increments	-	35,874	30,948	24,982
Special assessments	29,835	26,235	33,643	-
Licenses and permits	234,215	286,187	284,708	221,842
Intergovernmental	674,968	539,650	1,256,146	849,356
Charges for services	273,649	323,019	351,913	735,751
Fines and forfeitures	40,542	38,443	40,449	43,174
Interest on investments	227,125	165,403	227,348	152,506
Miscellaneous	1,335,154	1,375,782	1,566,408	1,219,698
Total revenues	<u>3,811,847</u>	<u>4,028,542</u>	<u>5,220,893</u>	<u>4,707,944</u>
Expenditures				
Current				
General government	313,688	364,599	352,143	403,306
Public safety	712,891	845,735	883,395	943,865
Public works	256,221	358,752	473,441	365,787
Culture and recreation	173,021	153,677	287,466	193,235
Community development	92,577	287,659	129,949	186,345
Miscellaneous	39,091	39,200	107,970	65,300
Capital outlay				
General government	10,153	8,315	30,844	303,503
Public safety	89,625	147,937	76,108	85,789
Public works	2,386,626	368,691	2,257,752	371,138
Culture and recreation	22,409	77,419	34,762	225,719
Community development	212,683	36,708	310,053	261,559
Debt service				
Principal	243,605	300,766	327,070	358,032
Interest and other charges	292,657	334,496	318,961	316,623
Total expenditures	<u>4,845,247</u>	<u>3,323,954</u>	<u>5,589,914</u>	<u>4,080,201</u>
Excess (deficiency) or revenues over (under) expenditures	<u>(1,033,400)</u>	<u>704,588</u>	<u>(369,021)</u>	<u>627,743</u>
Other financing sources (uses)				
Transfers in	253,098	759,104	1,984,061	606,413
Transfers out	(241,598)	(706,927)	(1,800,361)	(592,913)
Bond proceeds	-	-	189,946	300,000
Contract for deed issued	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>11,500</u>	<u>52,177</u>	<u>373,646</u>	<u>313,500</u>
Net change in fund balance	<u>\$ (1,021,900)</u>	<u>\$ 756,765</u>	<u>\$ 4,625</u>	<u>\$ 941,243</u>
Debt service as a percentage of noncapital expenditures	<u>33.78%</u>	<u>30.99%</u>	<u>28.91%</u>	<u>31.27%</u>

Table 4

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 1,842,144	\$ 2,033,511	\$ 2,248,640	\$ 2,541,791	\$ 2,639,498	\$ 2,744,495
27,693	17,801	18,670	16,429	15,317	18,285
-	20,578	100,578	116,915	94,319	54,438
216,517	164,998	173,379	87,735	66,207	78,242
1,246,831	536,850	941,278	961,515	1,217,007	380,977
825,388	350,592	901,866	340,973	295,362	313,878
46,800	55,167	58,461	46,213	38,555	30,537
135,974	204,822	252,714	196,947	69,793	46,421
712,908	137,688	238,562	110,832	106,392	135,789
<u>5,054,255</u>	<u>3,522,007</u>	<u>4,934,148</u>	<u>4,419,350</u>	<u>4,542,450</u>	<u>3,803,062</u>
621,147	559,985	536,924	662,716	627,997	646,947
1,042,626	1,217,117	1,296,240	1,344,164	1,363,710	1,457,092
394,700	419,061	483,993	446,179	631,200	700,257
244,246	242,623	230,783	261,044	273,802	282,548
96,003	227,228	249,961	189,895	119,724	116,532
62,196	54,998	9,497	18,754	12,705	6,339
9,051	114,946	518,430	-	330,823	226,787
45,018	65,333	103,323	30,335	46,768	32,849
441,742	405,443	5,501,287	1,000,855	661,224	466,039
2,281	807,453	130,397	185,125	76,376	72,477
236,896	394,513	-	-	-	-
1,683,449	384,432	951,325	394,048	132,911	113,095
272,415	301,959	360,058	387,068	62,825	56,871
<u>5,151,770</u>	<u>5,195,091</u>	<u>10,372,218</u>	<u>4,920,183</u>	<u>4,340,065</u>	<u>4,177,833</u>
<u>(97,515)</u>	<u>(1,673,084)</u>	<u>(5,438,070)</u>	<u>(500,833)</u>	<u>202,385</u>	<u>(374,771)</u>
346,995	1,202,595	740,487	759,291	865,643	794,826
(333,495)	(2,563,256)	(482,707)	(205,500)	(753,161)	(1,222,519)
-	2,828,248	4,200,715	-	-	-
-	-	-	-	-	150,000
-	9,171	38,112	61,991	49,403	29,965
<u>13,500</u>	<u>1,476,758</u>	<u>4,496,607</u>	<u>615,782</u>	<u>161,885</u>	<u>(247,728)</u>
<u>\$ (84,015)</u>	<u>\$ (196,326)</u>	<u>\$ (941,463)</u>	<u>\$ 114,949</u>	<u>\$ 364,270</u>	<u>\$ (622,499)</u>
<u>79.48%</u>	<u>25.23%</u>	<u>46.71%</u>	<u>26.73%</u>	<u>6.46%</u>	<u>4.84%</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Estimated market value	<u>\$ 205,615,700</u>	<u>\$ 239,705,300</u>	<u>\$ 317,544,200</u>	<u>\$ 371,056,000</u>
Tax capacity				
Residential property	\$ 2,090,361	\$ 1,913,973	\$ 2,387,712	\$ 2,963,164
Commercial / industrial property	437,304	380,546	450,608	525,862
Other	249,533	204,140	225,444	253,761
Contribution to fiscal disparities pool	(202,679)	(126,687)	(137,754)	(211,771)
Receivable from fiscal disparities pool	711,156	498,565	582,810	678,747
Tax increment	<u>(854)</u>	<u>(57,167)</u>	<u>(26,768)</u>	<u>(26,697)</u>
Net tax capacity	<u>\$ 3,284,821</u>	<u>\$ 2,813,370</u>	<u>\$ 3,482,052</u>	<u>\$ 4,183,066</u>
Net tax capacity as a percentage of estimated market value	<u>1.598 %</u>	<u>1.174 %</u>	<u>1.097 %</u>	<u>1.127 %</u>
Gross tax levy	<u>\$ 1,061,122</u>	<u>\$ 1,328,713</u>	<u>\$ 1,554,373</u>	<u>\$ 1,521,752</u>
Tax capacity rate	<u>29.730 %</u>	<u>46.520 %</u>	<u>44.260 %</u>	<u>34.850 %</u>

Source: Anoka County Property Records and Taxation Department.
 Note: Property in the County is reassessed annually.

Table 5

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>\$ 448,509,600</u>	<u>\$ 507,997,000</u>	<u>\$ 556,428,900</u>	<u>\$ 580,707,700</u>	<u>\$ 575,145,900</u>	<u>\$ 531,385,600</u>
\$ 3,627,898	\$ 4,197,758	\$ 4,654,748	\$ 4,874,805	\$ 4,844,770	\$ 4,563,115
603,722	697,404	772,448	839,860	839,984	740,819
280,188	289,383	329,447	349,124	351,157	294,516
(253,164)	(277,760)	(315,838)	(353,194)	(378,126)	(377,468)
747,178	744,058	1,069,287	1,208,203	1,406,759	1,470,600
<u>(28,594)</u>	<u>(18,270)</u>	<u>(19,434)</u>	<u>(16,615)</u>	<u>(16,078)</u>	<u>(16,833)</u>
<u>\$ 4,977,228</u>	<u>\$ 5,632,573</u>	<u>\$ 6,490,658</u>	<u>\$ 6,902,183</u>	<u>\$ 7,048,466</u>	<u>\$ 6,674,749</u>
<u>1.110 %</u>	<u>1.109 %</u>	<u>1.166 %</u>	<u>1.189 %</u>	<u>1.226 %</u>	<u>1.256 %</u>
<u>\$ 1,979,977</u>	<u>\$ 2,167,157</u>	<u>\$ 2,402,157</u>	<u>\$ 2,690,415</u>	<u>\$ 2,724,202</u>	<u>\$ 2,873,160</u>
<u>40.650 %</u>	<u>38.150 %</u>	<u>36.790 %</u>	<u>39.390 %</u>	<u>38.400 %</u>	<u>44.265 %</u>

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

Year Taxes Payable	Overlapping Rates				
	City	Anoka County	School District No. 15	School District No. 728	Special Districts
2001	29.730 %	28.859 %	48.179 %	63.870 %	3.455 %
2002	46.520	37.976	29.057	45.969	4.513
2003	44.260	38.469	28.662	41.352	4.637
2004	34.850	35.765	19.063	30.953	4.233
2005	40.650	33.581	18.524	32.848	4.443
2006	38.150	32.543	23.077	35.950	4.016
2007	36.790	31.094	24.625	33.208	3.912
2008	39.390	31.453	23.174	32.344	5.224
2009	38.400	32.445	20.965	36.136	3.797
2010	44.265	35.574	24.859	39.967	4.455

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.)

Table 6

Totals	
<u>No. 15</u>	<u>No. 728</u>
110.223 %	125.914 %
118.066	134.978
116.028	128.718
93.911	105.801
97.198	111.522
97.786	110.659
96.421	105.004
99.241	108.411
95.607	110.778
109.153	124.261

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL PROPERTY TAXPAYERS
 DECEMBER 31, 2010

	2010		
	Taxable Market Value	Rank	Percent of Total Taxable Market Value
Alliant Techsystems	\$ 16,752,000	1	3.15 %
ALS Properties Woodhaven LLC	8,069,900	2	1.52
St. Francis Realty LLC	5,715,100	3	1.08
King Exchange LLC	3,857,500	4	0.73
Connexus Energy	3,669,100	5	0.69
Kerry Street LLC	2,466,900	6	0.46
Riverview Community Bank	2,218,900	7	0.42
Minnegasco Inc.	2,044,500	8	0.38
Jensen Family LP	1,754,400	9	0.33
Village Bank	1,519,700	10	0.29
JGR Partnership	-	-	-
Abbey Field LP	-	-	-
PRO Properties, Inc.	-	-	-
Individual	-	-	-
Rum River Square Apartments	-	-	-
	<u> </u>		
Total	<u><u>\$ 48,068,000</u></u>		<u><u>9.05 %</u></u>

Source: Anoka County Property Records and Taxation Department.

Table 7

2001		
<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percent of Total Taxable Market Value</u>
\$ 4,795,500	1	2.33 %
3,697,400	3	1.80
-	-	-
-	-	-
4,003,800	2	1.95
-	-	-
-	-	-
888,600	5	0.43
1,140,200	4	0.55
-	-	-
1,243,400	6	0.60
1,707,100	7	0.83
699,900	8	0.34
788,900	9	0.38
731,200	10	0.36
<u>\$ 19,696,000</u>		<u>9.57 %</u>

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

Fiscal Year	Original Gross Levy	Net Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy
2001	\$ 1,061,122	\$ 952,772	\$ 927,428	97.34 %	\$ 25,344
2002	1,328,713	1,196,086	1,185,544	99.12	10,542
2003	1,554,373	1,419,640	1,385,847	97.62	33,793
2004	1,521,752	1,381,744	1,358,373	98.31	23,369
2005	1,979,977	1,819,895	1,783,612	98.01	35,662
2006	2,167,157	2,020,659	1,969,696	97.48	50,154
2007	2,402,157	2,266,988	2,170,996	95.77	90,389
2008	2,690,415	2,550,066	2,448,984	96.04	86,598
2009	2,724,202	2,579,929	2,492,264	96.60	63,014
2010	2,873,160	2,856,338	2,770,029	96.98	-

Table 8

<u>Total Collections</u>	<u>Percentage of Total Collections to Levy</u>
\$ 952,772	100.00 %
1,196,086	100.00
1,419,640	100.00
1,381,742	100.00
1,819,274	99.97
2,019,850	99.96
2,261,385	99.75
2,535,582	99.43
2,555,278	99.04
2,770,029	96.98

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	Equipment Certificates	Capital Leases	Contract for Deed	Promissory Notes
2001	\$ -	\$ 35,000	\$ 573,785	\$ -	\$ -
2002	-	24,000	539,018	-	-
2003	-	12,000	665,018	-	-
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	-

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

See the Demographic Statistics table on page 143 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

Business-type Activities				
General		Total		
Obligation	Capital	Primary	Percentage of	Per
Revenue Bonds	Leases	Government	Personal Income	Capita
\$ 5,940,000	\$ 100,000	\$ 6,648,785	3.97 %	\$ 1,247
5,685,000	80,000	6,328,018	3.47	1,114
5,395,000	-	6,072,018	3.00	983
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	*	*

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
2001	\$ 5,940,000	\$ 3,506,011	\$ 2,433,989	1.18 %	\$ 457
2002	5,685,000	4,059,954	1,625,046	0.68	286
2003	5,395,000	3,584,364	1,810,636	0.57	293
2004	5,135,000	4,226,773	908,227	0.24	140
2005	3,570,000	3,484,047	85,953	0.02	12
2006	6,150,000	3,477,478	2,672,522	0.53	371
2007	9,555,000	2,642,776	6,912,224	1.24	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

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 128-129 for property value data.
 See the Demographic Statistics on page 143 for population data.

* - Population data was not available for the current year, therefore this calculation was not possible.

CITY OF ST. FRANCIS, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2010

Table 11

	<u>Net General Obligation 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>\$ 16,327,002</u>	100.00 %		<u>\$ 16,327,002</u>
Overlapping debt				
Anoka County	\$ 161,140,000	1.91 %		\$ 3,077,774
School District 15	43,920,000	19.86		8,722,512
Metropolitan Council	1,727,724	0.21		3,628
Metro Transit	<u>129,885,556</u>	0.24		<u>311,725</u>
Total overlapping debt	<u>\$ 336,673,280</u>			<u>\$ 12,115,640</u>
Total direct and overlapping debt	<u>\$ 353,000,282</u>			<u>\$ 28,442,642</u>

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

	Fiscal Year			
	2001	2002	2003	2004
Estimated Market Value of Taxable Property	\$ 205,615,700	\$ 239,705,300	\$ 317,544,200	\$ 371,056,000
Statutory percentage	2.0%	2.0%	2.0%	2.0%
Statutory debt limit	4,112,314	4,794,106	6,350,884	7,421,120
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 4,112,314</u>	<u>\$ 4,794,106</u>	<u>\$ 6,350,884</u>	<u>\$ 7,421,120</u>

Table 12

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 448,509,600	\$ 507,997,000	\$ 556,428,900	\$ 580,707,700	\$ 575,145,900	\$ 531,385,600
2.0%	2.0%	2.0%	3.0%	3.0%	3.0%
8,970,192	10,159,940	11,128,578	17,421,231	17,254,377	15,941,568
-	-	-	-	-	-
<u>\$ 8,970,192</u>	<u>\$ 10,159,940</u>	<u>\$ 11,128,578</u>	<u>\$ 17,421,231</u>	<u>\$ 17,254,377</u>	<u>\$ 15,941,568</u>

Legal Debt Margin Calculation for Fiscal Year 2010

Estimated Market Value of Taxable Property	\$ 531,385,600
Statutory percentage	<u>3.0%</u>
Statutory debt limit	<u>\$ 15,941,568</u>
Total bonds outstanding	\$ 16,537,000
Less: Special assessment bonds	(1,010,000)
Less: Utility revenue bonds	<u>(15,527,000)</u>
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 15,941,568</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			
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	- %	
2002	-	-	-	-	-	-	-	
2003	-	-	-	-	-	-	-	
2004	-	-	-	-	-	-	-	
2005	-	-	-	-	-	-	-	
2006	-	-	-	-	-	-	-	
2007	-	80,204	80,204	-	-	-	-	
2008	-	89,739	89,739	-	30,322	30,322	2.960	
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	

Fiscal Year	G.O. Revenue Bonds							Coverage
	Operating Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service		Total		
				Principal (3)	Interest			
2001	\$ 573,652	\$ 368,145	\$ 205,507	\$ 145,000	\$ 250,005	\$ 395,005	52.026 %	
2002	669,347	405,459	263,888	255,000	295,725	550,725	47.916	
2003	833,015	472,790	360,225	290,000	283,129	573,129	62.852	
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	

- (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
2001	5,330	\$ 167,463,270	\$ 31,419	2.7 %
2002	5,680	182,288,240	32,093	3.6
2003	6,177	202,451,175	32,775	4.5
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	*	*	8.5

(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)

	2010		
	Employees	Rank	Percent of City Employment
Independent School District #15 (includes Bus Garage)	509	1	35.03 %
County Market	84	2	5.78
McDonald's	54	3	3.72
Temperature Specialists, Inc.	49	4	3.37
The Ponds Golf Course & Restaurant	38	5	2.62
City of St. Francis	38	6	2.62
Northland Screw Products	30	7	2.06
Kid's Country	30	8	2.06
Village Bank	30	9	2.06
Billy's	23	10	1.58
Casey's General Store	-	-	-
	<u>885</u>		<u>60.90 %</u>
Total	<u>885</u>		<u>60.90 %</u>

(1) Information was not available for 2001. The City used the next year available.

Table 15

2006		
<u>Employees</u>	<u>Rank</u>	<u>Percent of City Employment</u>
455	1	29.88 %
90	2	5.91
58	3	3.81
33	7	2.17
48	4	3.15
36	5	2.36
30	8	1.97
27	9	1.77
-	-	-
35	6	2.30
12	10	0.79
<u>824</u>		<u>54.11 %</u>

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

Table 16

Function	Fiscal Year			
	2007	2008	2009	2010
General government	4	5	5	5
Public safety				
Police	12	12	12	12
Public works	3	3	3	3
Culture and recreation	3	2	3	3
Water	3	2	2	2
Sewer	3	2	2	2
Municipal Liquor Store	5	5	4	4
Total	<u>33</u>	<u>31</u>	<u>31</u>	<u>31</u>

(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
General government				
Ordinances & Resolutions adopted	93	42	51	54
Administration - Licenses processed	44	41	40	34
Finance - Payroll checks issued	1,245	1,217	1,229	1,240
Finance - Invoices paid	3,871	5,105	5,394	3,371
Police				
Chargeable offenses (Parts 1 & 2)	1,402	1,073	1,042	857
Miscellaneous offenses (Parts 3 & 4)	4,686	4,627	3,993	4,297
Public safety calls for service	7,403	6,776	5,995	5,154
Traffic citations issued	1,315	1,076	960	723
Fire				
Number of calls answered	394	371	462	397
Code enforcement				
Building permits issued	460	450	264	232
Highways and streets				
Asphalt Streets maintained	36	36	36	36
Gravel maintenance (miles)	11	11	11	12
Gravel usage (Tons)	n/a	3,899	7,465	3,600
Sand/Salt usage (tons)	115	190	136	233
Water				
Water pumped (million gallons)	221	186	200	187
Water main breaks repaired	n/a	n/a	n/a	1
Wastewater				
Gallons of wastewater treated (millions)	107	105	120	102
Miles of sewer mains cleaned	n/a	5	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, 2010

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	3,925
Number of votes cast last election	2,485
Percentage of registered voters voting	63.31%