



City of
St. Francis



2013 ADOPTED BUDGET

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INTRODUCTION

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Letter of Transmittal

Honorable Mayor and Council Members:

In compliance with State Statutes, I am pleased to present the 2013 Budget for the City of St. Francis. This budget document should be viewed as more than just a collection of financial data, but as the financial plan in which the organization will implement and accomplish Council policies, as well as meet the needs of the community and residents. In addition to the financial data contained within, this document includes information on the City organization, describes programs and services, and provides statistical values measuring activity performance and workloads.

The 2013 budget, in the amount of \$9,113,349 includes all of the funds for the City of St. Francis and reflects a 9.7% increase from the previous year's budget. The budget, as presented, reflects Council's direction and staff commitment to achieve a cost-effective, efficient and high-quality service delivery model. Essentially, the 2013 Budget is a reflection of the City's commitment to live within its means, and ensure that tax dollars are wisely managed and expended in as prudent a manner possible to achieve high-quality service outcomes.

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

Development of commercial and industrial sites – the City has designated sites through its comprehensive plan for both commercial and industrial sites. The Council continues to discuss water and sewer growth areas north along Highway 47. Council desires to lead economic development in industrial areas where the private sector is hesitant to outlay the upfront money to get development started.

Exploring additional City Communication with Citizens – the city website continues to be the primary source for timely, accurate information and forms. The City continues to utilize both Facebook and Twitter for additional information efforts.

Continue work on extending Bridge Street through to Highway 47 – this is an extensive undertaking and requires cooperation of the State, County and School District. This will also require a significant budget allocation to plan, lobby and hopefully implement. Effort has been undertaken to have updated information and study to extend Bridge Street. Plans will be revisited on how to proceed. In addition, Anoka County was awarded Federal Transportation monies to proceed with our first two round-a-bouts in St. Francis. Discussion will continue with the County, ISD #15 and the City on the impact this will have on Bridge Street traffic and businesses.

Reinventing the traditional way government services are provided. The Council continues to look and occasionally completes “pilot projects” to test new types of governmental service delivery.

The adopted budget provides a 4% increase in property taxes. The levy of \$2,988,086 represents a 4% increase over 2012. This translates to a 17.7% increase on a median value home.

The City Council openly discussed additional cuts for immediate budget impact as well as cuts which will provide for a long term reduction in governmental spending.

Conserving the financial resources of the City is more important than ever. The budgeting function is the primary tool the Council has to make sure the City’s limited resources are wisely utilized and to establish department objectives for the coming year. The Council will continue to hold discussions on how Federal, State, County and local financing will evolve in the future. Current statewide discussions are being held to describe the future on government finance “as-is” verses what state and local government finance will be in the future. Through these discussions and studies we will be able to better refine exactly what service we can afford to provide in the future. These studies will continue to ensure St. Francis is an affordable place to live while providing the services that make it a good place to call home.

Respectfully submitted,



Matthew L. Hylen
City Administrator

COMMUNITY PROFILE

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



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

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

During the late 1960’s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer’s Home Administration, the City constructed and began operating a municipal sewer and water system. These systems attracted quality development into the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 7,218. Its small town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

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

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

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

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



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



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

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

DECEMBER 2012

CITY COUNCIL

JERRY TVEIT, MAYOR
Term Expires 12-31-2012

STEVE KANE, COUNCILMEMBER
Term Expires 12-31-2012

JEFFREY SANDOVAL, COUNCILMEMBER
Term Expires 12-31-2012

AMY LAZERE, COUNCILMEMBER
Term Expires 12-31-2014

CHRISTOPHER MCCLISH, COUNCILMEMBER
Term Expires 12-31-2014

CITY MANAGERIAL STAFF

Employee	Position	Date Appointed
Matthew Hylan	City Administrator	November 14, 2005
Barbara Held	City Clerk	July 1, 1991
Darcy Mulvihill	Finance Director	June 28, 2010
Jeffery Harapat	Police Chief	September 1, 2007
Dean Kapler	Fire Chief	May 16, 2011
Paul Teicher	Public Works Director	April 14, 2008
John Schmidt	Liquor Store Manager	November 12, 2007

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BUDGET OVERVIEW

Challenges for the 2013 Budget

Challenges that frame the development of the 2013 Budget include:

Levy – For the 2013 tax levy, the Legislature did not reinstate levy limits. The Market Value Exclusion program does continue for 2013. This program gives homestead properties valued at less than \$413,778, an exclusion of the market value from property taxes. This shifted the taxes that would be paid by this part of the excluded property mostly onto commercial and industrial properties. The city did increase the levy by 4% in 2013 which is an increase of \$114,926.

Loss of state aid – To date the City has lost a total of \$465,909 in Local Government Aid and Market Value Homestead Credit which was due from the state.

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

Maintaining a competitive employee compensation and benefit package – In an effort to attract and retain high-performing employees, the City makes great effort to ensure that the City's compensation and benefit package is commensurate with peer communities. Union contracts with the City's two collective bargaining units were negotiated in 2012. Currently, City of St. Francis employees are far below our peer communities with respect to health insurance benefits. This will be an issue discussed during the next contract negotiations.

Revenues (net of transfers and debt proceeds) up by 1.9%

The 2013 budget anticipates revenues (net of transfers and debt proceeds) in the amount of \$8,171,229, an increase of \$152,282 (1.9%) from 2012. The primary reason for this increase is the increase in the tax levy for 2013. There was also a decrease in sales at the liquor store based on current sales. The sales figures each year are analyzed to try and set reasonable budgets. The City also continues to review its fee schedule to determine what, if any, changes need to be implemented in future years for water and sewer rates.

Revenue Comparison

Fund	2012	2013	\$ Change	% Change
General	\$3,797,737	\$3,864,729	\$66,992	1.76%
Special Revenue	17,880	15,200	(2,680)	-14.99%
Debt	47,400	47,300	(100)	-0.21%
Capital	46,250	57,500	11,250	24.32%
Enterprise	4,109,680	4,186,500	76,820	1.87%
TOTAL	\$8,018,947	\$8,171,229	\$152,282	1.90%

**Expenditures
(net of
transfers and
refunded
debt service)
down 8.89%**

Expenditures (net of transfers and refunded debt service) in the 2013 Budget are 8.89% \$694,728 more than 2012.

Expenditure Comparison

Fund	2012	2013	\$ Change	% Change
General	\$3,566,137	\$3,701,477	\$135,340	3.80%
Special Revenue	24,155	24,230	75	0.31%
Debt	103,208	620,652	517,444	501.36%
Capital	46,090	0	(46,090)	-100.00%
Enterprise	4,074,151	4,162,110	87,959	2.16%
TOTAL	\$7,813,741	\$8,508,469	\$694,728	8.89%

The main reasons for this increase are the addition of sealcoating back to the street maintenance budget and the bond payments on the new EDA Lease Revenue bonds, which funded the new Police/Public Works Building in 2012.

**Tax levy for
2013 is 4%
change**

The City's tax levy for 2013 is \$ 2,988,086 while the 2012 levy was \$2,873,160. This is an increase of \$114,926 or 4%. The median home value in the City of St. Francis dropped from \$133,200 in 2012 to \$114,500 in 2013. A median home will pay \$551/year in city taxes.

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

$$\text{Parcel Market Value} \times \text{Class Rate(s)} = \text{Tax Capacity}$$

$$\text{Tax Capacity} \times \text{Tax Capacity Rate} = \text{Parcel Property Tax}$$

County assessors value all property in the City annually. There is a lag time between when the property value is set and when the taxes are paid. For example, the market values that are set in 2012 are the basis for the taxes payable in 2013. The total of all the individual market values determines the total market value of the City.

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

Property Type	Payable 2010 Class Rate	Payable 2011 Class Rate	Payable 2012 Class Rate
Homestead			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Non-Homestead (Single Family)			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Apartments			
Regular	1.25%	1.25%	1.25%
Low Income	0.75%	0.75%	0.75%
Commercial/Industrial			
0 to \$150,000	1.50%	1.50%	1.50%
Over \$150,000	2.00%	2.00%	2.00%

For taxes payable in 2013 on a single family home occupied by the owner with an assessor's estimated market value of \$200,000, the tax capacity is calculated as follows:

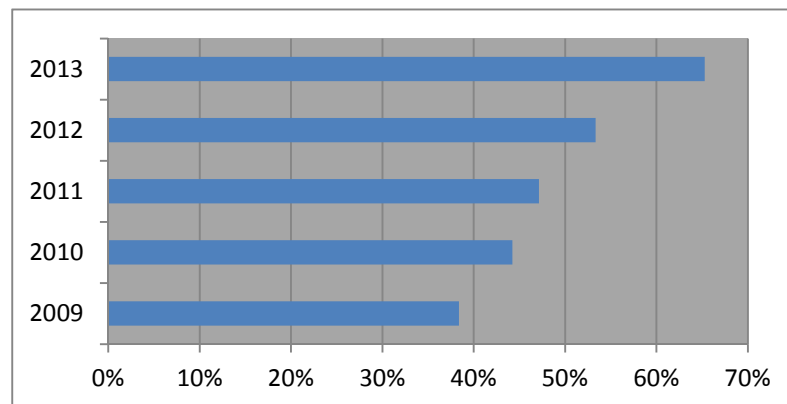
$$\$200,000 \times 1.00\% = \$2,000$$

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

Tax Capacity	2011	2012	2012
Real Estate/Personal Property	5,001,114	4,491,688	3,946,348
Tax Increment Districts	(12,820)	(12,628)	(11,899)
Sub-Total	4,988,294	4,479,060	3,934,449
Fiscal Disparities:			
Contribution	(341,228)	(323,392)	(310,151)
Distribution	1,531,408	1,383,468	1,320,087
Total Tax Capacity	6,178,474	5,539,136	4,944,385
Percent change	-7.48%	-10.35%	-10.74%

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

2009	38.39%
2010	44.24%
2011	47.13%
2012	53.34%
2012	65.27%



Using the prior example of a single family home with an estimated market value of \$200,000, the approximate city tax for 2013 would be:

$$\$2,000 \times 65.27\% = \$1,305.40$$

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

Staffing

The number of full time equivalent positions dropped to 30 for the 2013 budget year.

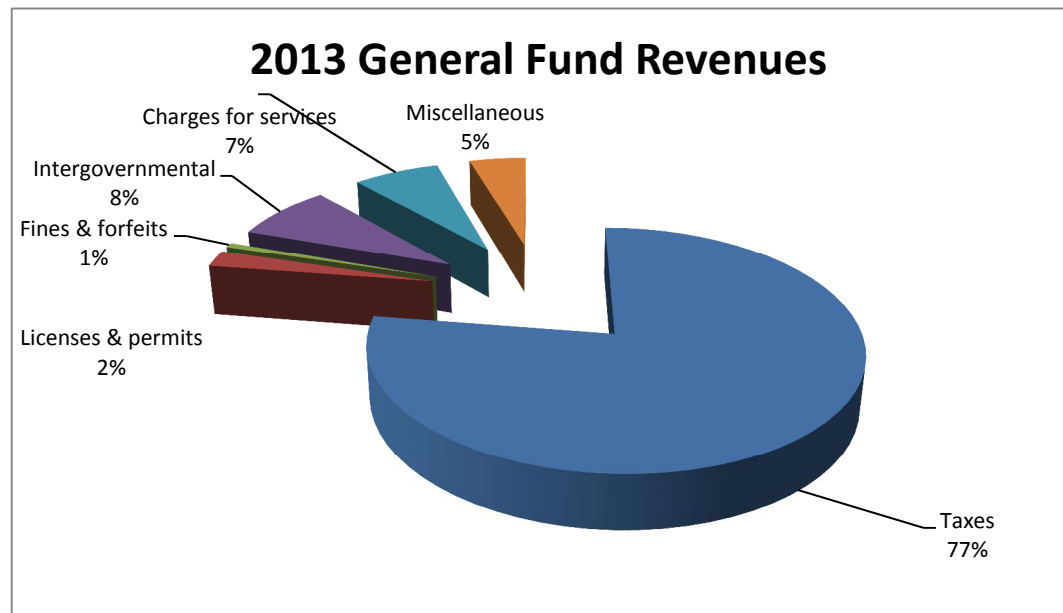
Additional employees were requested by departments during the budget process, but none of them are included in the 2013 Budget even though the need is there. Staff currently needed by the City includes:

Police Officers
Community Development Director/EDA

General Fund Revenues (net of transfers) up 1.76%

The 1.76% increase in General Fund revenues (net of transfers) amounts to \$66,992 more revenues than 2012. Taxes are \$19,677 higher than the 2012 Budget and they represent 77% of the revenues for the General Fund. Local Government aid, which is part of Intergovernmental Revenue, was budgeted at \$80,930 which was the amount received in 2012.

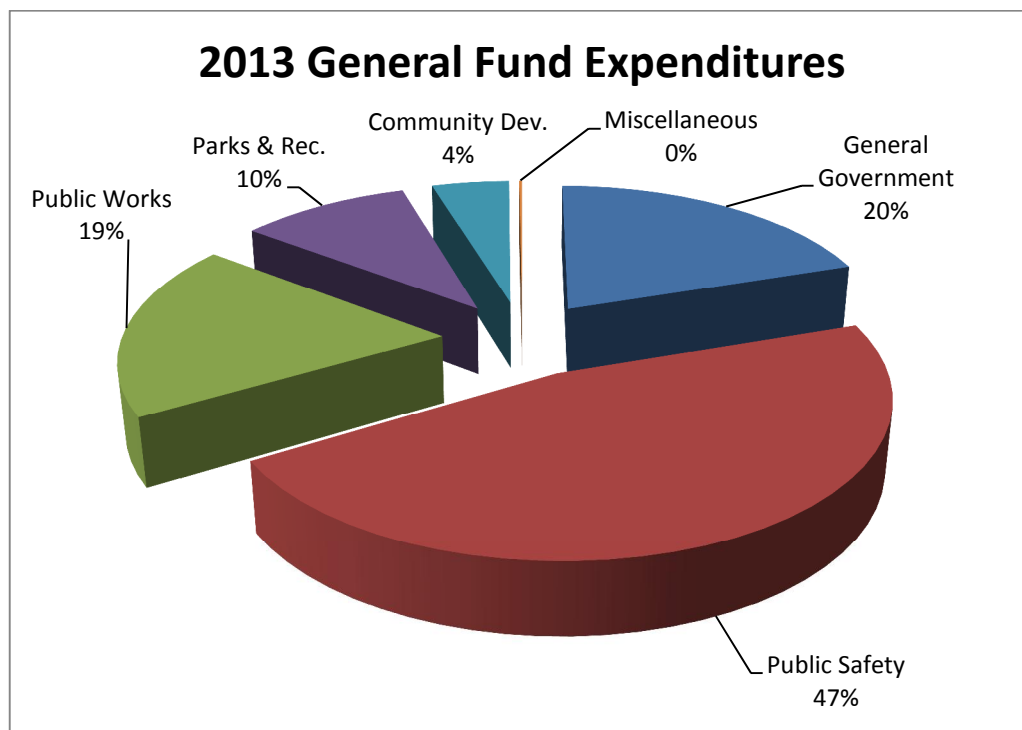
	2012	2013	\$ Change	% Change
Taxes	2,970,523	2,990,200	19,677	.66%
Licenses & permits	66,330	90,668	24,338	36.69%
Fines & forfeits	31,260	27,230	(4,030)	-12.89%
Intergovernmental	289,080	311,071	21,991	7.61%
Charges for services	287,179	268,733	(18,446)	-6.42%
Miscellaneous	135,765	176,827	23,462	15.30%
TOTAL	3,780,137	3,864,729	66,992	1.76%



General Fund Expenditures (net of transfers) up 3.8%

The 2013 Budget includes recommended expenditures (net of transfers) that are 3.8% higher than the 2012 Budget. This is an increase of \$135,340 over the previous year with the largest increase being recognized in the Public Works budget.

	2012	2013	\$ Change	% Change
General Government	727,685	736,355	8,670	1.19%
Public Safety	1,660,072	1,725,722	65,650	3.95%
Public Works	595,940	694,260	98,320	16.50%
Parks & Rec.	430,970	370,160	(60,810)	-14.11%
Community Dev.	145,370	168,880	23,510	16.17%
Miscellaneous	6,100	6,100	-	0.00%
TOTAL	3,566,137	3,701,477	135,340	3.80%



General Fund Fund Balance will be 45.3% of Budget

The State Auditor recommends that cities maintain unreserved fund balances in their general fund of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. The 2013 budget projects a fund balance of 45.3% of fund operating revenues and 5.7 months of operating expenditures. This should provide a sufficient balance to cover cash flow needs and unexpected expenditures.

Debt Service Funds

The City has two debt service funds to account for debt. Fund 311 accounts for the 2007 bonds related to street improvements. This is funded through property taxes, special assessments and transfers. The other fund is EDA Lease Revenue Bonds (330). This bond was sold in 2012 to financing the new Police/Public Works Building. This will be repaid with transfers from the General Fund, Water Fund and Sewer Fund.

Debt for the Water and Sewer Enterprise funds are accounted for in the respective funds.

Outstanding debt at December 31, 2012 is calculated at \$23,289,000.

Capital Improvements

The 2013 Budget implements the first year of the 2013-2017 Capital Improvement Plan (CIP) adopted by the City Council on August 6, 2012. This five-year plan is updated annually through a comprehensive capital needs planning process. Some of the projects listed in the CIP are not included in the annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Items from the 2013-2017 CIP which are included in the 2013 Budget are:

DEBT SERVICE PAYMENTS FOR POLICE STATION	190,000
SQUAD CAR REPLACEMENT	65,900
DEBT SERVICE PAYMENTS FOR POLICE STATION	190,000
BOBCAT ANNUAL REPLACEMENT	31,940
FORD ESCAPE	25,005
COOLER DOORS/LED LIGHTS	25,000

Utility rates

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Water							
Base	10.00	11.00	11.50	11.50	11.50	11.75	11.75
Usage	3.00	3.50	3.50	Tiered	Tiered	Tiered	Tiered
MN Test Fee			.53	.53	.53	.53	.53
Sewer							
Base	10.00	11.00	12.00	12.00	12.00	12.25	12.25
Usage	2.00	2.50	3.50	3.85	4.20	4.55	4.55

MN Statute 103G.291 was amended in 2008 to include a requirement for

public water suppliers serving more than 1,000 people to adopt a water rate structure that encourages conservation by January 1, 2010. It was determined that a tiered rate system was the easiest and fairest solution. The following tiered rate system is in place for water usage

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

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

Water and Sewer Funds

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

Staff continues to monitor utility revenues to ensure financial stability.

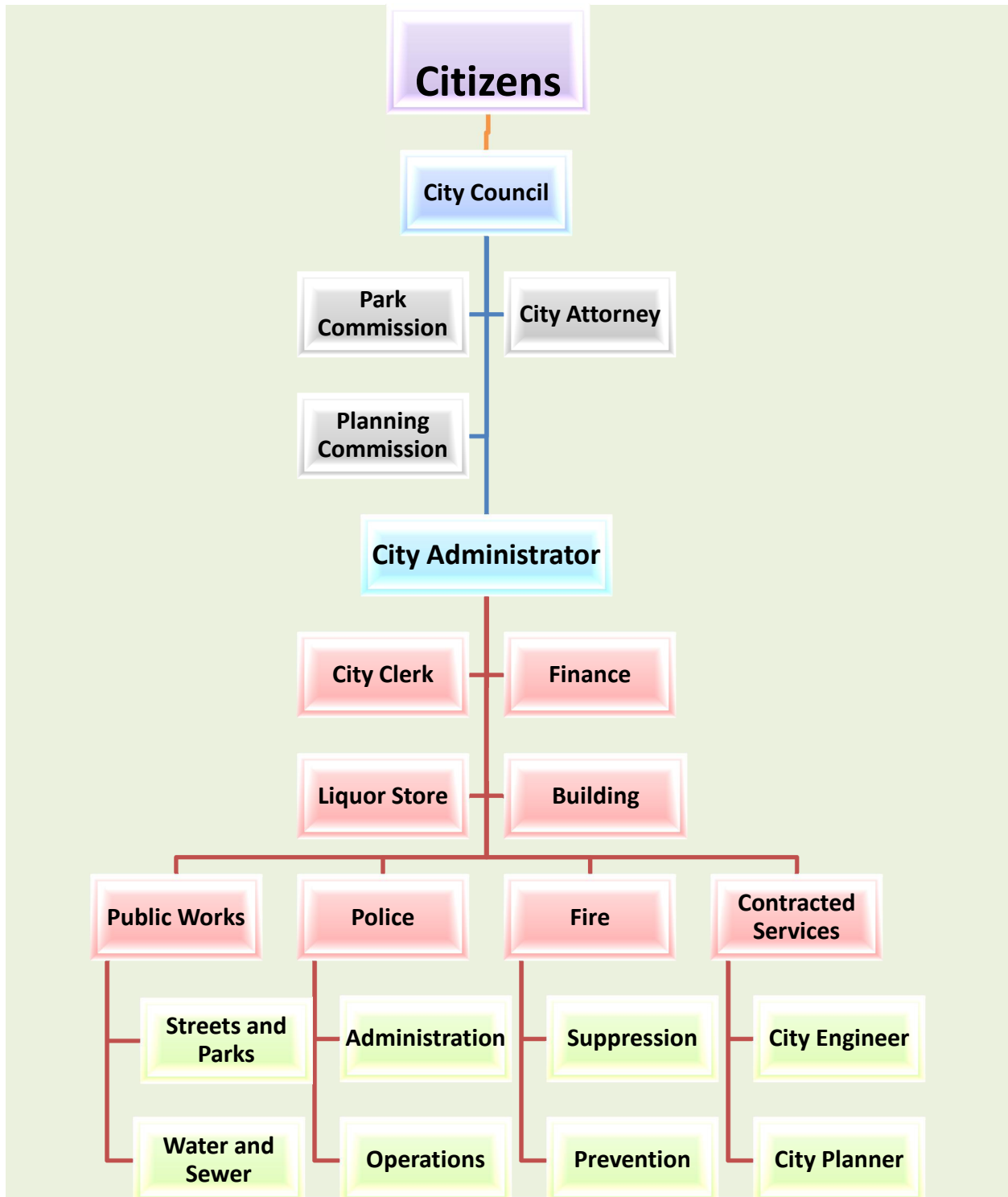
Expenditures from these funds are used for operation and maintenance, debt service, capital improvements, and infrastructure replacement relating specifically to the operation of water and sewer services. Major activity relating to these funds include:

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

Liquor

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

ORGANIZATIONAL CHART

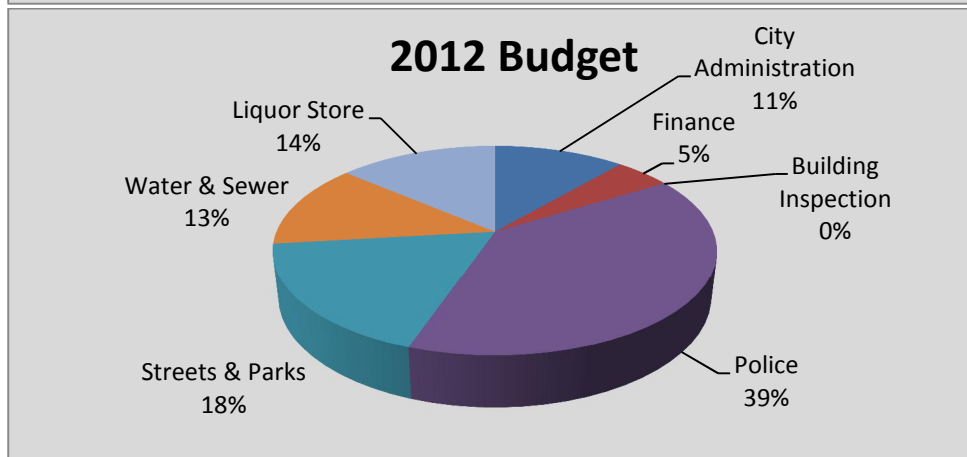
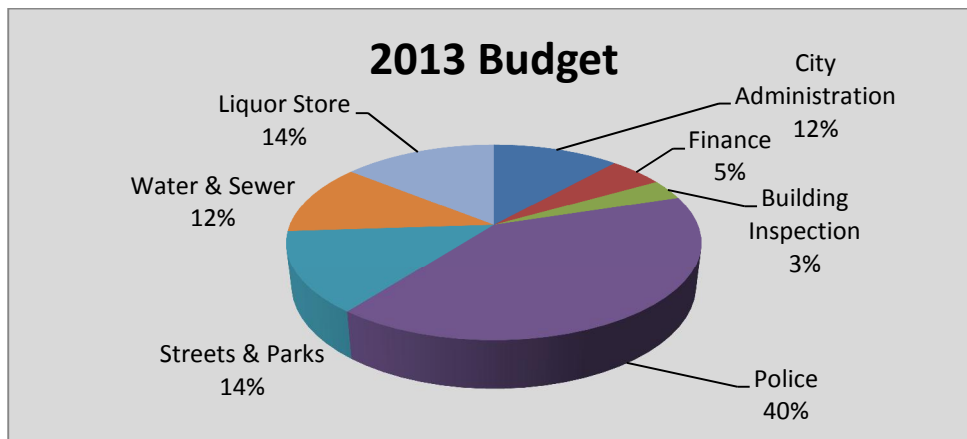


CITY OF ST. FRANCIS, MINNESOTA
SUMMARY OF PERSONNEL

NUMBER OF BUDGETED REGULAR EMPLOYEES

	2012		2013	
	FULL TIME	PART TIME	FULL TIME	PART TIME
City Administration	3.00	0.50	3.00	0.50
Finance	1.00	0.50	1.00	0.50
Building Inspection	0.00	0.00	1.00	0.00
Police	12.00	0.00	12.00	0.00
Streets & Parks	4.00	1.50	2.50	1.50
Water & Sewer	4.00	0.00	3.50	0.00
Liquor Store	2.00	2.25	2.00	2.25
TOTALS	26.00	4.75	25.00	4.75

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



CITY OF ST. FRANCIS, MINNESOTA
LISTING OF PERSONNEL POSITIONS
 BUDGETED FULL-TIME REGULAR EMPLOYEES 2011-2013

<u>CODE</u>		<u>2011</u>	<u>2012</u>	<u>2013</u>
	<u>CITY ADMINISTRATION</u>			
101-41400	City Administrator	1.00	1.00	1.00
	City Clerk	1.00	1.00	1.00
	Receptionist/Office Support	1.00	1.00	1.00
	City Administration Department Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
	<u>FINANCE</u>			
101-41500	Finance Director	1.00	1.00	1.00
	<u>Building Inspection</u>			
101-42400	Building Inspector	0.00	0.00	1.00
	<u>POLICE DEPARTMENT</u>			
101-42110	Police Chief	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Police Records Clerk	1.00	1.00	1.00
	Sergeant	1.00	1.00	1.00
	Investigator	1.00	1.00	1.00
	Police Officer	7.00	7.00	7.00
	Police Department Total	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>
	<u>STREETS & PARKS</u>			
101-43100	Highways, Streets & Roads			
	Public Works Director	0.35	0.35	0.20
	Asst. Public Works Director	0.10	0.10	0.00
	Streets & Parks Worker	2.10	2.10	1.50
101-45200	Parks			
	Public Works Director	0.35	0.35	0.20
	Asst. Public Works Director	0.10	0.10	0.00
	Streets & Parks Worker	0.90	0.90	0.50
101-43210	Recycling			
	Public Works Director	0.10	0.10	0.10
	Streets & Parks Worker	0.00	0.00	0.00
	Streets & Parks Department Total	<u>4.00</u>	<u>4.00</u>	<u>2.50</u>
	<u>WATER & SEWER</u>			
601-49440	Water Operations:			
	Public Works Director	0.10	0.10	0.25
	Asst. Public Works Director	0.40	0.40	0.00
	Water/Wastewater Operator	1.50	1.50	1.50
602-49440	Sanitary Sewer Operations:			
	Public Works Director	0.10	0.10	0.25
	Asst. Public Works Director	0.40	0.40	0.00
	Water/Wastewater Operator	1.50	1.50	1.50
	Public Works Department Total	<u>4.00</u>	<u>4.00</u>	<u>3.50</u>
	<u>MUNICIPAL LIQUOR STORE</u>			
609-49750	Liquor Store Manager	1.00	1.00	1.00
	Liquor Store Asst. Manager	1.00	1.00	1.00
	Municipal Liquor Store Total	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
	TOTAL	<u>26.00</u>	<u>26.00</u>	<u>25.00</u>



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of St. Francis, Minnesota for its annual budget for the fiscal year beginning January 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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POLICIES

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BUDGET PROCESS

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

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

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

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

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

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

FINANCIAL POLICIES

Balancing the Budget

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

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

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

Long-Range Planning and Fund Balance

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

Maintaining an adequate fund balance is essential. The City shall establish a reserve general fund balance in order to accommodate unexpected operational changes, legislative impacts or other economic events affecting the City's operations that could not have been reasonably anticipated. The goal is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (40%) of General Fund

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

Capital Improvement

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

Capital Asset Inventory

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

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

Revenue Policies

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

Revenue Diversification

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

financial support of these programs to avoid commitments that continue beyond funding availability.

Fees and Charges

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

Use of One-time Revenues

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

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

Use of Unpredictable Revenues

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

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

Stabilization

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

Expenditure Policies

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

Expenditure Accountability

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

Debt

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

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

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

Basis of Budgeting

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

FUND STRUCTURE

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

GENERAL FUND

The General Fund is the City's primary operating fund. It accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and recreation, street maintenance, planning, engineering and general government. In 2012, the Bi-Centennial and the Pioneer Days Special Revenue Funds were moved into the General Fund.

SPECIAL REVENUE FUNDS

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

- **Park Fund** – for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.
- **Police Forfeiture Fund** – proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.
- **Turtle Ridge TIF Fund** – activity associated with the City's only Tax Increment Financing District established for the Turtle Ridge Townhome project.
- **Gambling Fund** – activity associated with the 10% contribution from the net gambling proceeds from the charitable organizations in the city.

CAPITAL PROJECTS FUNDS

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

- **Capital Projects/Equipment** – funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.
- **Creekview Estates** – accounts for the accumulation of resources to finance the 2006 street reconstruction project.
- **Fire Truck Replacement** – funds set aside for future purchases of vehicles. Resources are currently provided by transfers from other funds.
- **Ivywood & 230th** – accounts for financial resources used to finance a future street reconstruction project.
- **Trunk Utilities River's Edge** – accounts for financial resources used to improve current city infrastructure and to finance construction of sanitary sewer and water mains to serve the new River's Edge development and Rum River Bluffs development.
- **Watermain Looping** – this will complete a second river crossing vital for uninterrupted and quality water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance.

DEBT SERVICE FUNDS

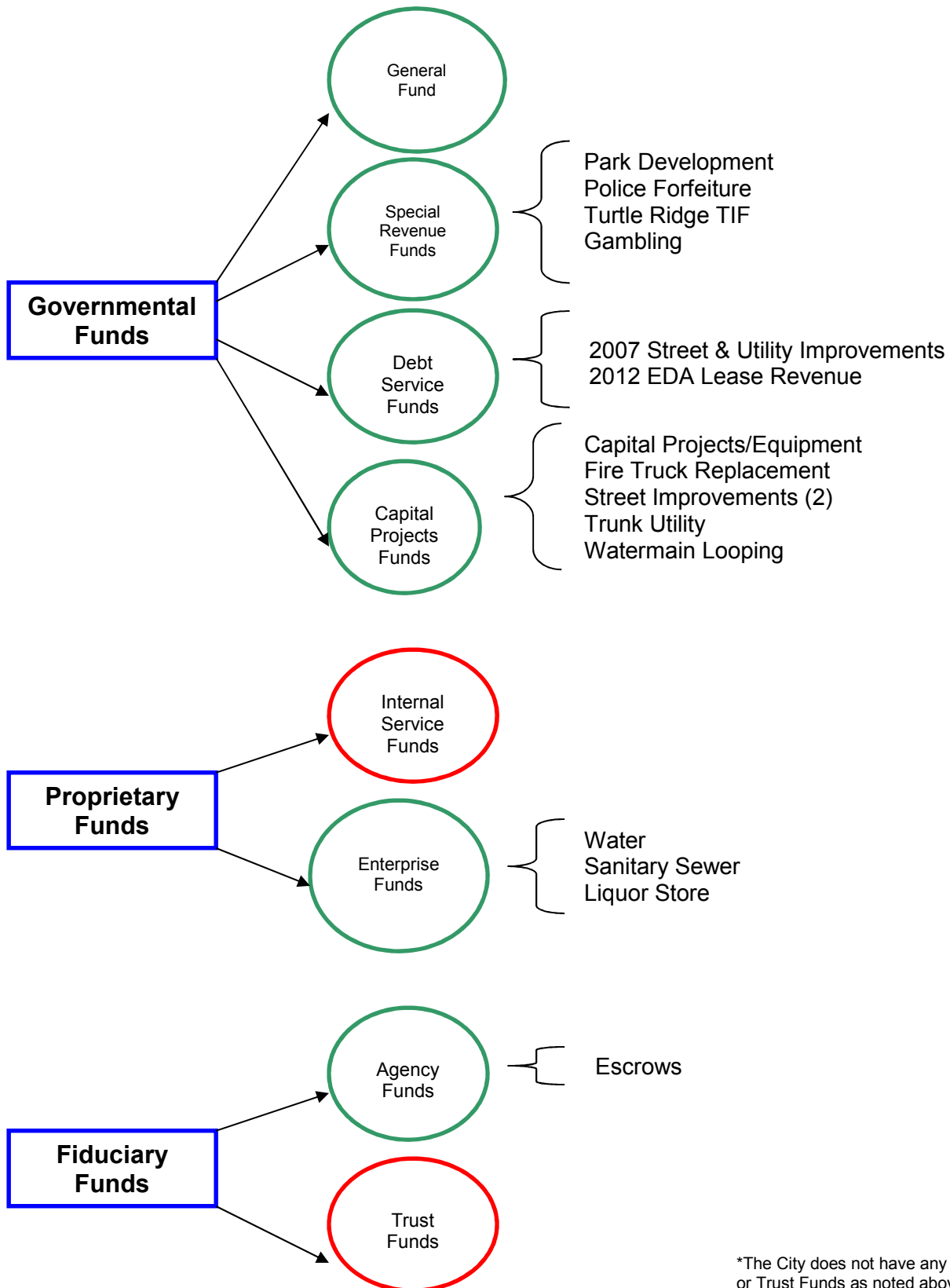
Debt service funds account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal, interest and fiscal agents' fees. Enterprise fund debt is accounted for in the individual enterprise fund.

ENTERPRISE FUNDS

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

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

FUND STRUCTURE



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

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BUDGET SUMMARY

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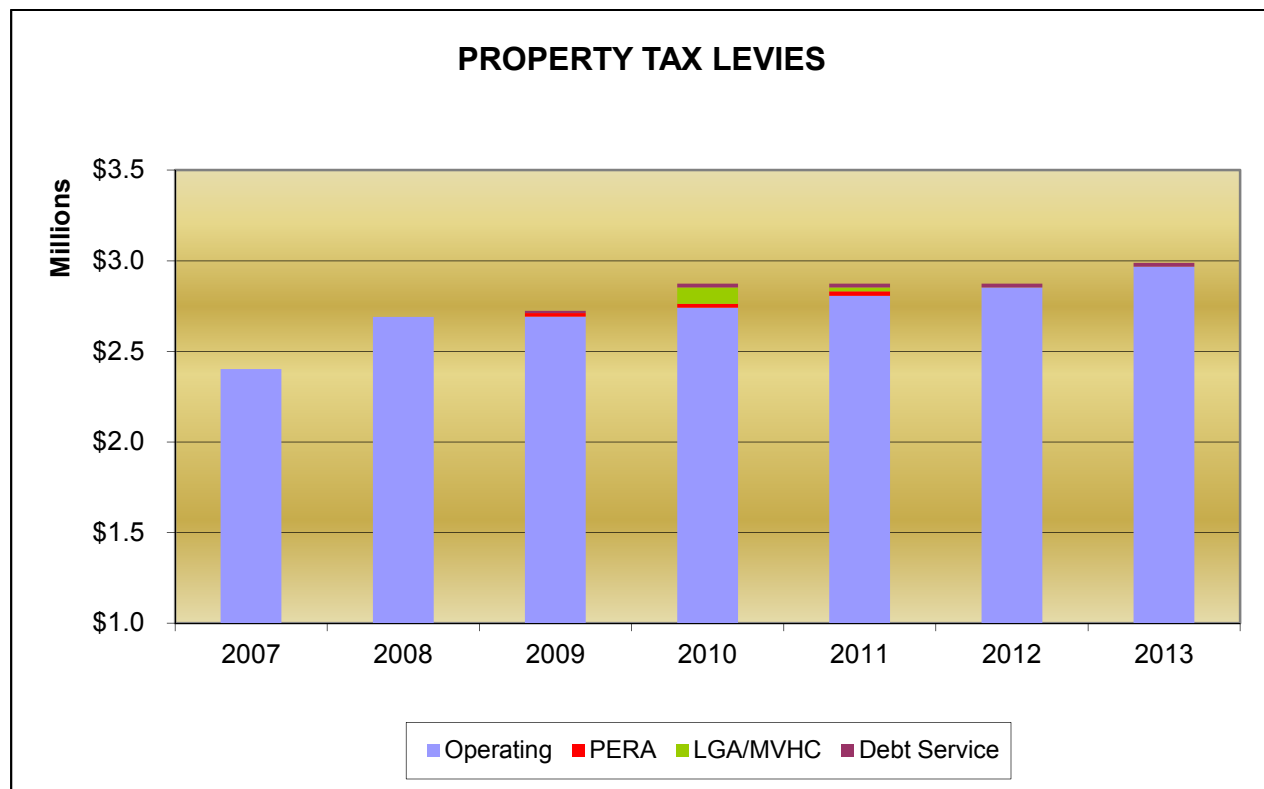
REVENUE SOURCES

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

Taxes - \$3,026,300 (34.9%)

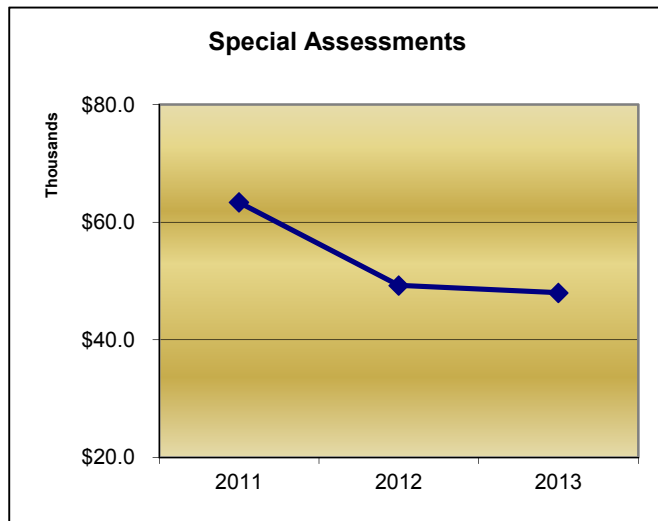
Tax revenues consist of property taxes (current and delinquent), tax increments and penalties and interest. This revenue source is primarily used in the General Fund and is set at a level to raise adequate revenue for the operating budget when combined with other expected revenues. The final level of expected revenue should be sufficient to conduct City business in accordance with Council policy and directives and result in a projected year-end fund balance to cover possible emergencies and contingencies. Levy limits were in place for taxes payable in years 2009 through 2011, but have expired for tax year 2012 and 2013. The Minnesota State Legislature eliminated the Market Value Credit Program for 2012 and replaced it with the Market Value Exclusion Program which continues in 2013.

The City relies on property taxes for 77% of the total General Fund revenues, supporting such functions as public safety, public works, and general government. There was a four percent increase in the levy for 2013.



Special Assessments - \$48,000 (0.6%)

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

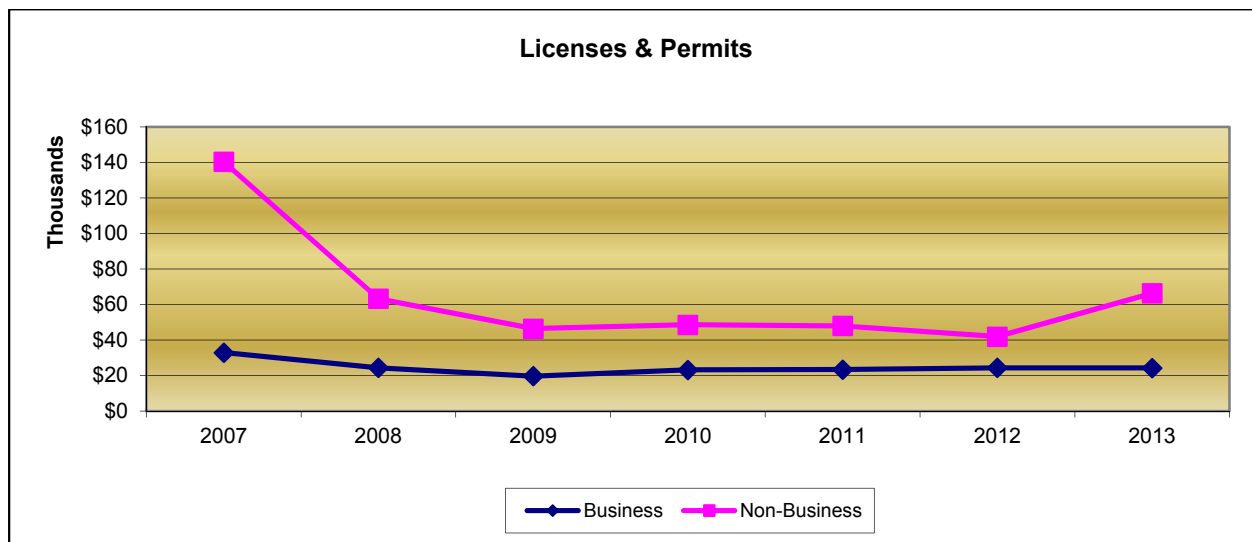


Special assessment collections for 2013 will be \$1,250 less than the 2012 budget based on an analysis of new rolls, scheduled installments and historical collection rates.

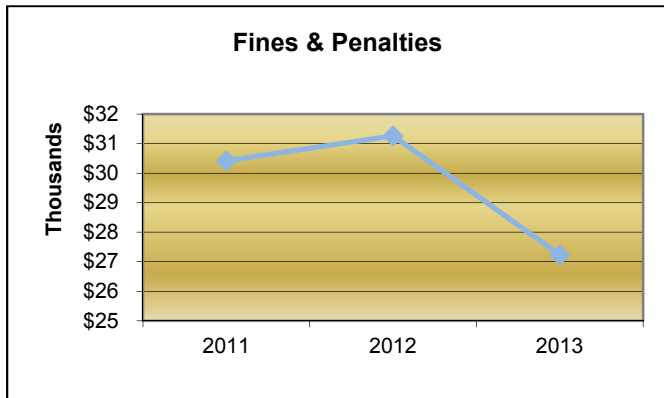
Licenses and Permits - \$90,688 (1.0%)

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

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



Fines and Penalties - \$27,230 (0.3%)



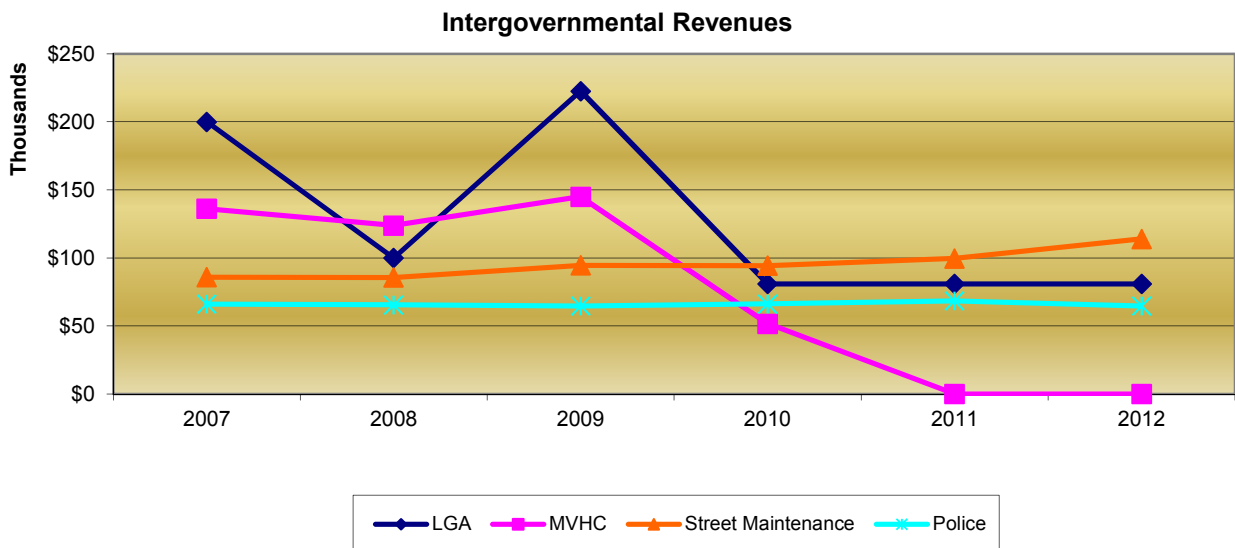
Fines and penalties consist of the City's share of fines collected by the County for court actions, animal impound fees, and revenue from drug forfeiture proceeds. The budget is based on a review of the prior three years actuals.

The fluctuations in this category are mainly caused by drug forfeiture proceeds. The revenue from drug forfeitures is dependent on crime in the

Intergovernmental - \$311,071 (3.6%)

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

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



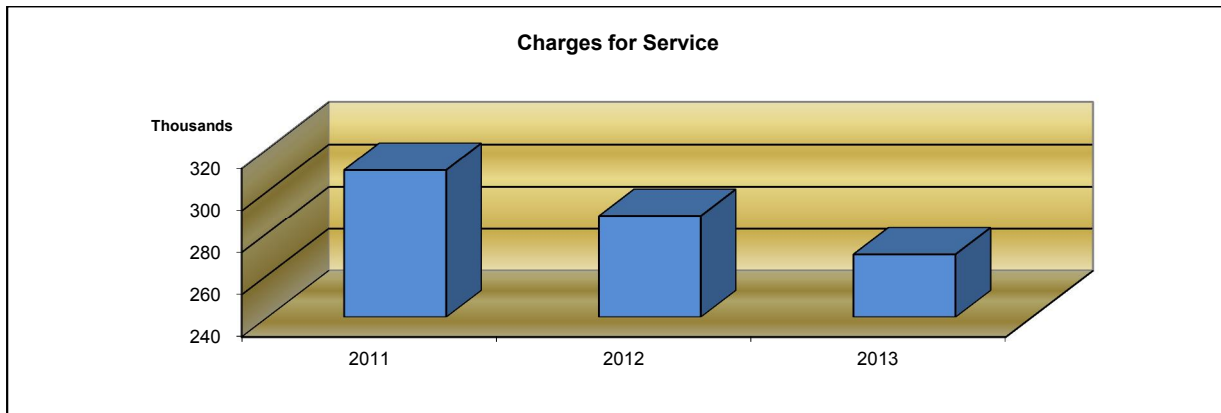
Charges for Services - \$269,733 (3.1%)

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

The police contract with the school district has been adjusted over the past few years and the City now provides less staff hours for a reduced fee. For the 2012-2013 school year, the contract was dropped from 2 officers to 1 officer. The revenue under this contract has been as follows:

2008	\$129,909
2009	\$114,258
2010	\$116,379
2011	\$122,880
2012	\$103,650

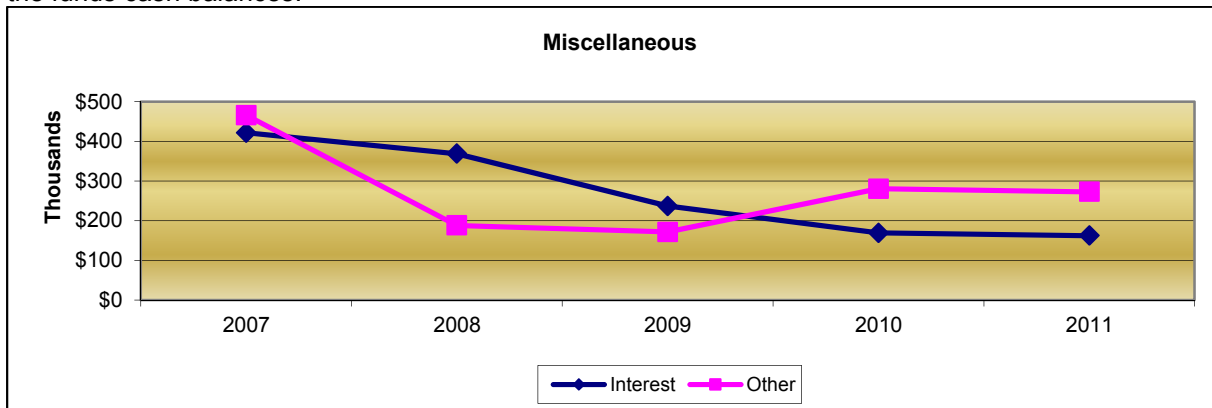
In 2012, the city also entered into a contract with a neighboring city to provide building inspection services. This is budgeted in 2013 to bring in \$22,000.00



Miscellaneous - \$312,727 (3.6%)

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

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



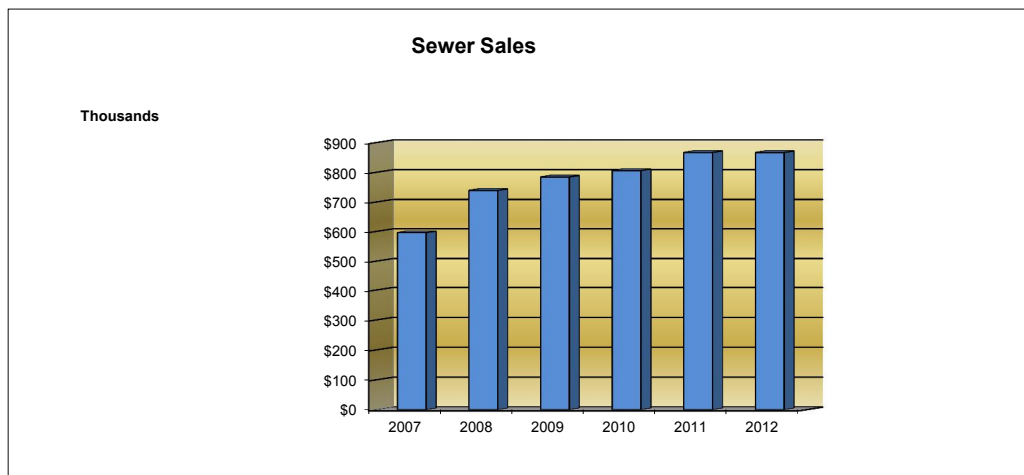
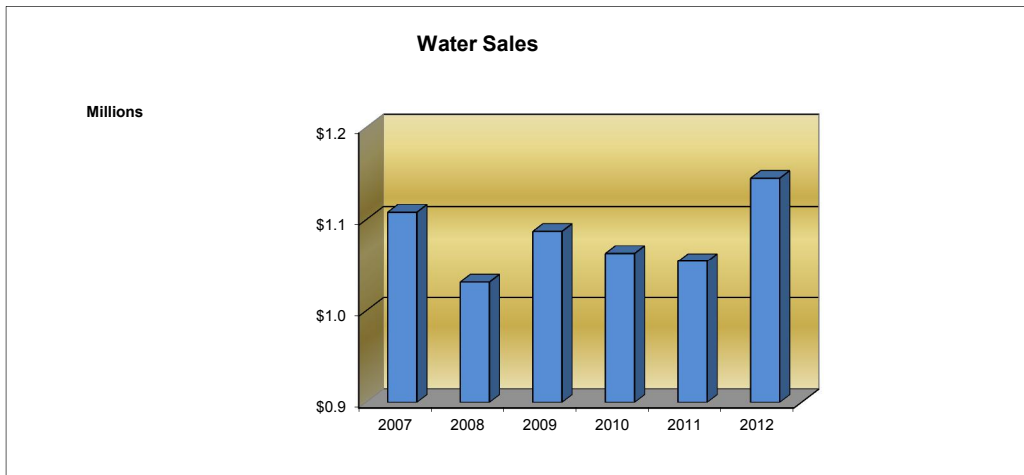
Sales - Water, Sewer, Liquor - \$4,018,500 (45.8%)

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

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

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

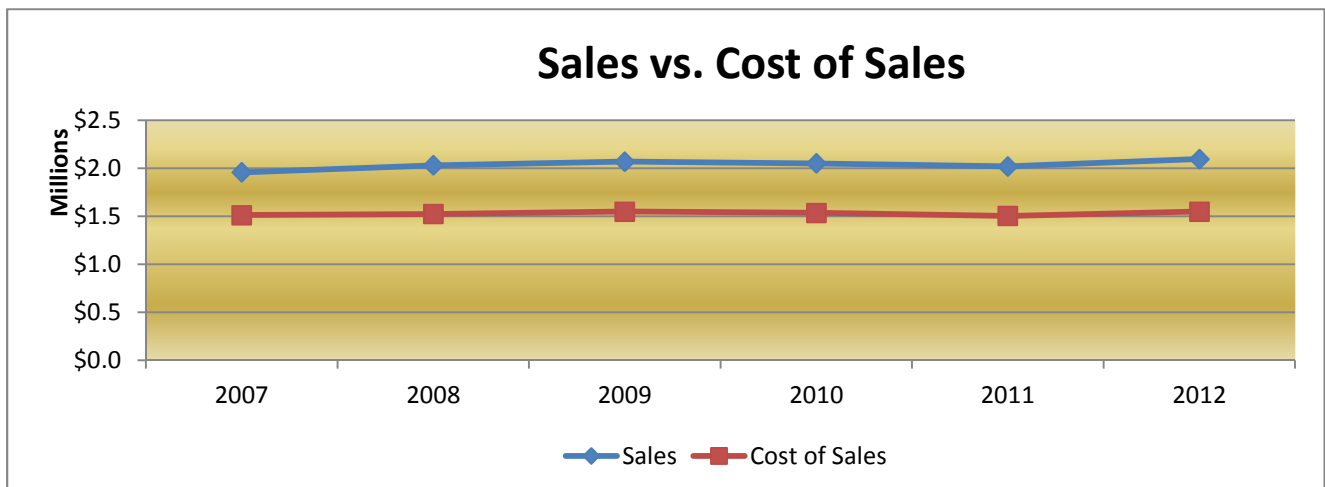
	<u>Water</u>	<u>Sewer</u>
2004	\$27.40	\$22.00
2005	\$28.00	\$22.00
2006	\$28.00	\$22.00
2007	\$32.00	\$26.00
2008	\$33.03	\$33.00
2009	\$35.13	\$35.10
2010	\$35.73	\$37.20
2011	\$36.58	\$39.55
2012	\$36.58	\$39.55



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

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

Percent of Sales	2008		2009		2010		2011		2012	
Liquor	621,760	30.6%	627,313	30.3%	630,168	30.7%	656,175	32.5%	692,430	33.1%
Beer	1,116,187	55.0%	1,144,786	55.4%	1,134,912	55.4%	1,075,743	53.3%	1,103,045	52.7%
Wine	164,935	8.1%	173,921	8.4%	175,410	8.6%	183,453	9.1%	196,181	9.4%
Miscellaneous	61,205	3.0%	61,393	3.0%	55,831	2.7%	45,642	2.3%	44,244	2.1%
Tobacco	65,489	3.2%	59,878	2.9%	53,821	2.6%	56,250	2.8%	58,443	2.7%
Total Sales	2,029,576		2,067,291		2,050,142		2,017,263		2,094,343	



Connection Fees - \$0 (0.0%)

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

Debt Proceeds - \$0 (0.0%)

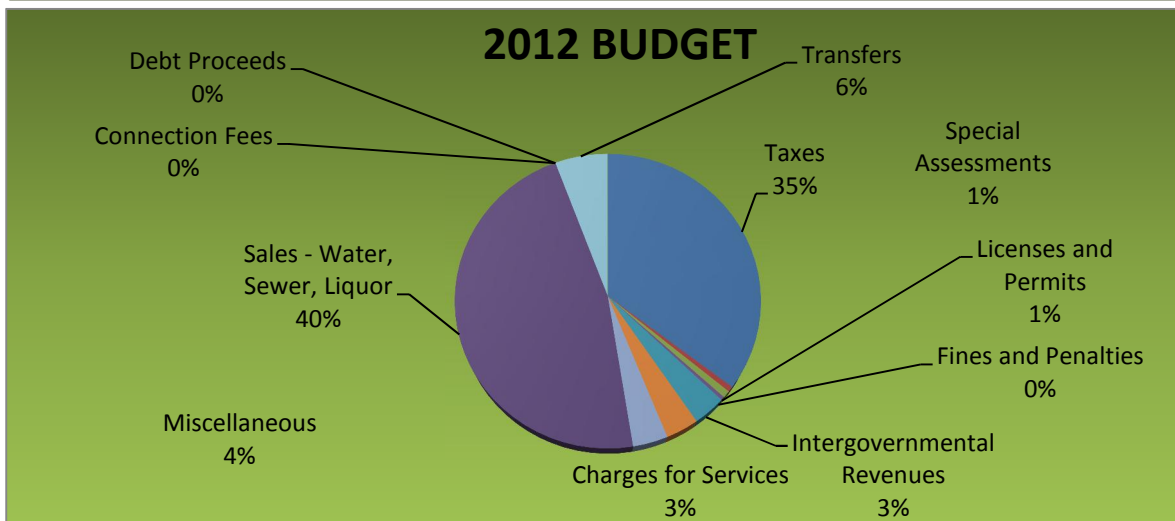
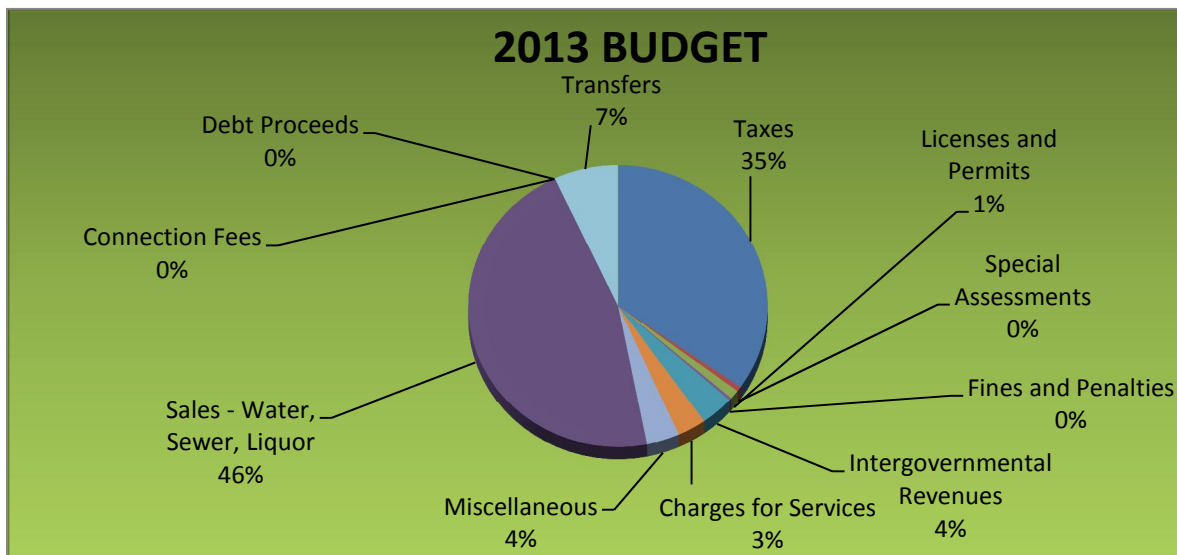
This Other Financing Source represents the funds received when issuing debt to pay for infrastructure or other capital items. None are projected for 2013.

Transfers and Contributions of Assets - \$604,880 (6.6%)

Transfers in are not an outside revenue source, but instead reflect amounts transferred between City Funds. These transfers may be utilized as a means to fund projects or debt service from multiple sources. The largest components of transfers in are to cover capital equipment or projects.

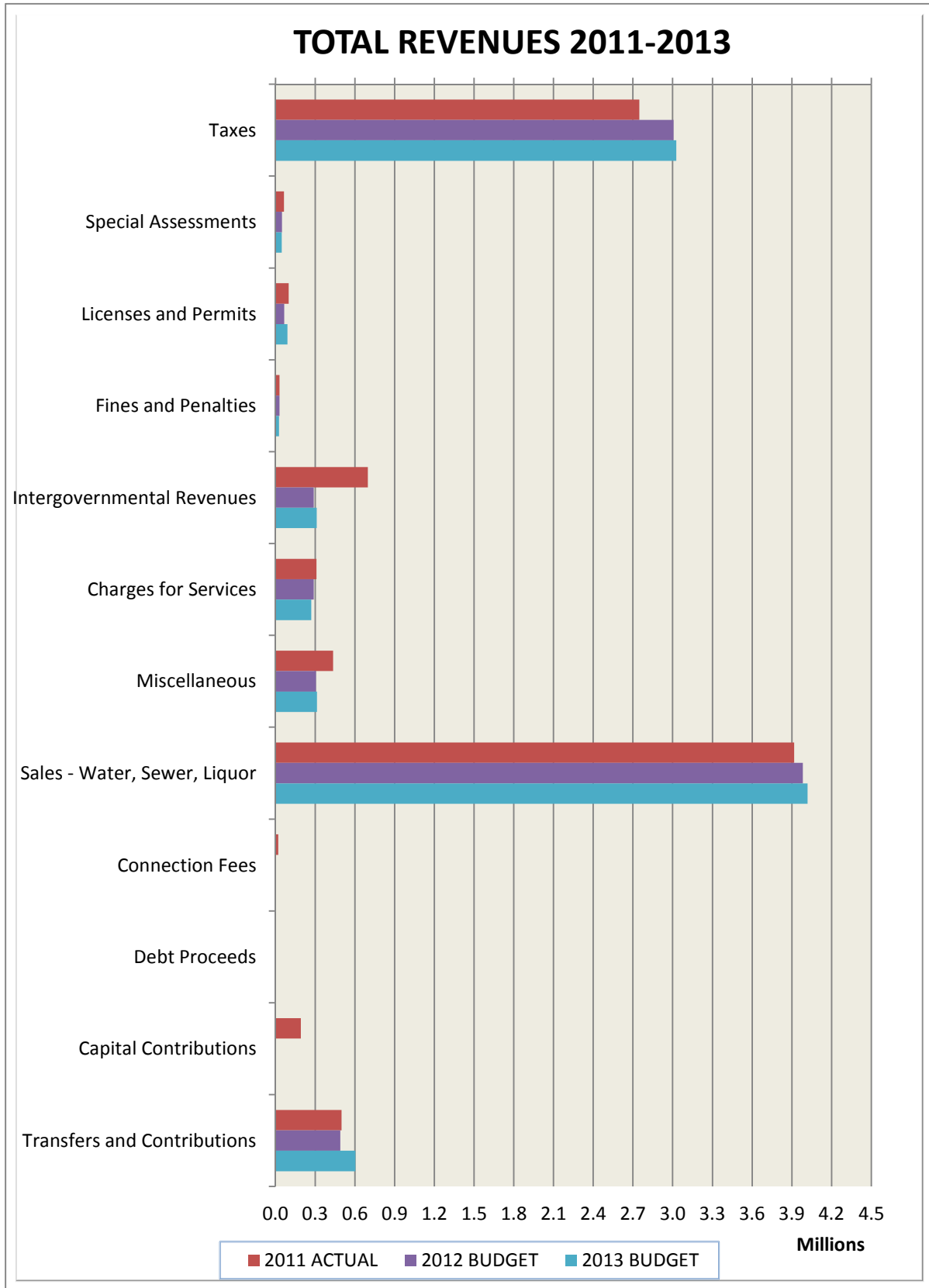
**CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
REVENUE SOURCES AS A PERCENT OF TOTAL**

<u>Total by Source</u>	2012 BUDGET	PERCENT OF TOTAL	2013 BUDGET	PERCENT OF TOTAL
Taxes	\$ 3,006,803	35.3%	3,026,300	34.7%
Special Assessments	49,250	0.6%	48,000	0.6%
Licenses and Permits	66,330	0.8%	90,668	1.0%
Fines and Penalties	31,260	0.4%	27,230	0.3%
Intergovernmental Revenues	289,080	3.4%	311,071	3.6%
Charges for Services	288,179	3.4%	269,733	3.1%
Miscellaneous	305,865	3.6%	312,727	3.6%
Sales - Water, Sewer, Liquor	3,982,180	46.8%	4,018,500	46.1%
Connection Fees	-	0.0%	-	0.0%
Debt Proceeds	-	0.0%	-	0.0%
Transfers	490,000	5.8%	604,880	6.9%
Totals	\$8,508,947	100.0%	\$8,709,109	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS
 REVENUE SUMMARY

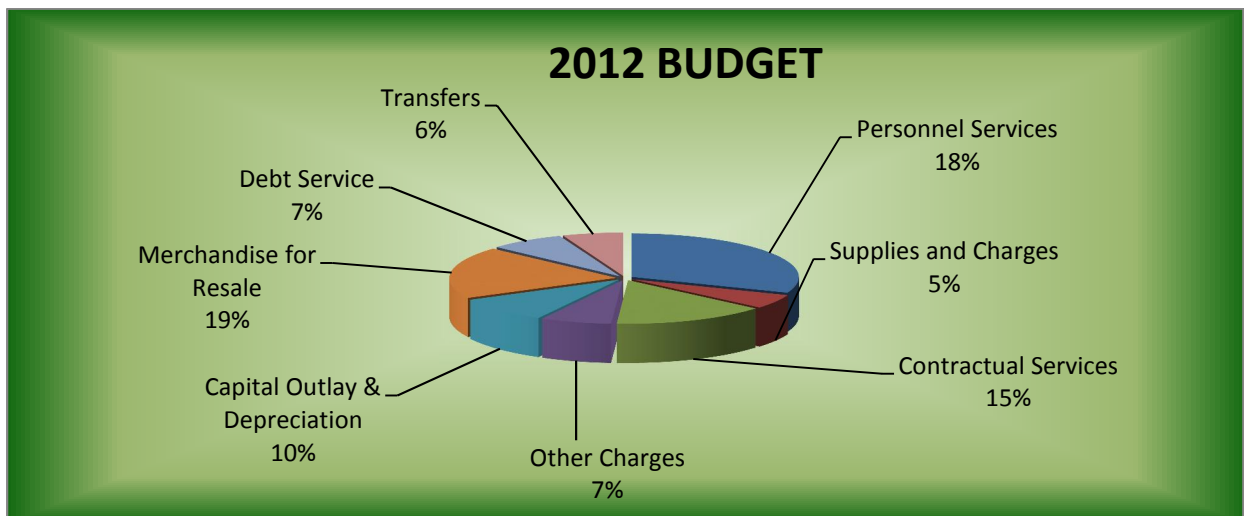
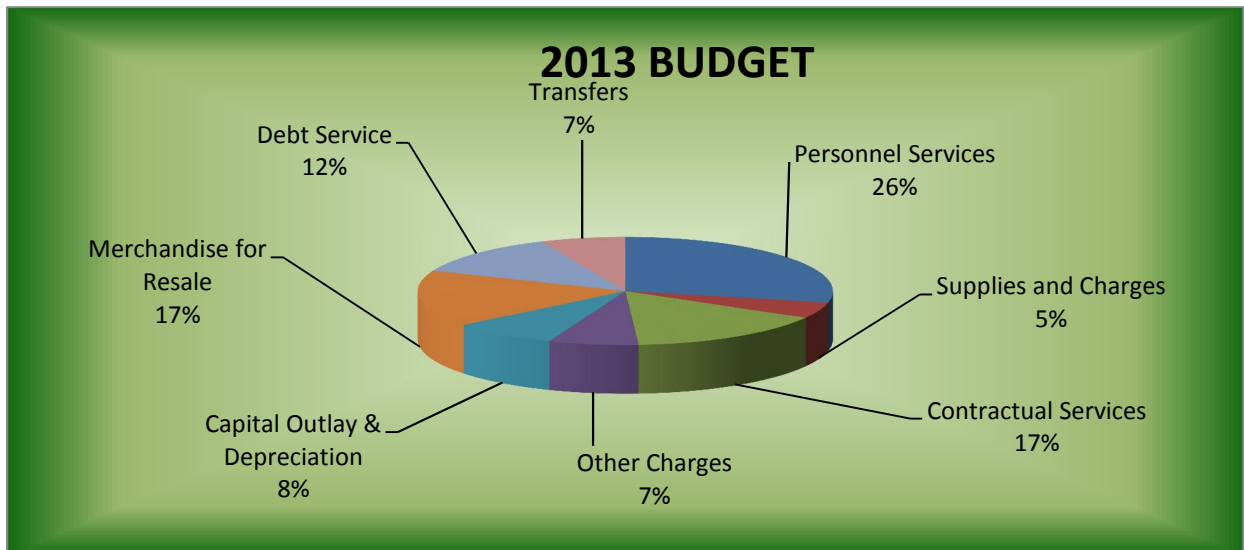
<u>Total by Source</u>	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Taxes	\$2,748,545	\$3,006,803	\$3,026,300	0.6%
Special Assessments	63,380	49,250	48,000	-2.5%
Licenses and Permits	99,415	66,330	90,668	36.7%
Fines and Penalties	30,414	31,260	27,230	-12.9%
Intergovernmental Revenues	698,484	289,080	311,071	7.6%
Charges for Services	309,894	288,179	269,733	-6.4%
Miscellaneous	434,939	305,865	312,727	2.2%
Sales - Water, Sewer, Liquor	3,917,247	3,982,180	4,018,500	0.9%
Connection Fees	20,800	-	-	N/A
Debt Proceeds	-	-	-	N/A
Capital Contributions	192,320	-	-	N/A
Transfers and Contributions	499,880	490,000	604,880	23.4%
Totals	\$ 9,015,318	\$ 8,508,947	\$ 8,709,109	2.4%
<u>Total By Fund</u>				
Operating Budget:				
General Fund	\$ 3,770,828	\$ 3,857,737	\$ 3,924,729	1.7%
Community Dev Block Grant	-	-	-	N/A
Park Improvements	337,333	2,500	2,500	0.0%
Police Forfeiture Fund	3,250	-	-	N/A
Gambling Fund	-	-	10,000	
Turtle Ridge TIF Fund	15,637	15,380	15,200	-1.2%
Water Fund	1,285,349	1,179,500	1,158,000	-1.8%
Sanitary Sewer Fund	1,008,107	861,000	911,000	5.8%
Municipal Liquor Fund	2,057,077	2,069,180	2,050,500	-0.9%
Total Operating Budget	\$ 8,477,581	\$ 7,985,297	\$ 8,071,929	1.1%
Capital Improvements Budget:				
Capital Equipment	\$ 308,522	\$ 346,000	\$ 16,000	-95.4%
Fire Truck Replacement	104,646	105,000	5,000	-95.2%
Creekview Estates	20,416	11,000	12,000	9.1%
Ivywood Street & 230th Lane	19,389	14,250	12,000	-15.8%
Total Capital Budget	\$ 452,973	\$ 476,250	\$ 45,000	-90.6%
Debt Service Budget:				
Debt Service Fund	\$ 84,764	\$ 47,400	\$ 86,380	82.2%
EDA Lease Revenue Bonds	-	-	505,800	N/A
	\$ 84,764	\$ 47,400	\$ 592,180	1149.3%
Totals	\$ 9,015,318	\$ 8,508,947	\$ 8,709,109	2.4%



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

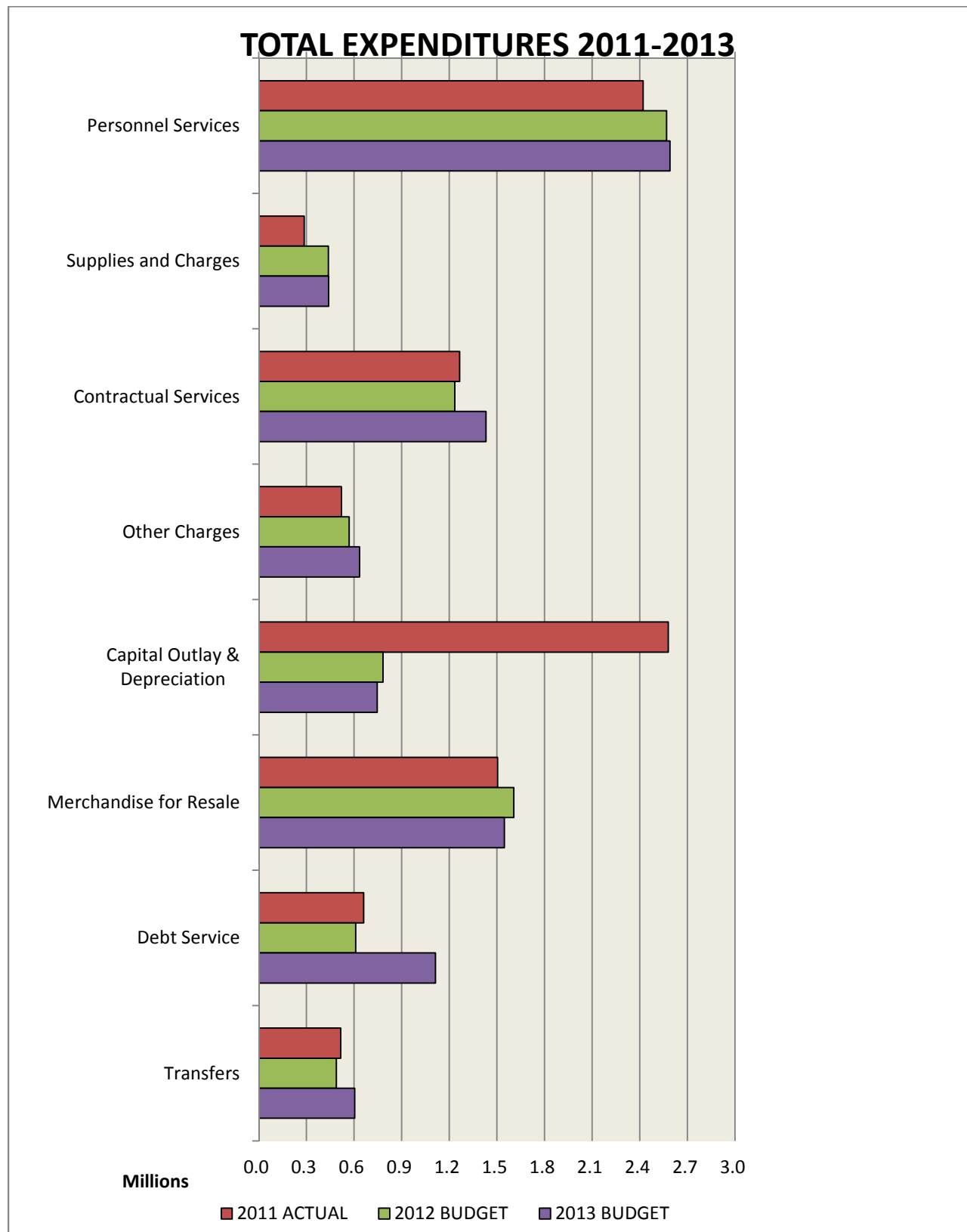
<u>Total By Classification</u>	2012 BUDGET	PERCENT OF TOTAL	2013 BUDGET	PERCENT OF TOTAL
Personnel Services	\$2,568,305	30.9%	\$2,590,410	28.4%
Supplies and Charges	\$438,840	5.3%	\$441,180	4.8%
Contractual Services	\$1,234,769	14.9%	\$1,431,594	15.7%
Other Charges	\$570,635	6.9%	\$636,235	7.0%
Capital Outlay & Depreciation	\$782,930	9.4%	\$746,840	8.2%
Merchandise for Resale	\$1,607,000	19.4%	\$1,548,000	17.0%
Debt Service	\$611,262	7.4%	\$1,114,210	12.2%
Transfers	\$490,000	5.9%	\$604,880	6.6%
Totals	\$8,303,741	100.0%	\$9,113,349	100.0%



CITY OF ST. FRANCIS, MINNESOTA
ALL FUNDS

EXPENDITURE SUMMARY

	2011 ACTUAL	2012 BUDGET	2013 BUDGET	% CHANGE
Total by Department				
City Council	\$ 27,239	\$ 34,090	\$ 34,090	0.0%
Charter	57	1,510	1,510	0.0%
Administration	405,812	407,750	414,830	1.7%
Elections	46	16,090	10,040	-37.6%
Finance	103,374	121,050	125,190	3.4%
Legal	88,041	120,100	120,100	0.0%
Government Buildings	28,366	152,095	30,595	-79.9%
Police	1,609,554	1,481,735	1,631,590	10.1%
Fire	416,959	492,042	273,762	-44.4%
Streets	612,093	547,630	824,800	50.6%
Landfill Abatement (Recycling)	38,193	48,310	39,460	-18.3%
Community Center	876	3,370	3,370	0.0%
Parks	725,351	427,600	366,790	-17.0%
Planning & Zoning	71,124	94,800	84,800	-10.5%
Building Inspections	33,517	50,570	84,080	66.3%
Unallocated/Contingency	3,308	13,200	6,100	-53.8%
Tax Increment Financing	14,737	15,450	14,600	-5.5%
Debt Service	560,603	556,040	1,067,088	91.9%
Capital Equipment	1,500,976	38,990	-	-100.0%
Water	823,790	920,924	1,074,274	16.7%
Sanitary Sewer	757,875	719,070	898,807	25.0%
Municipal Liquor	1,933,937	2,041,325	2,007,473	-1.7%
Totals	\$ 9,755,828	\$ 8,303,741	\$ 9,113,349	9.7%
Total By Classification				
Personnel Services	\$ 2,421,590	\$ 2,568,305	\$ 2,590,410	0.9%
Supplies and Charges	286,639	438,840	441,180	0.5%
Contractual Services	1,265,710	1,234,769	1,431,594	15.9%
Other Charges	521,133	570,635	636,235	11.5%
Capital Outlay & Depreciation	2,579,708	782,930	746,840	-4.6%
Merchandise for Resale	1,504,114	1,607,000	1,548,000	-3.7%
Debt Service	660,768	611,262	1,114,210	82.3%
Transfers	516,166	490,000	604,880	23.4%
Totals	\$ 9,755,828	\$ 8,303,741	\$ 9,113,349	9.7%
Total By Fund				
Operating Budget:				
General Fund	\$ 3,752,458	\$ 3,996,137	\$ 4,041,477	1.1%
Park Improvements	408,654	-	-	N/A
Police Forfeiture	2,798	8,705	9,630	10.6%
Turtle Ridge TIF Fund	14,737	15,450	14,600	-5.5%
Water Fund	1,133,627	1,219,628	1,364,262	11.9%
Sanitary Sewer Fund	907,933	873,198	1,055,255	20.8%
Municipal Liquor Fund	1,933,937	2,041,325	2,007,473	-1.7%
Total Operating Budget	\$ 8,154,144	\$ 8,154,443	\$ 8,492,697	4.1%
Capital Improvements Budget:				
Capital Equipment	\$ 1,457,722	\$ 38,990	\$ -	-100.0%
Creekview Estates	2,239	3,800	-	-100.0%
Ivywood Street & 230th Lane	32,325	3,300	-	-100.0%
Trunk Utilities Rivers Edge	8,690	-	-	N/A
Total Capital Budget	\$ 1,500,976	\$ 46,090	\$ -	-100.0%
Debt Service Budget:				
Debt Service Fund	\$ 100,708	\$ 103,208	\$ 100,607	-2.5%
EDA Lease Revenue bonds	-	-	520,045	N/A
Total Debt Service	\$ 100,708	\$ 103,208	\$ 620,652	501.4%
Totals	\$ 9,755,828	\$ 8,303,741	\$ 9,113,349	9.7%



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

<u>Total By Fund</u>	BALANCE	REVENUES	NET OTHER	EXPENDITURES	BALANCE
	01-01-13		INCREASES (DECREASES)		12-31-13
Operating Budget:					
General	\$ 1,867,338	\$ 3,864,729	\$ (280,000)	\$ 3,701,477	\$ 1,750,590
Police Forfeiture	9,630	-	-	9,630	-
Turtle Ridge TIF	18,042	15,200	-	14,600	18,642
Water	5,563,985	1,158,000	(101,080)	1,263,182	5,357,723
Sanitary Sewer	7,548,134	911,000	(103,800)	951,455	7,403,879
Municipal Liquor	1,640,289	2,050,500	(60,000)	1,947,473	1,683,316
Total Operating Budget	16,647,418	7,999,429	(544,880)	7,887,817	16,214,150
Capital Improvements Budget:					
Capital Projects/Equipment	1,773,781	16,000	-	-	1,789,781
Creekview Estates	(104,644)	12,000	-	-	(92,644)
Fire Truck Replacement	510,183	5,000	-	-	515,183
Gambling Fund	-	10,000	-	-	10,000
Ivywood St & 230th Lane	(112,865)	12,000	-	-	(100,865)
Park Improvements	163,890	2,500	-	-	166,390
Trunk Utilities Rivers Edge	(519,309)	-	-	-	(519,309)
Watermain Looping	(284,151)	-	-	-	(284,151)
Total Capital Budget	1,426,885	57,500	-	-	1,484,385
Debt Service Budget:					
Debt Service	137,624	46,500	39,880	100,607	123,397
EDA Lease Revenue Bonds	140,322	800	505,000	520,045	126,077
Total Debt Service Budget	\$ 277,946	\$ 47,300	\$ 544,880	\$ 620,652	\$ 249,474
Grand Total	\$ 18,352,249	\$ 8,104,229	\$ -	\$ 8,508,469	\$ 17,948,009

DISCUSSION ON FUND BALANCE CHANGESGeneral Fund

The city is anticipating a lower than originally estimated Fund Balance for 12-31-12. The city council did approve the early purchase of a loader for the public works department that was not scheduled to be purchased until 2013. In 2013, there is an amount to be used again from fund balance but the General Fund is budgeted to have an unreserved Fund Balance of 47.3% at the end of 2013.

Capital Projects/Equipment

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

Fire Truck Replacement

Funds are set aside for future purchases of vehicles. No expenditures are anticipated for 2013.

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GENERAL FUND

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

	2011 ACTUAL	2012 ORIGINAL BUDGET	2012 ESTIMATE	2013 BUDGET
Revenues:				
Property Taxes	\$2,713,412	\$2,970,523	\$2,890,200	\$2,990,200
Licenses and permits	99,415	66,330	77,138	90,668
Fines and forfeits	30,414	31,260	27,230	27,230
Intergovernmental	368,005	289,080	304,367	311,071
Charges for services	308,694	287,179	297,859	268,733
Miscellaneous	190,888	153,365	181,318	176,827
Total revenues	3,710,828	3,797,737	3,778,112	3,864,729
Expenditures:				
General Government	651,933	727,685	692,285	736,355
Public Safety	1,608,688	1,660,072	1,616,882	1,725,722
Public Works	650,286	595,940	752,502	694,260
Culture and Recreation	317,316	430,970	399,798	370,160
Community Development	104,641	145,370	143,220	168,880
Miscellaneous	3,308	6,100	6,100	6,100
Total expenditures	3,336,172	3,566,137	3,610,787	3,701,477
Excess (deficit) of revenues over expenditures	374,656	231,600	167,325	163,252
Other financing sources (uses):				
Operating transfers in (out):				
Municipal Liquor Operations	60,000	60,000	60,000	60,000
Capital Projects Fund	(316,286)	-	-	-
Fire Truck Replacement Fund	(100,000)	(100,000)	(100,000)	-
Debt Service	-	(330,000)	(330,000)	(340,000)
Total other financing sources (uses)	(356,286)	(370,000)	(370,000)	(280,000)
Net change in fund balance	18,370	(138,400)	(202,675)	(116,748)
Fund balance - January 1	2,051,643	2,103,235	2,070,013	1,867,338
Fund balance - December 31	\$2,070,013	\$1,964,835	\$1,867,338	\$1,750,590
Fund balance/revenues	55.8%	51.7%	49.4%	45.3%
Fund balance/expenditures	62.0%	55.1%	51.7%	47.3%
Fund balance/# of mths of expenditures	7.4	6.6	6.2	5.7

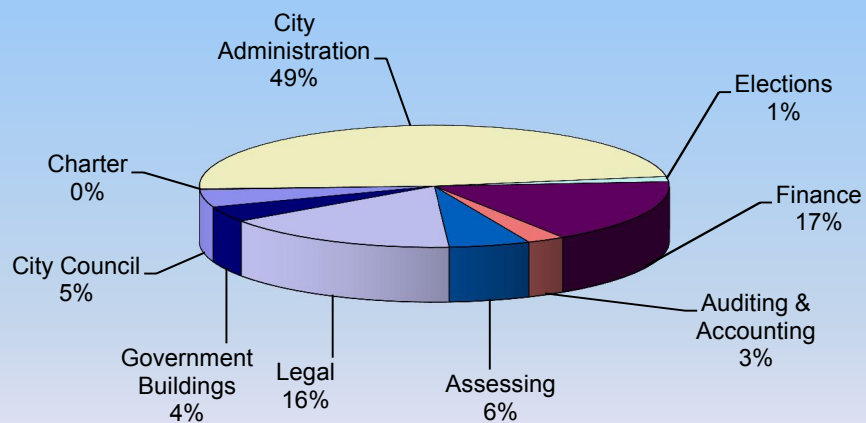
CITY OF ST. FRANCIS, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES

ACCT. NO.		2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
	<u>Taxes</u>				
31010	Current	\$2,646,512	\$2,880,783	\$2,820,000	\$2,920,000
31020	Delinquent	61,880	84,680	65,000	65,000
31910	Penalties & interest	5,020	5,060	5,200	5,200
		2,713,412	2,970,523	2,890,200	2,990,200
	<u>Licenses and Permits</u>				
	<u>Business:</u>				
32110	Liquor	21,400	21,720	21,400	21,400
32170	Amusements	495	730	630	630
32180	Cigarette, Refuse, etc.	2,700	1,917	2,250	2,250
	<u>Non-business:</u>				
32210	Building	67,670	35,730	40,000	58,930
32212	Plumbing	1,900	1,458	1,852	1,852
32213	Mechanical	2,280	2,265	8,000	2,650
36241	Surcharge - Permits	110	490	290	290
32214	Fireplace	50	1,200	1,650	1,650
32215	Septic	1,950	700	630	630
32240	Animal Licenses	550	-	280	280
32250	Misc Permits	310	120	156	106
		99,415	66,330	77,138	90,668
	<u>Fines and Penalties</u>				
35100	Court fines	28,929	28,500	25,000	25,000
35104	Animal impound fees	1,485	2,760	2,230	2,230
		30,414	31,260	27,230	27,230
	<u>Intergovernmental Revenue</u>				
33000	PERA rate increase	1,971	1,971	1,971	1,971
33401	Local government aid	80,929	80,929	80,929	80,929
33402	Homestead credit	51,560	-	-	-
	Manufactured home				
33403	homestead credit	14,906	-	-	-
33416	Police grants	22,782	15,840	17,681	17,681
33418	Street maintenance aid	99,660	104,920	113,957	121,460
33420	Fire aid	23,308	19,240	23,308	22,509
33421	Police aid	68,521	66,180	66,521	66,521
33422	DNR state aid	-	-	-	-
33500	Other Fire grants/aid	4,368	-	-	-
	Local government grants and				
33610	aid	-	-	-	-
		368,005	289,080	304,367	311,071

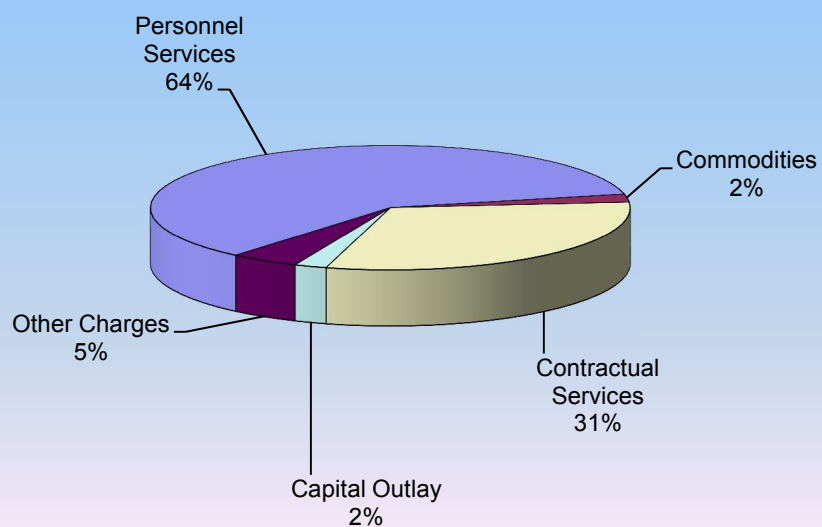
ACCT. NO.		2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
	<u>Charges for Service</u>				
	<u>General Government:</u>				
34105	Maps, fax, copies, notary fees	88	150	122	122
34107	Assessment search fees	160	110	160	160
34403	Refuse collection charges	5,204	4,430	4,551	4,551
34800	Administrative charges	132,830	137,479	137,479	144,353
	<u>Public Safety:</u>				
34201	Bethel contract	-	-	-	-
34202	ISD #15 contract	122,880	116,380	110,631	62,631
34203	Accident reports	276	160	256	256
34205	D.A.R.E. program	-	-	-	-
34206	Special event pay	6,335	4,760	5,961	5,961
34207	Lock out fees	1,313	900	1,379	1,379
34209	Fire Department charges	-	-	-	-
	<u>Public Works:</u>				
34108	WCA Block Grant	750	-	750	750
34300	Highways and street charges	-	-	-	-
	<u>Community Development:</u>				
34102	Inspection contract	-	-	10,000	22,000
34103	Zoning and subdivision fees	4,080	-	2,215	2,215
34104	Plan check fees	34,778	22,810	24,355	24,355
34109	Economic development	-	-	-	-
		<u>308,694</u>	<u>287,179</u>	<u>297,859</u>	<u>268,733</u>
	<u>Miscellaneous Revenue</u>				
32260	Rentals, leases	43,766	43,692	43,836	43,836
34408	Landfill abatement	20,939	12,833	17,201	17,201
36200	Miscellaneous revenues	19,328	5,000	16,588	16,688
36210	Interest on investments	34,275	29,520	32,285	32,205
36225	Community Center rental	945	300	970	970
36230	Donations & contributions	5,400	-	-	-
	Pioneer Day Revenues	17,747	17,500	18,398	18,400
38050	Cable TV revenues	21,445	17,720	22,000	19,527
39101	Sale of property	27,043	26,800	30,040	28,000
		<u>190,888</u>	<u>153,365</u>	<u>181,318</u>	<u>176,827</u>
	TOTAL REVENUES	<u><u>3,710,828</u></u>	<u><u>3,797,737</u></u>	<u><u>3,778,112</u></u>	<u><u>3,864,729</u></u>

GENERAL GOVERNMENT 2013 BUDGET

Total By Program



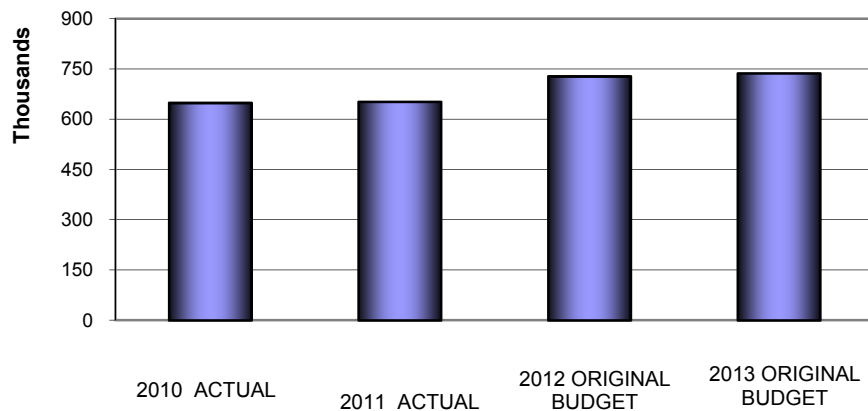
Total By Classification



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

Total By Program	2010 ACTUAL	2011 ACTUAL	2012 ORIGINAL BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
City Council	\$26,674	\$27,239	\$34,090	\$34,090	0.0%
Charter	58	57	1,510	1,510	0.0%
City Administration	333,974	347,212	349,810	354,790	1.4%
Elections	4,412	46	16,090	10,040	-37.6%
Finance	112,983	103,374	121,050	125,190	3.4%
Auditing & Accounting	17,976	18,133	18,010	19,010	5.6%
Assessing	39,802	39,465	39,930	41,030	2.8%
Legal	88,701	88,041	120,100	120,100	0.0%
Government Buildings	23,843	28,366	27,095	30,595	12.9%
Totals	648,423	651,933	727,685	736,355	1.2%
Total By Classification					
Personnel Services	420,066	404,771	441,590	444,710	0.7%
Commodities	14,580	15,458	15,500	15,400	-0.6%
Contractual Services	182,466	192,583	220,960	226,110	2.3%
Capital Outlay	0	0	10,000	16,000	60.0%
Other Charges	31,311	39,121	39,635	34,135	-13.9%
Totals	648,423	651,933	727,685	736,355	1.2%
Staffing					
Full-time equivalents	5.00	5.00	5.00	5.00	

Expenditures



Department: General Government
Program: City Council

Fund: 101
Cost Center: 41110

Program Description

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

Program Expenditure Highlights

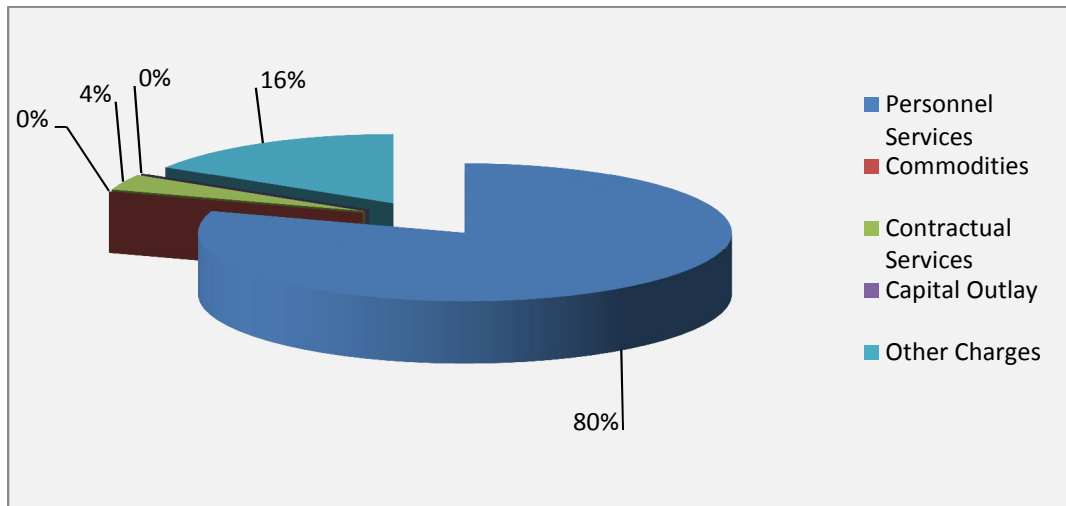
A large portion of Other Charges is allocated to training and travel.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ 22,693	\$ 22,411	\$ 27,290	\$ 27,290	0.0%
Commodities	-	-	-	-	N/A
Contractual Services	217	662	1,250	1,250	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	3,764	4,166	5,550	5,550	0.0%
Total	\$ 26,674	\$ 27,239	\$ 34,090	\$ 34,090	0.0%

Full-Time Equivalent
positions

Council consists of one Mayor and four Council Members.

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 PROJECTED	2013 PROJECTED
Council meetings	24	24	24	24
Special meetings	0	2	0	0
Special workshops	1	1	5	5
Town Hall meetings	0	1	1	1

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

Program Description

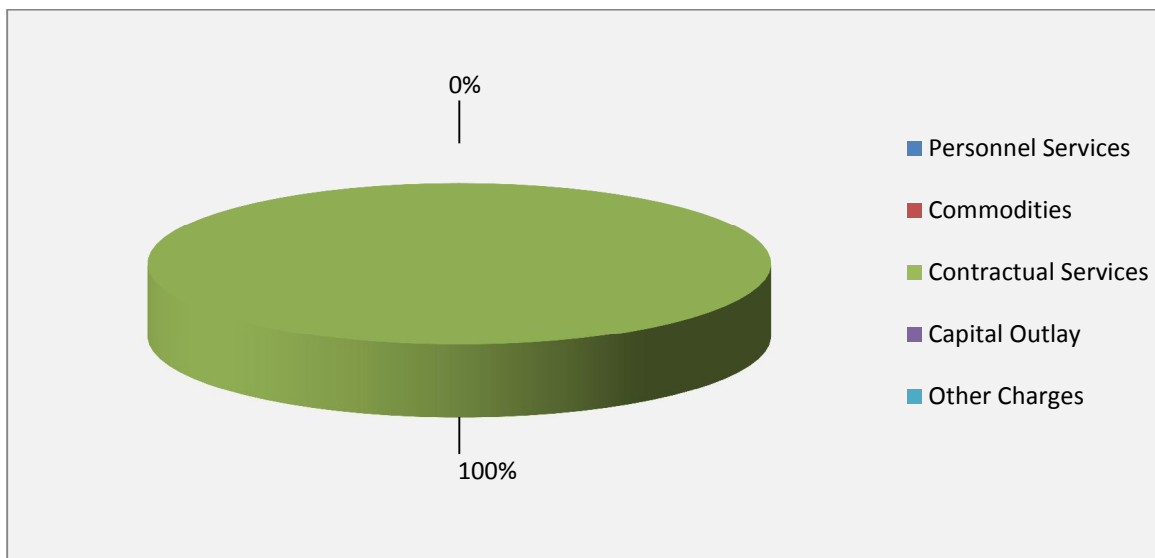
The City operates under a Home Rule Charter. This budget, when used, is mainly for legal advice and publishing requirements.

Program Expenditure Highlights

Charter amendments are brought up as needed.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	58	57	1,510	1,510	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 58	\$ 57	\$ 1,510	\$ 1,510	0.0%

Program Expenditures by Classification



Department: General Government
Program: City Administration

Fund: 101
Cost Center: 41400

Program Description

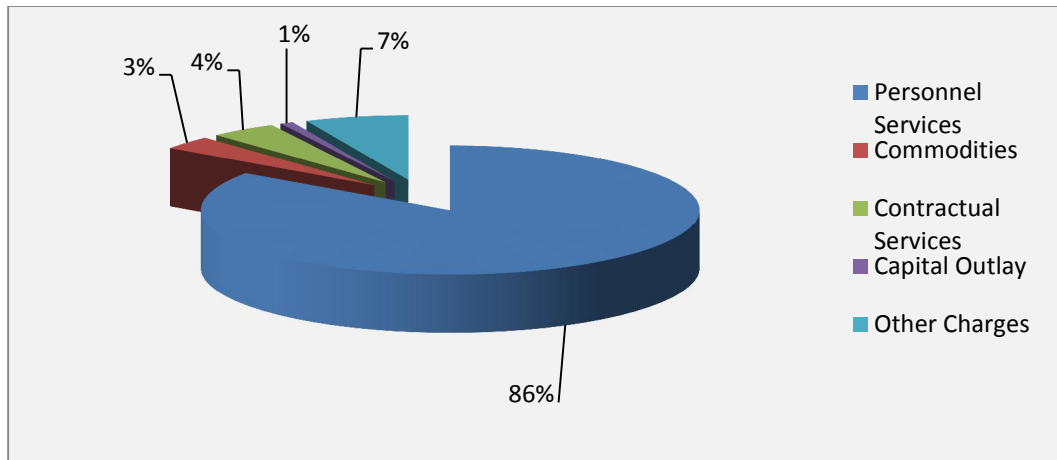
This program provides for the administration of City Government within the guidelines and policies established by the City Council. Responsibilities include directing the administration of City affairs and enforcing laws, City ordinances and resolutions as adopted by the governing body. The City Administrator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

Program Expenditure Highlights

Capital Outlay is for the on-going computer needs.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ 291,159	\$ 283,100	\$ 298,500	\$ 300,480	0.7%
Commodities	8,632	14,196	12,100	12,100	0.0%
Contractual Services	14,336	18,171	15,400	15,400	0.0%
Capital Outlay	-	-	-	3,000	N/A
Other Charges	19,847	31,745	23,810	23,810	0.0%
Total	\$ 333,974	\$ 347,212	\$ 349,810	\$ 354,790	1.4%
Full-Time Equivalent positions	4.00	4.00	3.50	3.50	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 PROJECTED	2013 PROJECTED
Staff meetings held	52	52	52	52
Number of resolutions	47	48	40	40
Number of ordinances	7	10	12	12
Licenses issued	34	34	30	30
Dog licenses	347	236	200	200

Department: General Government
Program: Elections

Fund: 101
Cost Center: 41410

Program Description

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

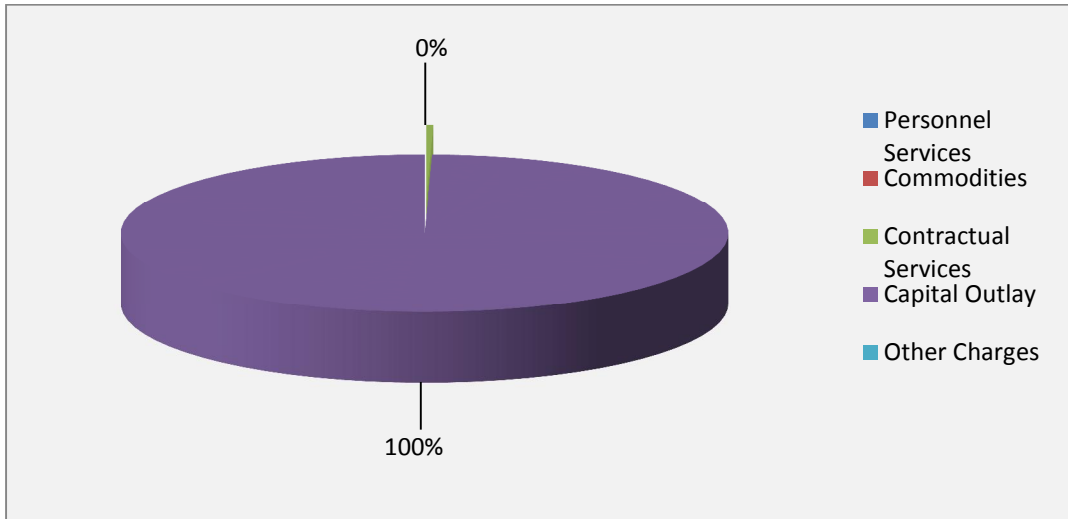
Program Expenditure Highlights

Elections are normally held on even numbered years. New election equipment is anticipated in 2013

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ 50	\$ -	\$ -	\$ -	N/A
Commodities	52	-	100	-	-100.0%
Contractual Services	465	46	490	40	-91.8%
Capital Outlay	-	-	10,000	10,000	0.0%
Other Charges	3,845	-	5,500	-	-100.0%
Total	\$ 4,412	\$ 46	\$ 16,090	\$ 10,040	-37.6%

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

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 PROJECTED	2013 PROJECTED
Number of registered voters	3925	N/A	4,500	N/A
Number of votes cast	2485	N/A	3,700	N/A
Number of precincts	3	N/A	3	N/A
Number of voting locations	2	N/A	2	N/A

Department: General Government
Program: Finance

Fund: 101
Cost Center: 41500

Program Description

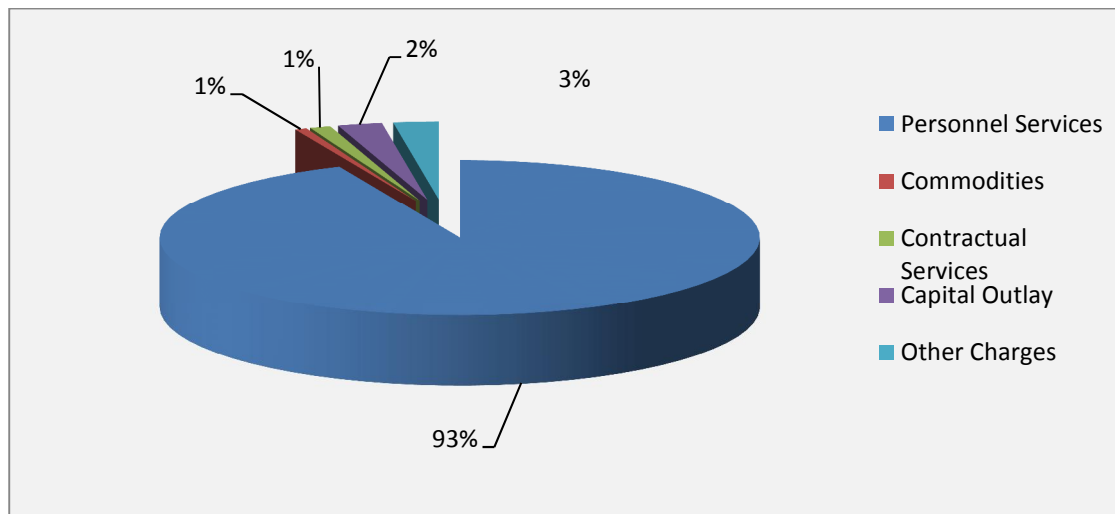
This program is responsible for administration of the City's financial affairs. This includes maintaining accounting records for all operations, investment of funds, supervision of revenue collection, disbursements of city monies, debt administration, payroll, audit and budget preparation, and risk management.

Program Expenditure Highlights

Capital Outlay is for on-going computer needs.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$106,164	\$ 99,260	\$115,800	\$116,940	1.0%
Commodities	3,321	961	800	800	0.0%
Contractual Services	1,677	1,286	1,400	1,400	0.0%
Capital Outlay	-	-	-	3,000	N/A
Other Charges	1,821	1,867	3,050	3,050	0.0%
Total	\$112,983	\$103,374	\$121,050	\$125,190	3.4%
Full-Time Equivalent positions	1.50	1.50	1.50	1.50	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 PROJECTED	2013 PROJECTED
Number of invoices paid	5,561	5,461	5,300	5,300
Number of payroll direct deposits	1,240	1,245	1,240	1,240
Number of receipts processed	932	1,266	950	950
Number of wires/ACH transactions	255	341	290	290

Department: General Government **Fund:** 101
Program: Auditing and Accounting **Cost Center:** 41540

Program Description

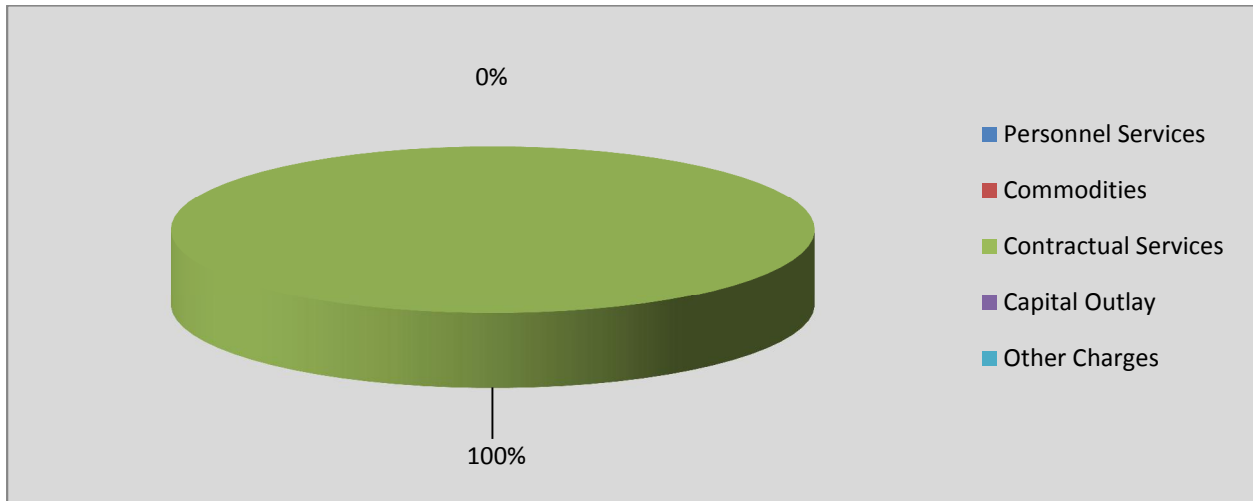
This program accounts for costs associated with the annual audit of the City, our financial accounting software, and administration of our benefit services.

Program Expenditure Highlights

Audit costs are expected to stay relatively the same.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	17,976	18,133	18,010	19,010	5.6%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 17,976	\$ 18,133	\$ 18,010	\$ 19,010	5.6%

Program Expenditures by Classification



Department: General Government
Program: Assessing

Fund: 101
Cost Center: 41550

Program Description

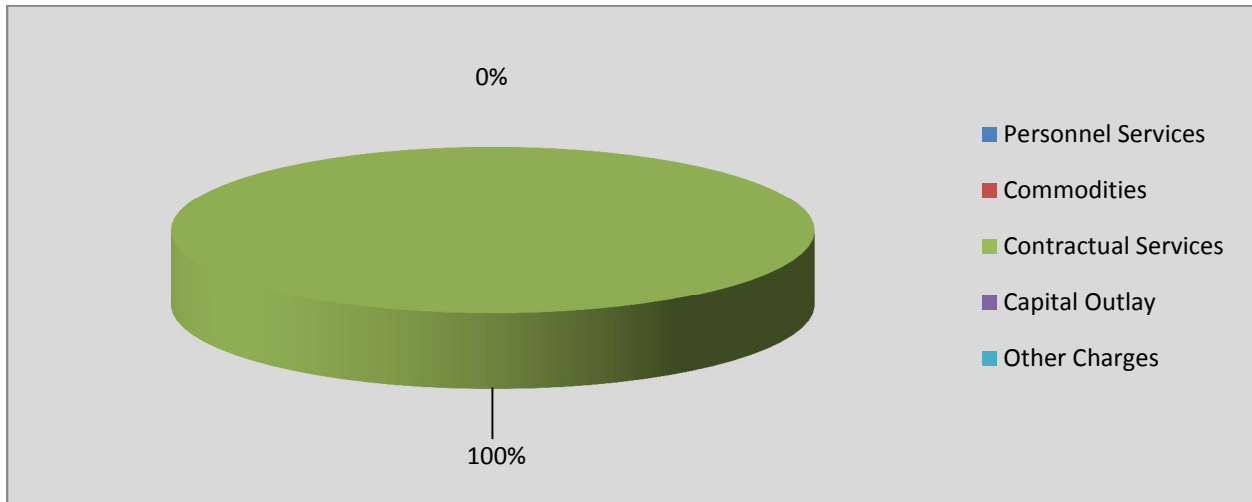
Assessing is responsible for classifying, valuing and equalizing all taxable and exempt property within City limits. The City contracts with Anoka County for this service.

Program Expenditure Highlights

The costs for this program remain fairly flat.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	39,802	39,465	39,930	41,030	2.8%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 39,802	\$ 39,465	\$ 39,930	\$ 41,030	2.8%

Program Expenditures by Classification



<u>Performance Measures</u>	2010	2011	2012	2013
	ACTUAL	ACTUAL	ACTUAL	PROJECTED
Number of residential parcels assessed	2,812	2,825	2,820	2,818
Number of commercial parcels assessed	109	108	103	102
Number of apartments assessed	11	11	11	11
Number of agricultural assessed	205	209	204	204
Number of other assessed	153	153	157	157

Department: General Government
Program: Legal

Fund: 101
Cost Center: 41600

Program Description

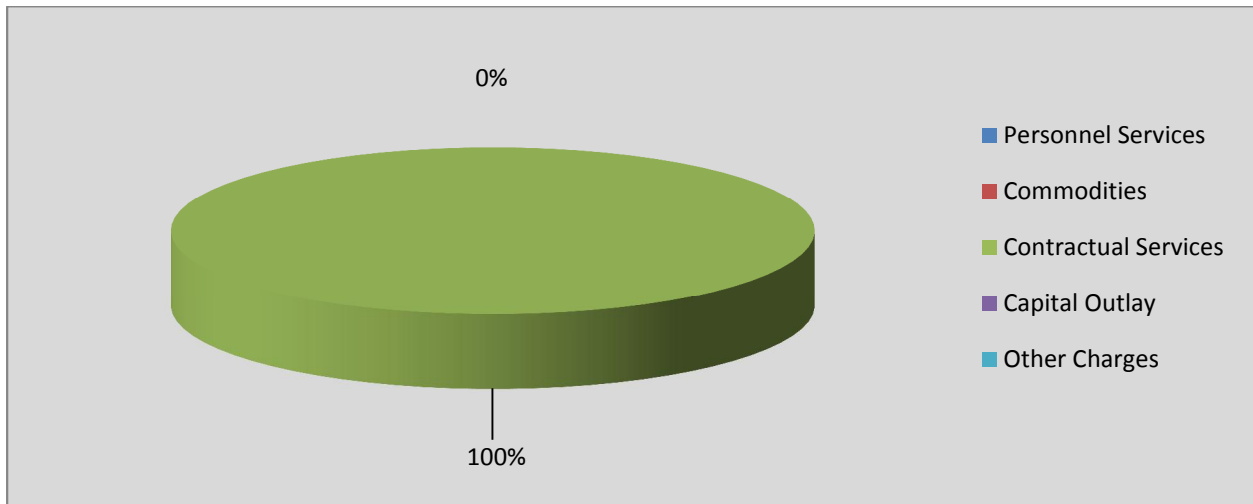
The City Attorney provides City Council and staff with research and support on issues of a legal matter. The City Attorney also serves as the chief prosecuting attorney for the City, attends Council meetings, and serves in an advisory capacity to all City departments on matters coming before the City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

Program Expenditure Highlights

Do not anticipate an increase from 2012 to 2013.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT OVER(UNDER)
	ACTUAL	ACTUAL	BUDGET	BUDGET	2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	88,701	88,041	120,100	120,100	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
Total	\$ 88,701	\$ 88,041	\$120,100	\$120,100	0.0%

Program Expenditures by Classification



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Department: General Government
Program: Government Buildings

Fund: 101
Cost Center: 41940

Program Description

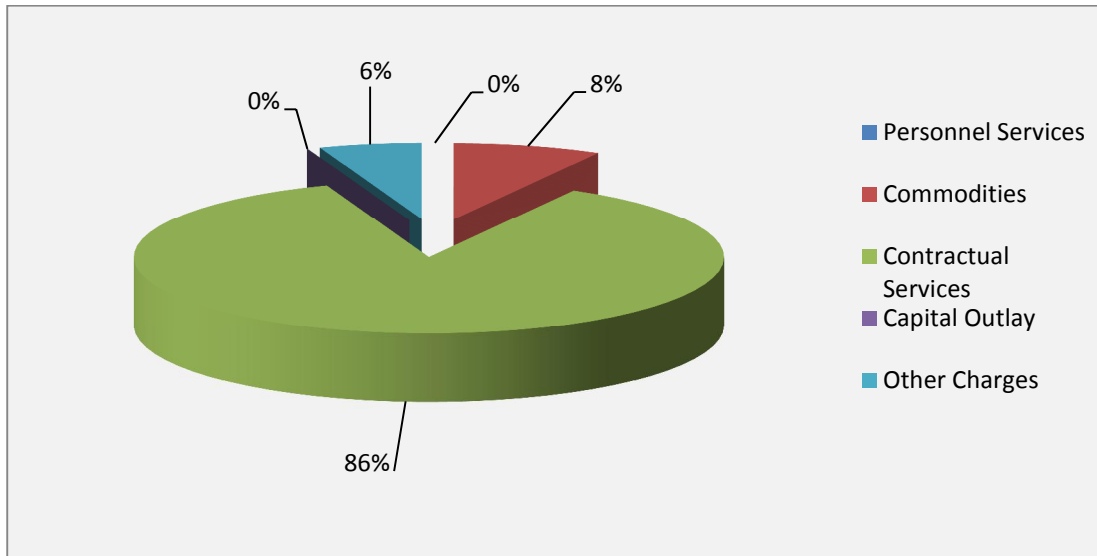
Provide for a clean, well-maintained and comfortable environment for building users of City Hall.

Program Expenditure Highlights

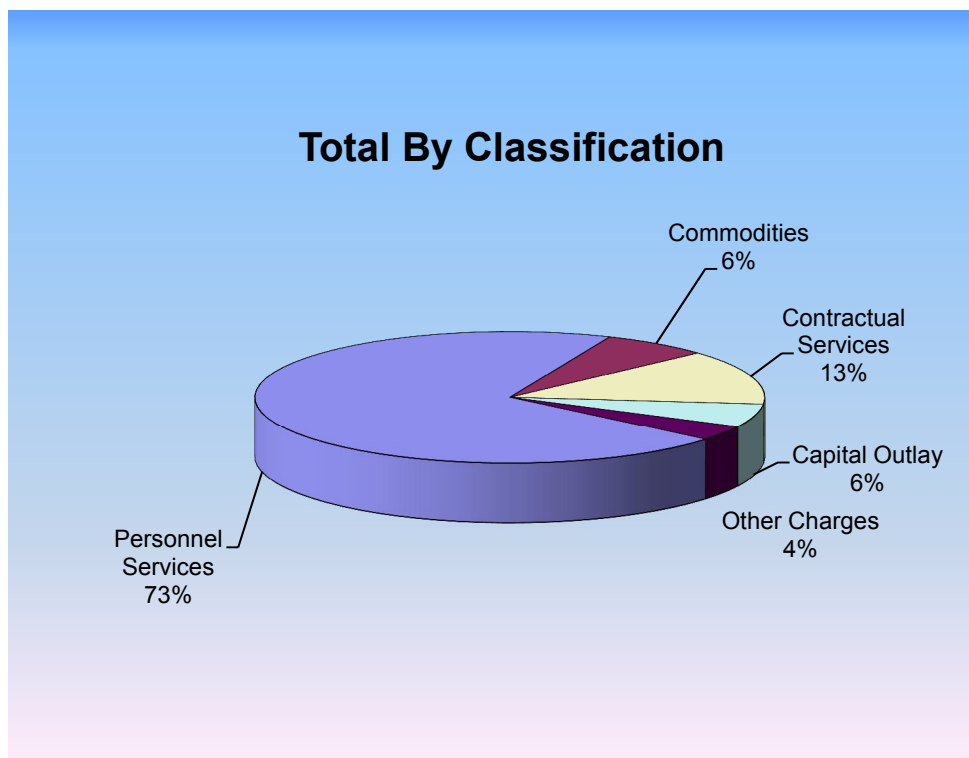
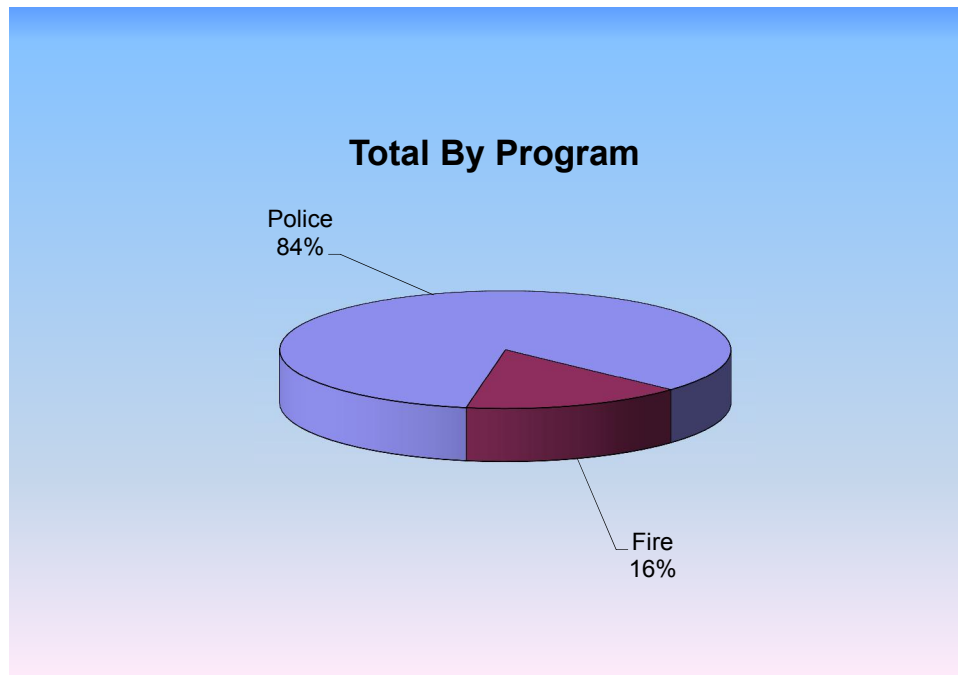
The city has seen an increase in janitorial services and electric costs are scheduled to rise.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	2,575	301	2,500	2,500	0.0%
Contractual Services	19,234	26,722	22,870	26,370	15.3%
Capital Outlay	-	-	-	-	N/A
Other Charges	2,034	1,343	1,725	1,725	0.0%
Total	\$ 23,843	\$ 28,366	\$ 27,095	\$ 30,595	12.9%

Program Expenditures by Classification



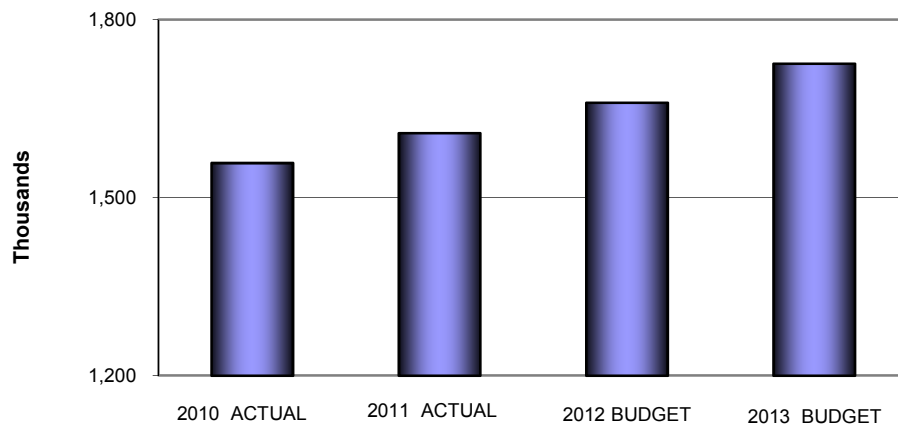
PUBLIC SAFETY 2013 BUDGET



CITY OF ST. FRANCIS, MINNESOTA
PUBLIC SAFETY SUMMARY

	2010	2011	2012	2013	PERCENT OVER(UNDER) 2012 BUDGET
Total By Program	ACTUAL	ACTUAL	BUDGET	BUDGET	
Police	\$1,229,065	\$1,291,729	\$1,373,030	\$1,451,960	5.7%
Fire	329,163	316,959	287,042	273,762	-4.6%
Totals	1,558,228	1,608,688	1,660,072	1,725,722	4.0%
Total By Classification					
Personnel Services	1,151,968	1,175,550	1,232,470	1,213,260	-1.6%
Commodities	71,544	69,688	107,500	117,500	9.3%
Contractual Services	177,028	188,748	203,740	232,440	14.1%
Capital Outlay	104,682	131,394	72,112	99,022	37.3%
Other Charges	53,006	43,308	44,250	63,500	43.5%
Totals	1,558,228	1,608,688	1,660,072	1,725,722	4.0%
Staffing					
Full-time equivalents	12.00	12.00	12.00	12.00	

Expenditures



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

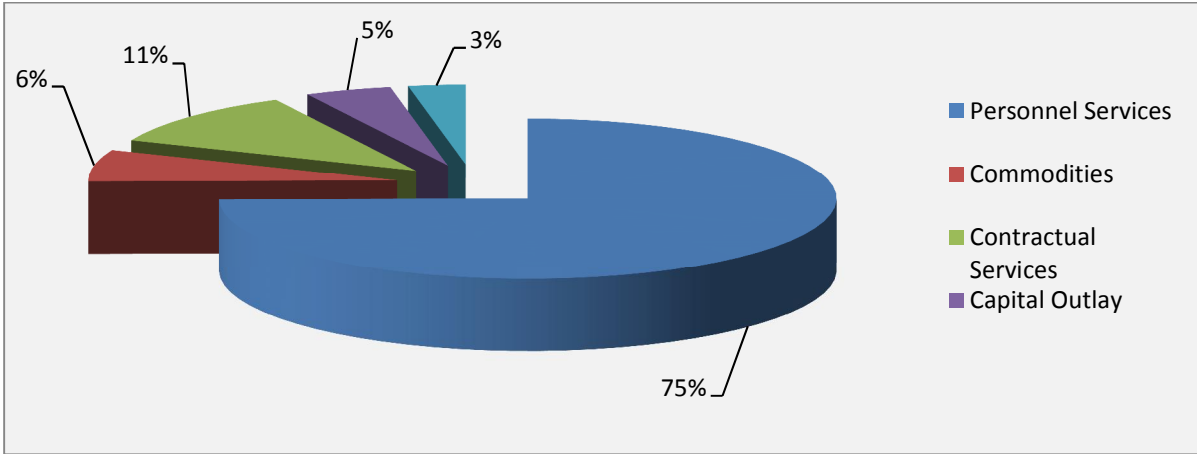
Program Description
Enforce state laws and city ordinances as directed to provide the public with law enforcement services in the areas of patrol, investigation, school liaison, crime prevention and traffic control. Animal control is also accounted for in this program.

Program Expenditure Highlights

The increase in Capital Outlay is two cars are scheduled to be purchased. One is a replacement and the other one is a new addition to the fleet. Commodities went up for fuel costs and other charges have increased for the pay out of tuition to two personnel.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT OVER(UNDER) 2012 BUDGET
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Personnel Services	\$ 1,020,384	\$ 1,053,030	\$ 1,088,500	\$ 1,085,820	-0.2%
Commodities	43,714	48,644	82,000	94,000	14.6%
Contractual Services	112,972	112,679	139,040	162,740	17.0%
Capital Outlay	32,848	59,560	38,990	65,900	69.0%
Other Charges	19,147	17,816	24,500	43,500	77.6%
Total	<u>\$ 1,229,065</u>	<u>\$ 1,291,729</u>	<u>\$ 1,373,030</u>	<u>\$ 1,451,960</u>	<u>5.7%</u>
Full-Time Equivalent positions	12.00	12.00	12.00	12.00	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 PROJECTED	2013 PROJECTED
Total calls for service	5,154	4,859	6,500	6,500
Citations issued	723	695	1,100	1,100
Chargeable offenses (Parts 1 & 2)	857	735	1,200	1,200
Miscellaneous offenses (Parts 3 & 4)	4,297	4,124	4,600	4,600

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

Program Description

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

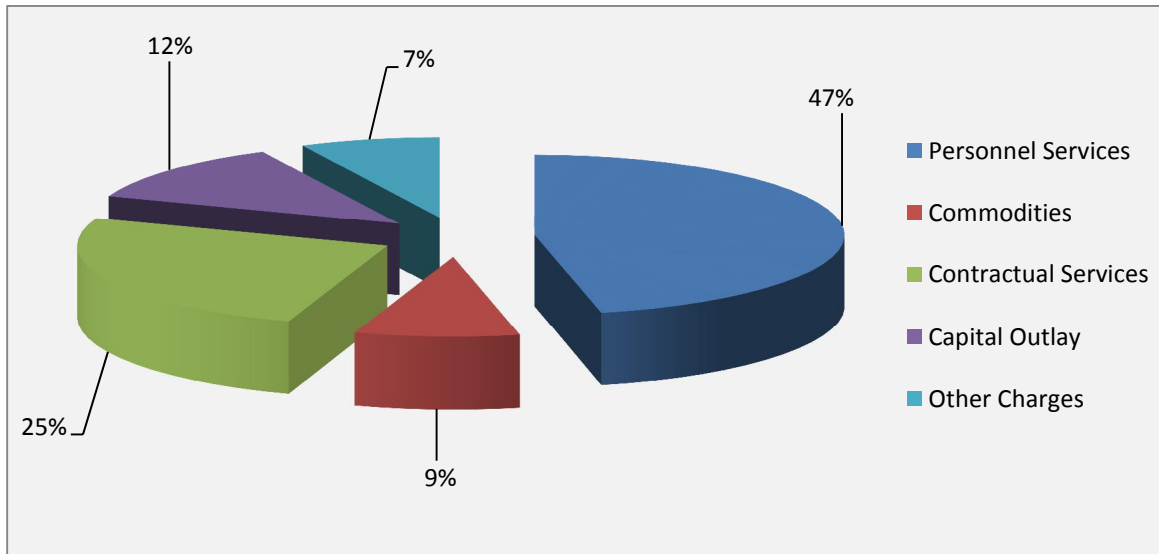
Program Expenditure Highlights

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

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$131,584	\$122,520	\$143,970	\$127,440	-11.5%
Commodities	27,830	21,044	25,500	23,500	-7.8%
Contractual Services	64,056	76,069	64,700	69,700	7.7%
Capital Outlay	71,834	71,834	33,122	33,122	0.0%
Other Charges	33,859	25,492	19,750	20,000	1.3%
Total	\$329,163	\$316,959	\$287,042	\$273,762	-4.6%

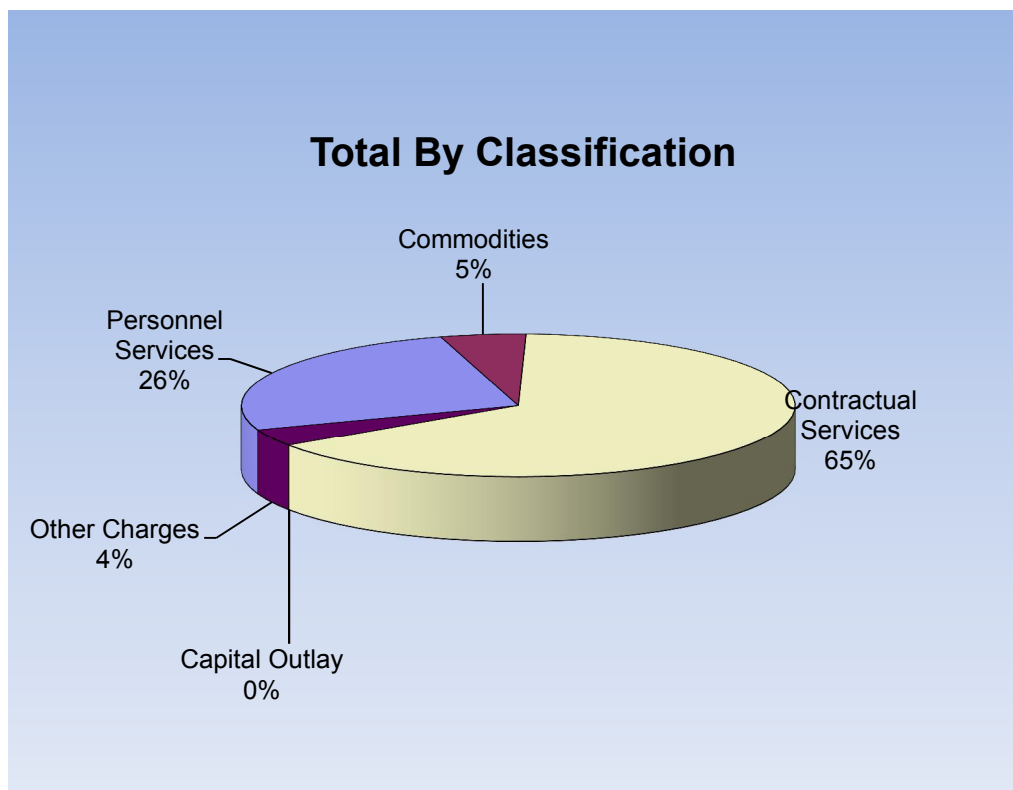
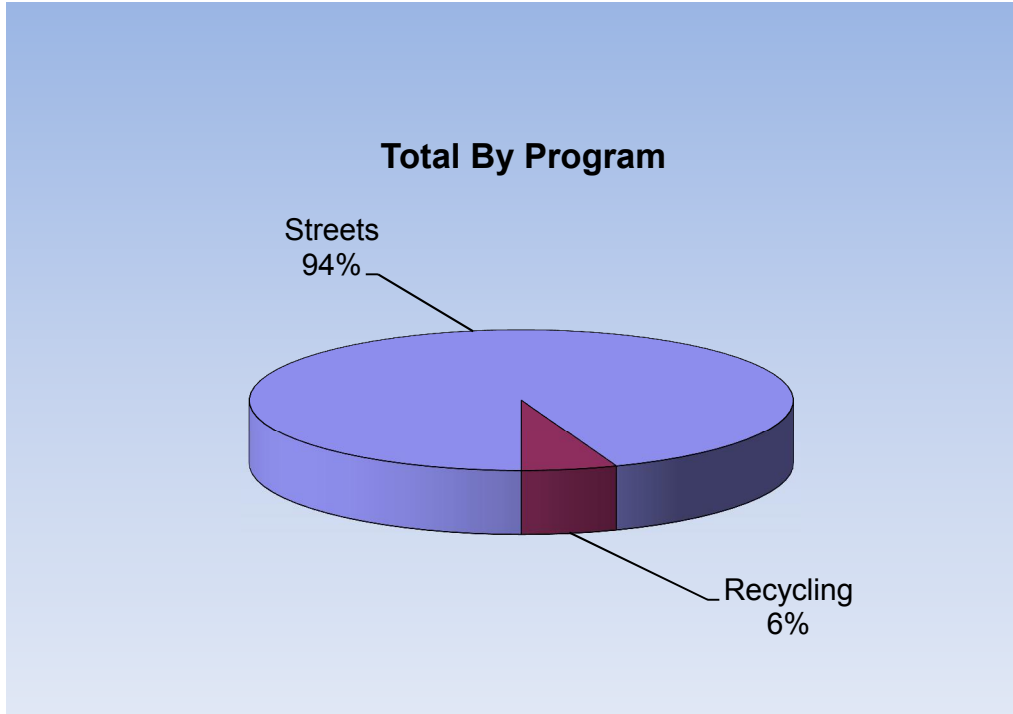
Full-Time Equivalent positions Paid on-call fire department.

Program Expenditures by Classification



<u>Performance Measures</u>	2010	2011	2012	2013
	ACTUAL	ACTUAL	ACTUAL	PROJECTED
Total calls	462	393	415	400
Emergency medical responses	326	278	292	300

PUBLIC WORKS 2013 BUDGET



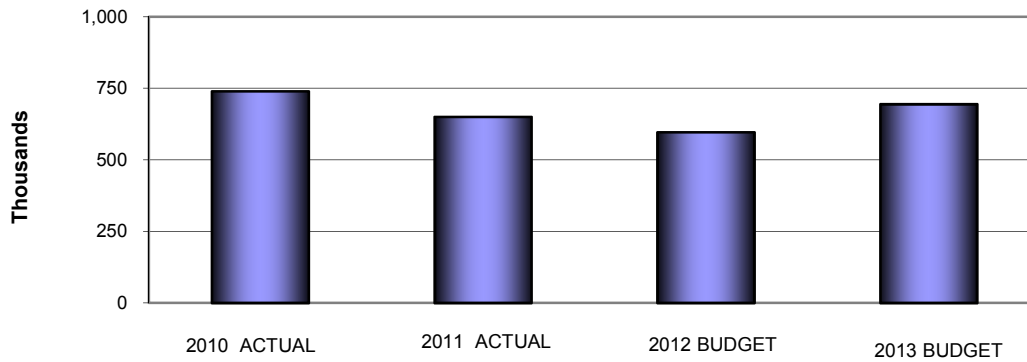
CITY OF ST. FRANCIS, MINNESOTA
PUBLIC WORKS SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	PERCENT OVER(UNDER) BUDGET
Streets	\$608,048	\$703,070	\$612,093	\$547,630	\$654,800
Recycling	39,619	36,335	38,193	48,310	39,460
Totals	739,405	650,286	595,940	694,260	16.5%

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	PERCENT OVER(UNDER) BUDGET
Personnel Services	198,112	204,222	195,858	214,240	180,710
Commodities	15,084	22,991	24,996	33,760	34,550
Contractual Services	368,446	453,578	405,775	250,350	451,750
Capital Outlay	44,098	39,151	0	74,540	0
Other Charges	21,927	19,463	23,657	23,050	27,250
Totals	739,405	650,286	595,940	694,260	16.5%

Staffing	2010	2011	2012	2013
Full-time equivalents	5.00	5.00	5.50	4.00

Expenditures



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

Program Description

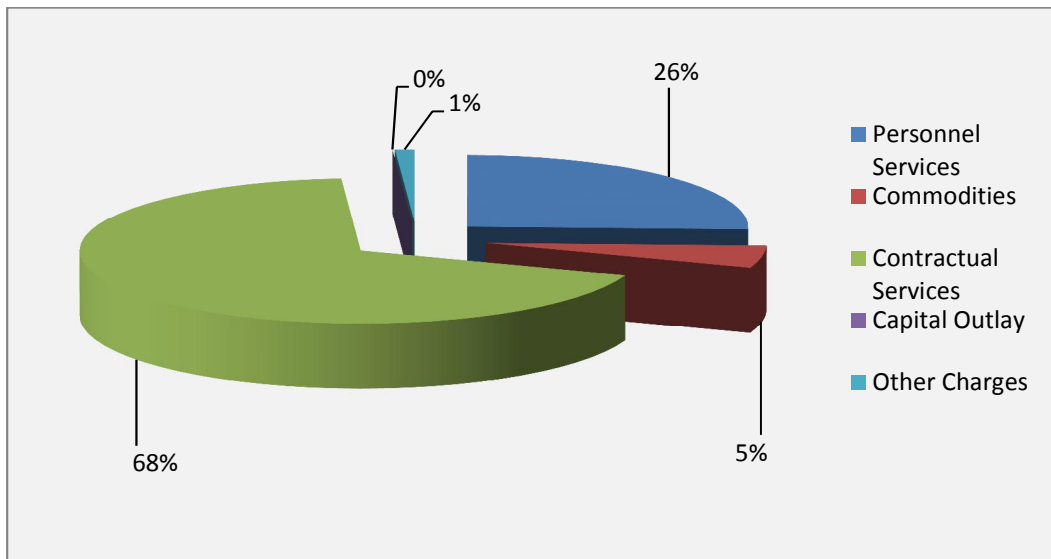
Maintains all City streets to minimize deterioration. Maintenance includes seal coating, crack sealing, pothole patching, sweeping, plowing, gravel road maintenance, and repairs of the storm drainage system. This program is also responsible for traffic control devices such as street signs, pavement markings,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

Program Expenditure Highlights

Contractual services dropped in 2012 and then increased again for 2013, as council eliminated seal coating from the 2012 budget. Personnel services went down in 2013 as the Assistant Public Works position was eliminated. Capital outlay in 2012 was for a new truck and repair bed.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$181,096	\$173,886	\$186,880	\$167,400	-10.4%
Commodities	21,092	24,858	31,660	32,450	2.5%
Contractual Services	450,533	404,003	247,400	447,700	81.0%
Capital Outlay	39,151	-	74,540	-	-100.0%
Other Charges	11,198	9,346	7,150	7,250	1.4%
Total	\$703,070	\$612,093	\$547,630	\$654,800	19.6%
Full-Time Equivalent positions	2.55	2.55	2.55	1.70	-33.3%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Asphalt street miles maintained	36	36	36	36
Gravel road miles maintained	11	11	11	11
Street sweeping hours	64	90	60	60
Gravel usage (tons)	7465	3625	4200	7000
Sand/salt usage (tons)	129	368	223	180

Department:
Program:

Public Works
Recycling

Fund:
Cost Center:

101
43210

Program Description

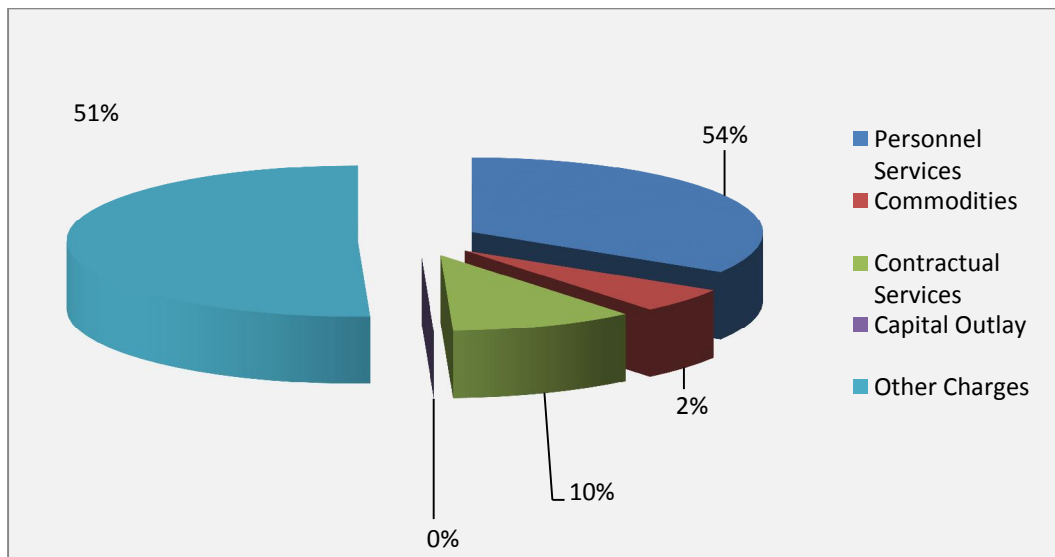
This program provides recycling opportunities to all city residents and surrounding areas. The goal is to provide this service in a cost effective manner while ensuring compliance with state rules and regulations.

Program Expenditure Highlights

Other charges reflects the costs of recycling days.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ 23,126	\$ 21,972	\$ 27,360	\$ 13,310	-51.4%
Commodities	1,899	138	2,100	2,100	0.0%
Contractual Services	3,045	1,772	2,950	4,050	37.3%
Capital Outlay	-	-	-	-	N/A
Other Charges	8,265	14,311	15,900	20,000	25.8%
Total	\$ 36,335	\$ 38,193	\$ 48,310	\$ 39,460	-18.3%
Full-Time Equivalent positions	0.40	0.10	0.10	0.10	0.0%

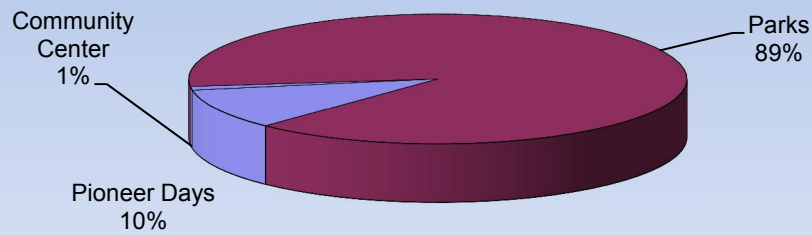
Program Expenditures by Classification



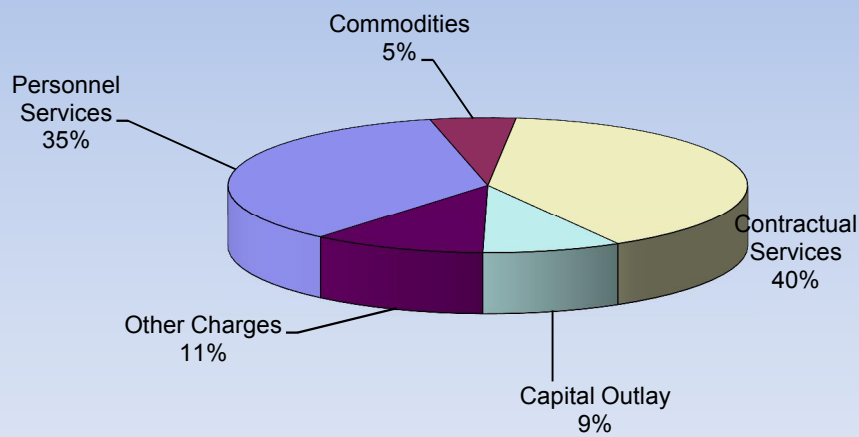
<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Recycling days	2	2	2	2
Recycling collection tonnage	476	553	572	600

CULTURE & RECREATION 2013 BUDGET

Total By Program



Total By Classification



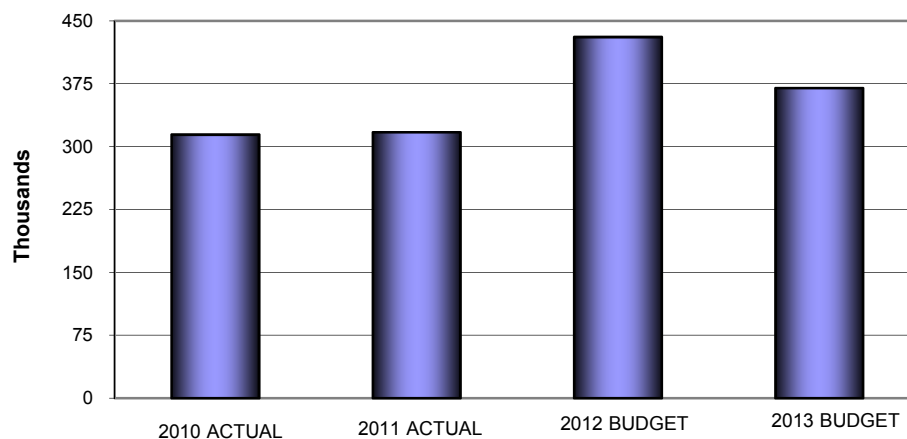
CITY OF ST. FRANCIS, MINNESOTA
CULTURE & RECREATION SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Community Center	\$308	\$876	\$3,370	\$3,370	0.0%
Parks	281,697	284,443	396,800	329,390	-17.0%
Pioneer Days	32,537	31,997	30,800	37,400	21.4%
Totals	314,542	317,316	430,970	370,160	-14.1%

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	141,751	143,394	151,140	130,700	-13.5%
Commodities	13,241	15,341	15,600	19,700	26.3%
Contractual Services	88,086	97,266	145,720	147,820	1.4%
Capital Outlay	31,863	27,236	80,410	31,940	-60.3%
Other Charges	39,601	34,079	38,100	40,000	5.0%
Totals	314,542	317,316	430,970	370,160	-14.1%

Staffing	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET
Full-time equivalents	1.35	1.35	1.35	.7

Expenditures



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

Program Description

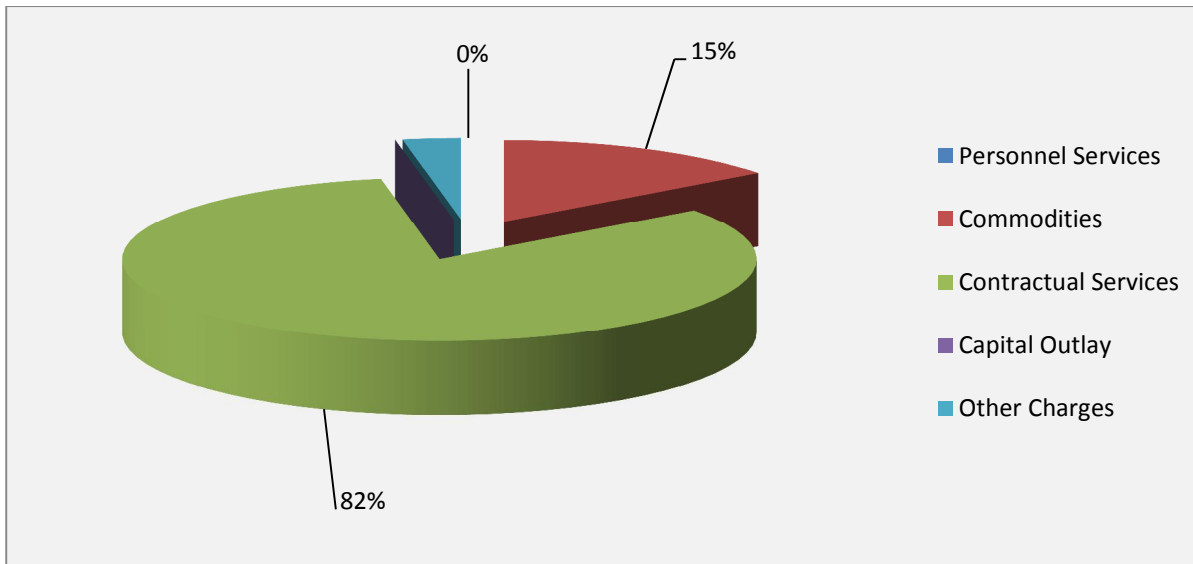
Provides for the operation and maintenance of the Community Center on Cree Street NW.

Program Expenditure Highlights

The costs for this department remain stable.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	57	500	500	0.0%
Contractual Services	308	819	2,770	2,770	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	100	100	0.0%
Total	\$ 308	\$ 876	\$ 3,370	\$ 3,370	0.0%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Number of uses	254	236	201	250

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

Program Description

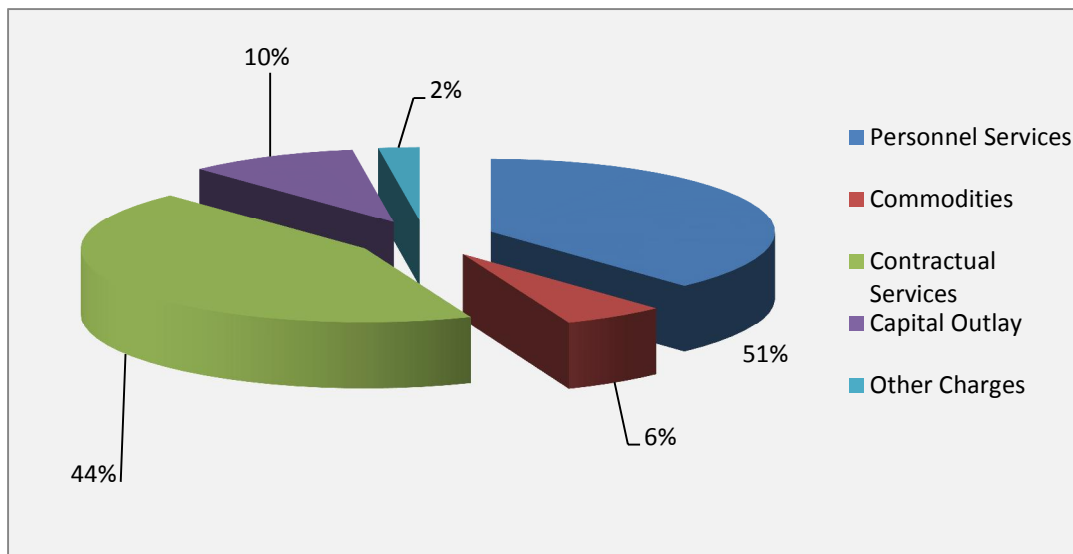
Provides for the overall planning, management and administrative activities of the park facilities and for the maintenance and improvement of park and recreational facilities, including skating rinks, athletic fields and neighborhood parks.

Program Expenditure Highlights

Capital Outlay in 2012 was for a Toolcat and groomer. Personnel Services went down because the Assistant Public Works position was eliminated.

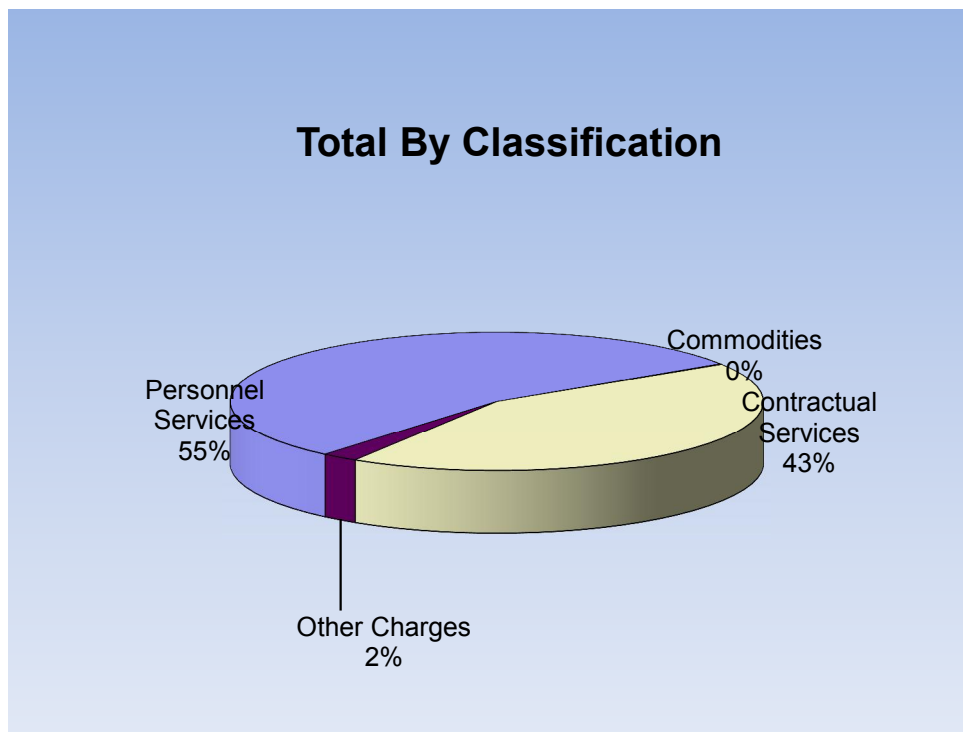
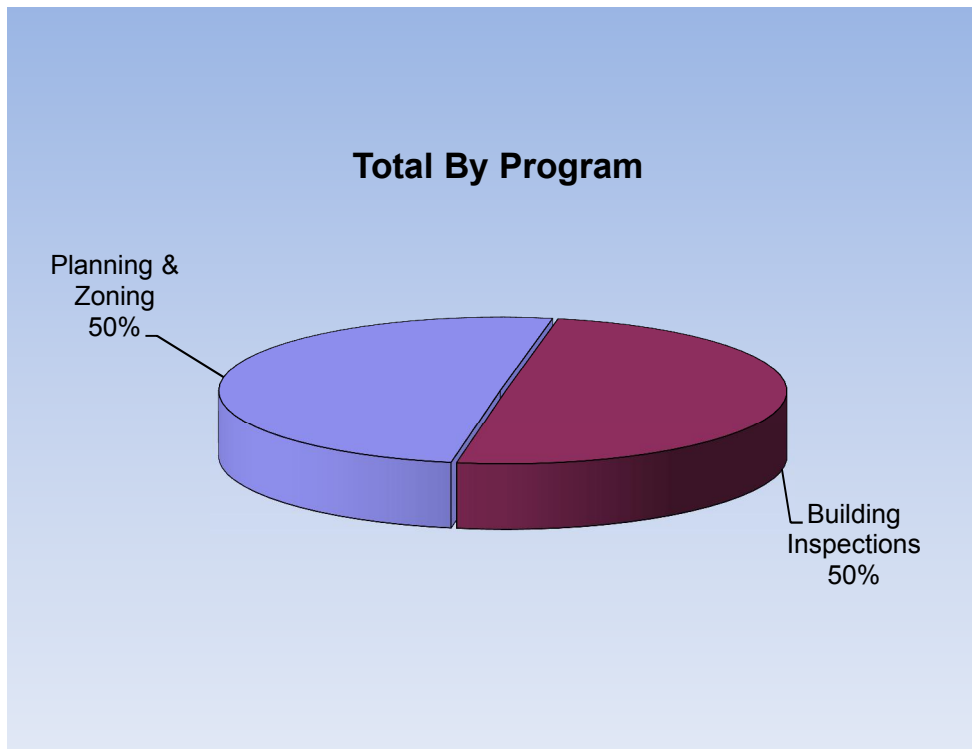
<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$141,751	\$143,394	\$151,140	\$125,500	-17.0%
Commodities	13,241	15,284	15,100	19,200	27.2%
Contractual Services	87,778	96,447	142,950	145,050	1.5%
Capital Outlay	31,863	27,236	80,410	31,940	-60.3%
Other Charges	7,064	2,082	7,200	7,700	6.9%
Total	\$281,697	\$284,443	\$396,800	\$329,390	-17.0%
Full-Time Equivalent positions	1.35	1.35	1.35	0.70	-48.1%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Number of parks maintained	14	14	14	14
Total acreage mowed	58	58	58	58
Ballfields maintained	2	2	2	2
Number of playgrounds	8	8	8	8
Miles of trail maintained	7	7	7	7

COMMUNITY DEVELOPMENT 2013 BUDGET



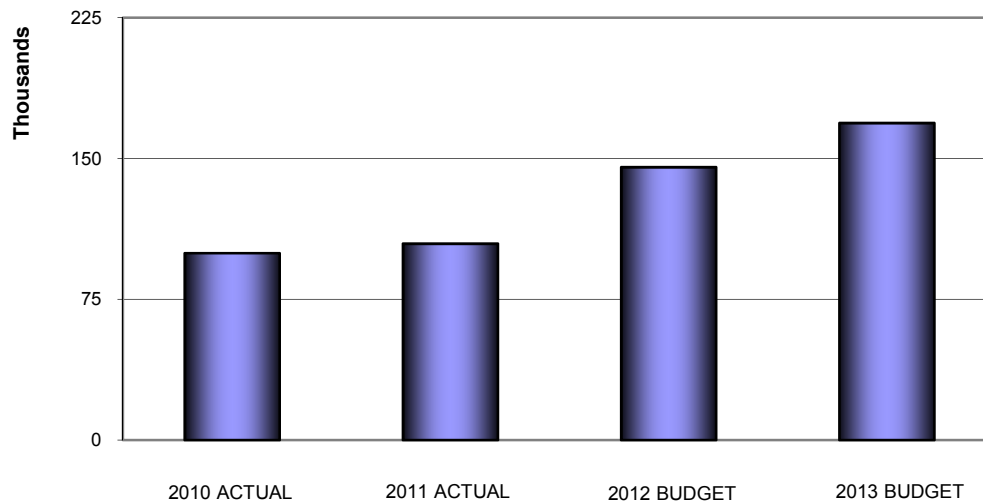
CITY OF ST. FRANCIS, MINNESOTA
COMMUNITY DEVELOPMENT SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Planning & Zoning	\$77,297	\$71,124	\$94,800	\$84,800	-10.5%
Building Inspections	22,315	33,517	50,570	84,080	66.3%
Totals	99,612	104,641	145,370	168,880	16.2%

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	575	1,262	1,000	92,410	9141.0%
Commodities	49	92	600	300	-50.0%
Contractual Services	98,543	103,205	141,720	72,420	-48.9%
Capital Outlay	0	0	0	0	N/A
Other Charges	445	82	2,050	3,750	82.9%
Totals	99,612	104,641	145,370	168,880	16.2%

Staffing	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET
Full-time equivalents	0.00	0.00	0.00	1.00

Expenditures



Department: General Government
Program: Planning and Zoning

Fund: 101
Cost Center: 41910

Program Description

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

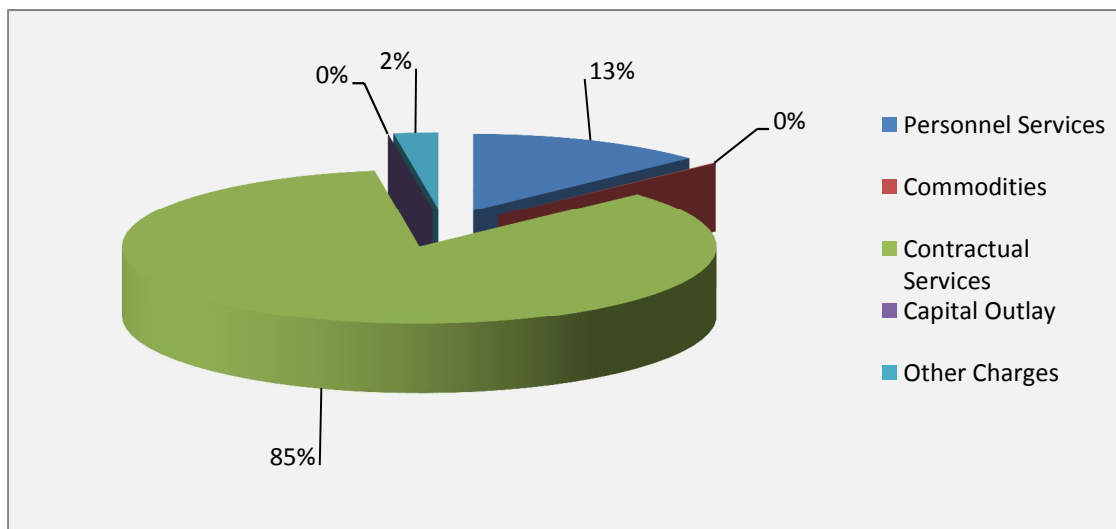
Program Expenditure Highlights

2013 Contractual Services was lowered per council direction. 2012 brought many changes to zoning ordinances.

<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ 575	\$ 585	\$ 1,000	\$ 11,000	1000.0%
Commodities	49	45	100	100	0.0%
Contractual Services	76,228	70,412	91,650	71,650	-21.8%
Capital Outlay	-	-	-	-	N/A
Other Charges	445	82	2,050	2,050	0.0%
Total	\$ 77,297	\$ 71,124	\$ 94,800	\$ 84,800	-10.5%

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

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Special use permits	2	0	0	3
Ordinance amendments	8	5	7	2
Rezoning	0	1	1	1
Comp Plan amendments	0	0	2	0
Subdivisions processed	1	2	3	0
Concept plan review	0	0	0	0
Site plan review	1	1	0	1
Variations	1	1	1	0

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

Program Description

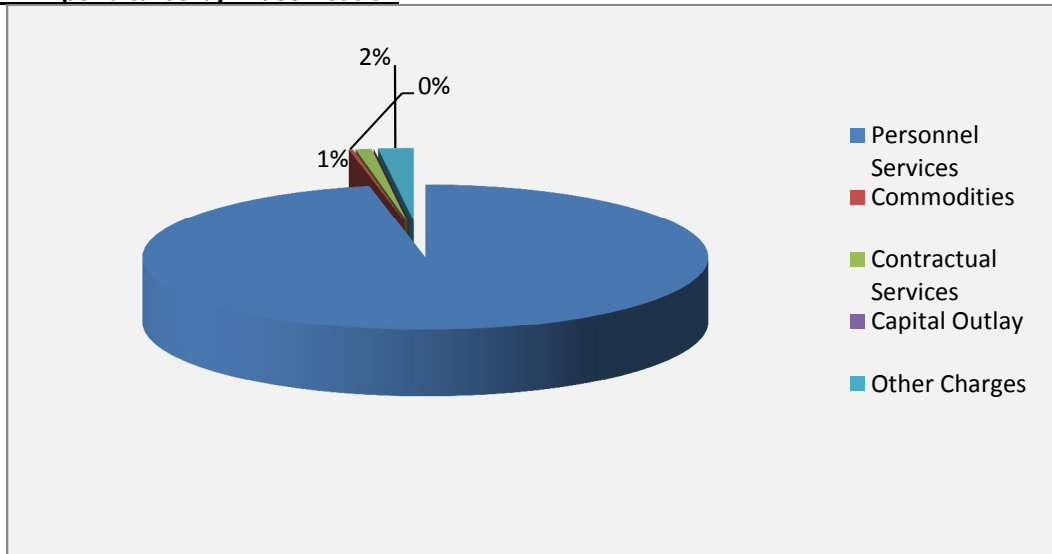
Provide for the administration of the Uniform Building Code requirements and related ordinances to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all building and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

Program Expenditure Highlights

2013 reflects the costs of the full-time building inspector.

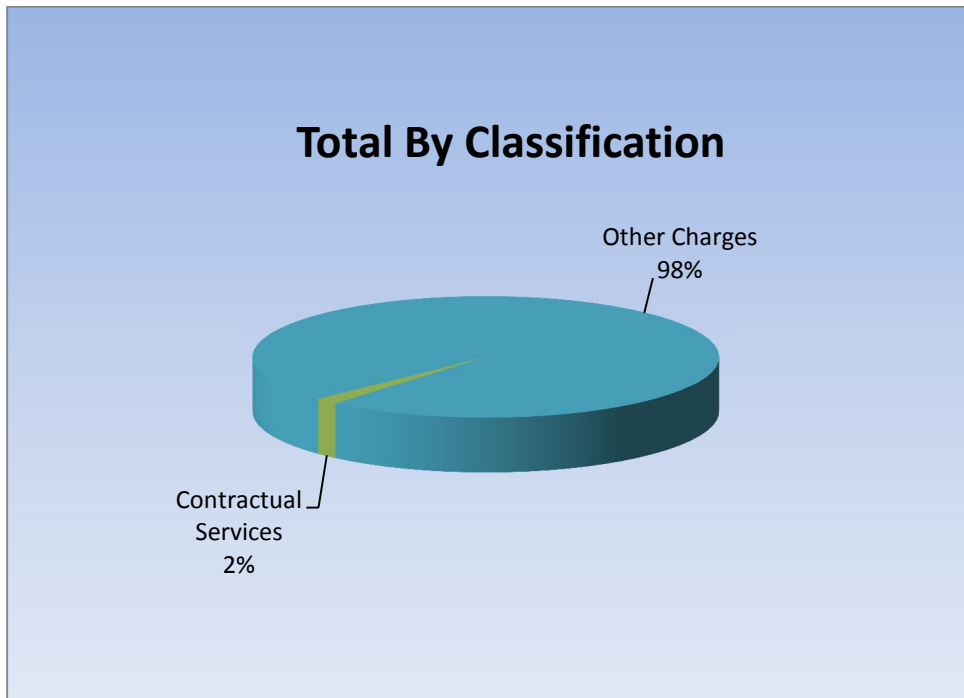
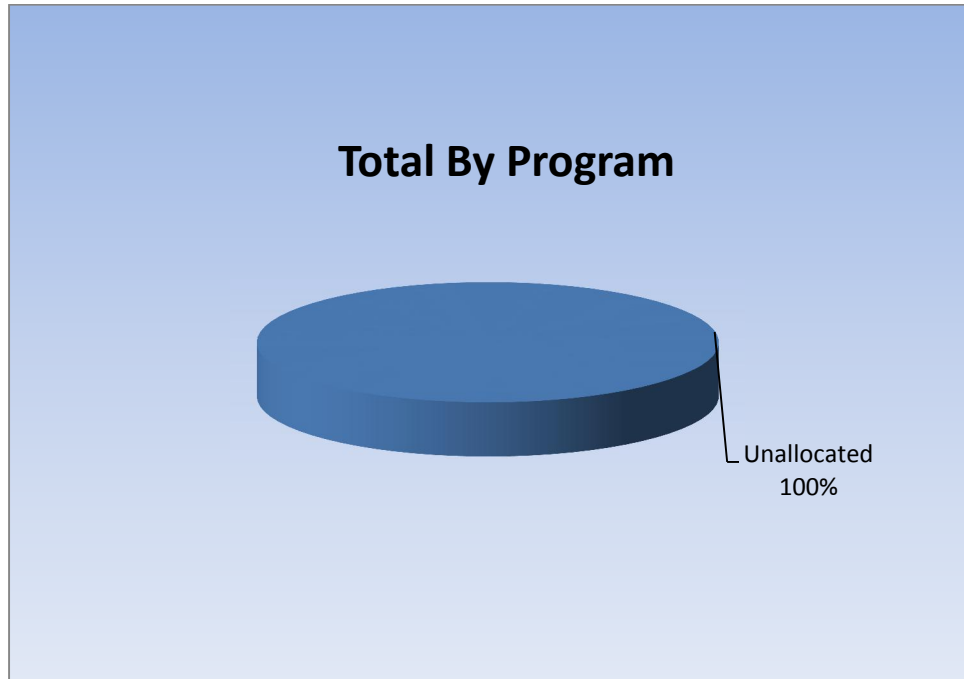
<u>Program Expenditures</u>	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ 677	\$ -	\$ 81,410	N/A
Commodities	-	47	500	200	-60.0%
Contractual Services	22,315	32,793	50,070	770	-98.5%
Capital Outlay	-	-	-	-	N/A
Other Charges	-	-	-	1,700	N/A
Total	\$ 22,315	\$ 33,517	\$ 50,570	\$ 84,080	66.3%
Full-Time Equivalent positions	-	-	.50	1.00	-48.1%

Program Expenditures by Classification



<u>Performance Measures</u>	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 PROJECTED
Single family	13	4	7	10
Townhomes/Manufactured homes	0	0	0	0
Commercial/Industrial	0	1	0	1
Miscellaneous building permits	235	306	421	400

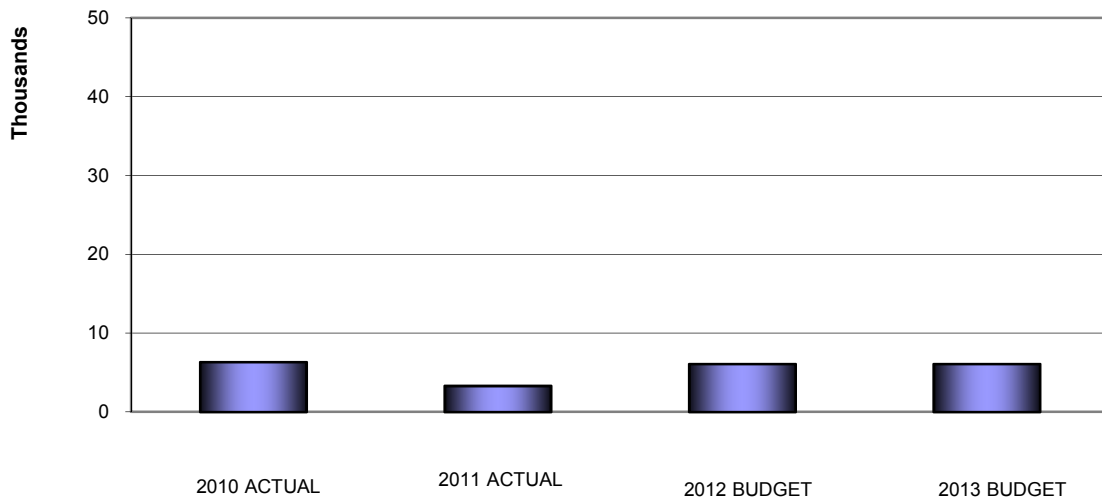
MISCELLANEOUS 2013 BUDGET



CITY OF ST. FRANCIS, MINNESOTA
MISCELLANEOUS SUMMARY
 EXPENDITURE ANALYSIS

Total By Program	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Unallocated	\$6,340	\$3,308	\$6,100	\$6,100	0.0%
Totals	6,340	3,308	6,100	6,100	0.0%
Total By Classification					
Personnel Services	0	0	0	0	N/A
Commodities	0	0	0	0	N/A
Contractual Services	662	72	100	100	0.0%
Capital Outlay	0	0	0	0	N/A
Other Charges	5,678	3,236	6,000	6,000	0.0%
Totals	6,340	3,308	6,100	6,100	0.0%
Staffing					
Full-time equivalents	0.00	0.00	0.00	0.00	

Expenditures



Department: Miscellaneous
Program: Unallocated

Fund: 101
Cost Center: 49200

Program Description

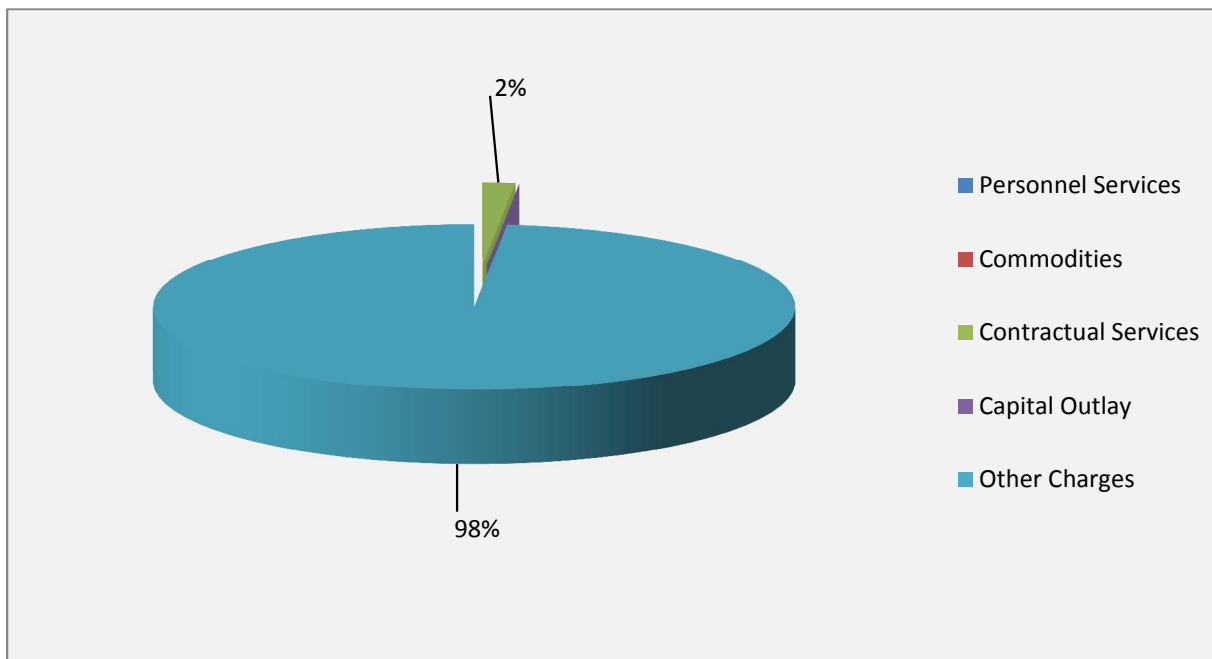
Contains funding for the unexpected and miscellaneous items not directly associated with a specific program.

Program Expenditure Highlights

The costs for this program are anticipated to remain stable.

<u>Program Expenditures</u>	2010	2011	2012	2013	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	OVER(UNDER) 2012 BUDGET
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Commodities	-	-	-	-	N/A
Contractual Services	662	72	100	100	0.0%
Capital Outlay	-	-	-	-	N/A
Other Charges	5,678	3,236	6,000	6,000	0.0%
Total	<u>\$ 6,340</u>	<u>\$ 3,308</u>	<u>\$ 6,100</u>	<u>\$ 6,100</u>	0.0%

Program Expenditures by Classification





**SPECIAL REVENUE
FUNDS**

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Miscellaneous Revenue:</u>				
Park rental fees	\$ 1,200	\$ 1,000	\$ 775	\$ 1,000
Other Grants	330,479	-	-	-
Park dedication fees	-	-	-	-
Investment earnings	218	1,000	159	1,000
Contributions and donations	5,436	500	2,500	500
Total revenues	337,333	2,500	3,434	2,500
<u>Expenditures:</u>				
Park development projects	408,654	-	3,562	-
Total expenditures	408,654	-	3,562	-
Excess (deficit) of revenues over expenditures	(71,321)	2,500	(128)	2,500
<u>Other financing sources (uses):</u>				
Transfers in (out):				
General Fund	-	-	-	-
Net increase (decrease) in fund balance	(71,321)	2,500	(128)	2,500
Fund balance - January 1	235,339	219,525	164,018	163,890
Fund balance - December 31	\$ 164,018	\$ 222,025	\$ 163,890	\$ 166,390

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

The \$269,000 that was budgeted in 2011 was for the construction of Pederson Path along Pederson Drive. The city secured a federal and state grant to fund a major portion of this project. It was completed in 2011.

CITY OF ST. FRANCIS, MINNESOTA
GAMBLING FUND (210)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2011 ACTUAL	2012 ORIGINAL BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Miscellaneous:</u>				
Miscellaneous	\$ -	\$ -	\$ -	\$ 10,000
<hr/>				
Total revenues	-	-	-	10,000
<hr/>				
<u>Expenditures:</u>				
Commodities	-	-	-	-
Contractual services	-	-	-	-
Other charges	-	-	-	-
<hr/>				
Total expenditures	-	-	-	-
<hr/>				
Excess (deficit) of revenues over expenditures	-	-	-	10,000
<hr/>				
Fund balance - January 1	-	-	-	-
<hr/>				
Fund balance - December 31	\$ -	\$ -	\$ -	\$ 10,000

This fund was established in 2012 to account for the gambling proceeds received from charitable gambling in the city. 10% of net profits need to be sent to the city. The city then use these funds to pay for things such and police, fire and other emergency services equipment and training.

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Fines and Forfeits:</u>				
Confiscated property	\$ 2,600	\$ -	\$ -	\$ -
<u>Miscellaneous:</u>				
Miscellaneous	650	-	-	-
Total revenues	3,250	-	-	-
<u>Expenditures:</u>				
Commodities	-	8,705	1,253	9,630
Contractual services	2,780	-	-	-
Other charges	18	-	300	-
Total expenditures	2,798	8,705	1,553	9,630
Excess (deficit) of revenues over expenditures	452	(8,705)	(1,553)	(9,630)
Fund balance - January 1	10,731	8,705	11,183	9,630
Fund balance - December 31	<u>\$ 11,183</u>	<u>\$ -</u>	<u>\$ 9,630</u>	<u>\$ -</u>

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Revenues:</u>				
Tax increments	\$ 15,374	\$ 15,380	\$ 15,150	\$ 15,200
Investment earnings	263	-	260	-
Total revenues	<u>15,637</u>	<u>15,380</u>	<u>15,410</u>	<u>15,200</u>
<u>Expenditures:</u>				
Miscellaneous	900	450	600	600
Interest payments	13,837	15,000	13,636	14,000
Total expenditures	<u>14,737</u>	<u>15,450</u>	<u>14,236</u>	<u>14,600</u>
Excess (deficit) of revenues over expenditures	900	(70)	1,174	600
Fund balance - January 1	<u>15,968</u>	<u>11,600</u>	<u>16,868</u>	<u>18,042</u>
Fund balance - December 31	<u><u>\$ 16,868</u></u>	<u><u>\$ 11,530</u></u>	<u><u>\$ 18,042</u></u>	<u><u>\$ 18,642</u></u>

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



ENTERPRISE FUNDS

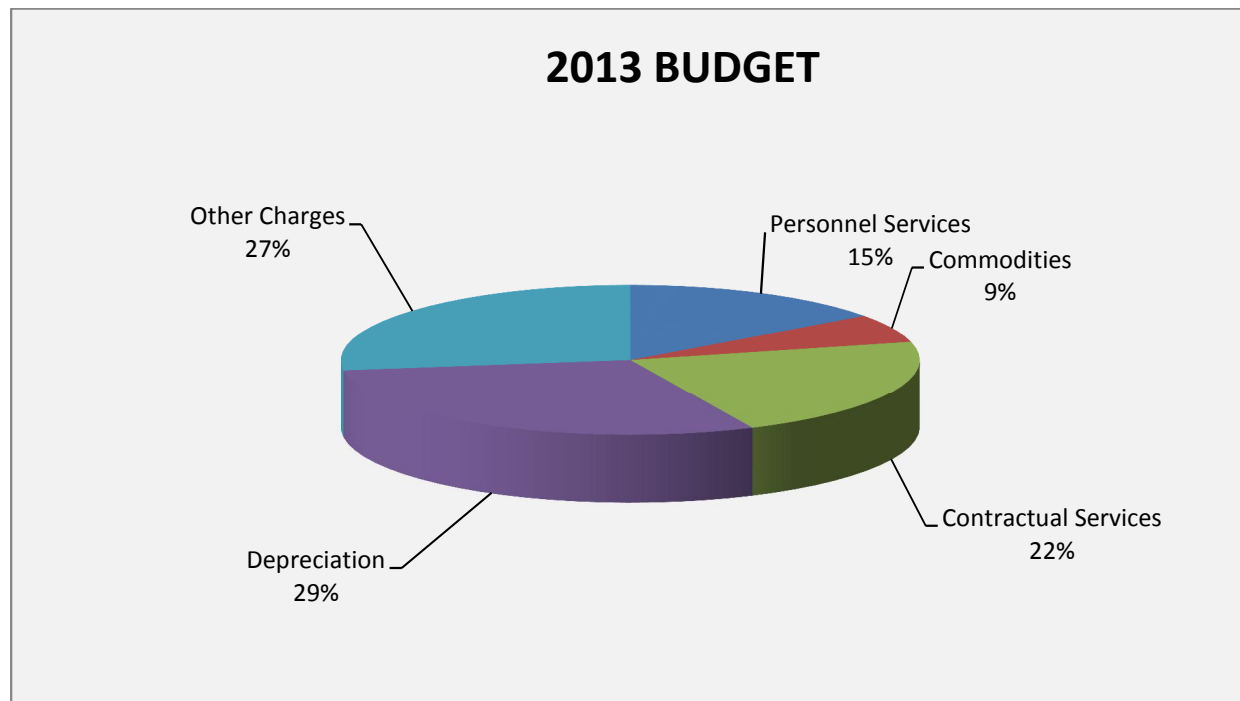
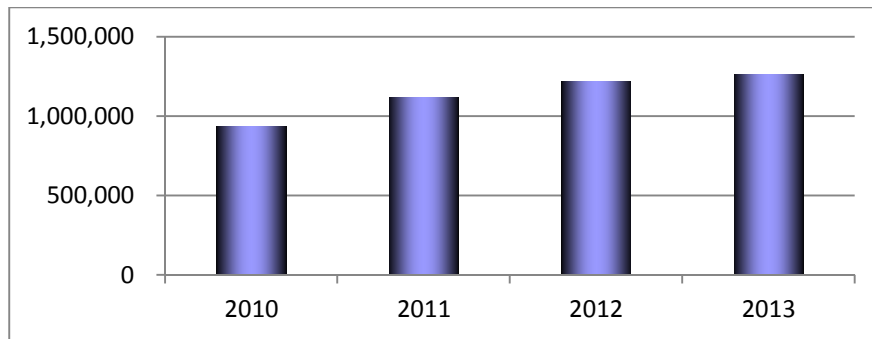
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CITY OF ST. FRANCIS, MINNESOTA
WATER FUND SUMMARY
 EXPENSE ANALYSIS

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	135,160	152,168	159,105	154,390	-3.0%
Commodities	43,172	51,937	78,100	75,200	-3.7%
Contractual Services	181,373	268,381	369,069	402,154	9.0%
Depreciation	300,377	327,100	304,000	330,000	8.6%
Other Charges	275,868	5,623	10,650	11,450	7.5%
Totals	935,950	805,209	920,924	973,194	5.7%

Staffing

Full-time equivalents	2.00	2.00	2.00	1.75
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CITY OF ST. FRANCIS, MINNESOTA
WATER FUND (601)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Operating revenues:</u>				
Water sales	\$ 1,023,404	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000
Water penalty	30,894	28,000	28,000	28,000
Meter deposits				
Total revenues	1,054,298	1,108,000	1,108,000	1,108,000
<u>Operating expenses:</u>				
Personnel services	152,168	159,105	159,105	154,390
Supplies	51,937	78,100	78,100	75,200
Professional services	109,029	181,969	181,969	195,104
Communications	6,362	7,500	7,500	8,000
Insurance	15,410	21,500	21,500	21,500
Utilities	75,450	79,450	79,450	90,800
Repairs and maintenance	62,130	78,650	78,650	86,750
Depreciation	327,100	304,000	330,000	330,000
Other	5,623	10,650	10,650	11,450
Total expenses	805,209	920,924	946,924	973,194
Operating income (loss)	249,089	187,076	161,076	134,806
<u>Nonoperating revenues (expenses):</u>				
Investment earnings	68,498	70,000	50,000	50,000
Connection Fees	8,600	-	15,000	-
Interest expense	(309,837)	(298,704)	(302,058)	(289,988)
Special assessments	-	-	-	-
Miscellaneous revenues	17,625	1,500	-	-
Total nonoperating revenues (expenses)	(215,114)	(227,204)	(237,058)	(239,988)
Net income (loss) before contributions and transfers	33,975	(40,128)	(75,982)	(105,182)
<u>Transfers in (out):</u>				
Debt Service Fund	(18,580)	-	-	(18,580)
EDA Lease Revenue Bonds	-	-	-	(82,500)
Capital contributions	136,328	-	-	-
Change in net assets	151,723	(40,128)	(75,982)	(206,262)
Net assets- January 1	5,488,245	5,561,167	5,639,968	5,563,986
Net assets- December 31	\$ 5,639,968	\$ 5,521,039	\$ 5,563,986	\$ 5,357,724

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

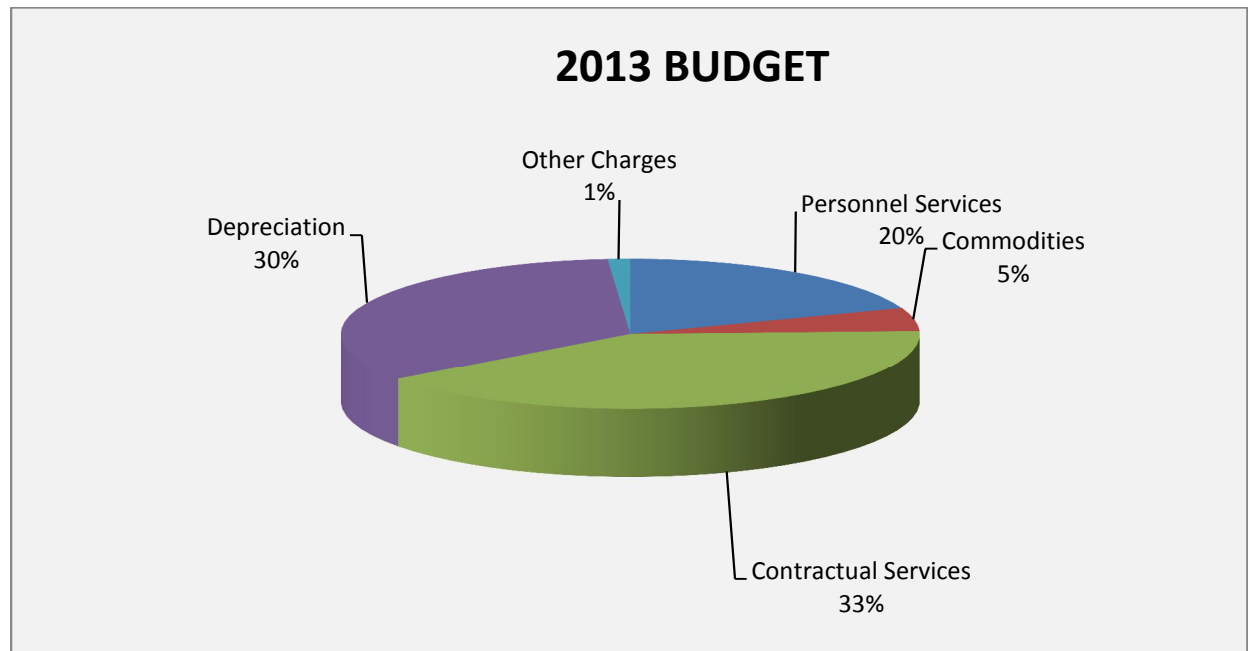
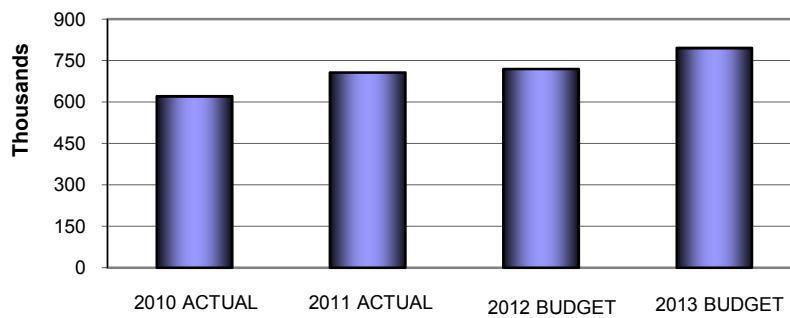
	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
Net Income (loss)	\$ 151,723	\$ (40,128)	\$ (75,982)	\$ (105,182)
Add depreciation	327,100	304,000	330,000	330,000
Change in current assets	(179,198)	-	-	-
Change in deferred	3,163	-	-	-
Change in current liabilities	5,111	-	-	-
Purchase of fixed assets	(143,022)	-	-	(12,520)
Principal payments on debt	(441,000)	(461,500)	(461,500)	(575,250)
Total	(276,123)	(197,628)	(207,482)	(362,952)
Cash balance - January 1	3,043,644	3,130,566	2,767,521	2,560,039
Cash balance - December 31	<u>\$ 2,767,521</u>	<u>\$ 2,932,938</u>	<u>\$ 2,560,039</u>	<u>\$ 2,197,087</u>

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

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	132,934	150,326	158,430	154,210	-2.7%
Commodities	36,367	46,240	43,000	39,700	-7.7%
Contractual Services	197,560	254,818	299,490	321,047	7.2%
Depreciation	204,660	267,577	209,000	270,000	29.2%
Other Charges	48,628	17,614	9,150	10,050	9.8%
Totals	620,149	736,575	719,070	795,007	10.6%

Staffing					
Full-time equivalents	2.00	2.00	2.00	1.75	



CITY OF ST. FRANCIS, MINNESOTA
SANITARY SEWER FUND (602)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Operating revenues:</u>				
Sewer sales	\$ 845,265	\$ 800,000	\$ 855,000	\$ 855,000
Sewer penalty	21,480	23,000	23,000	23,000
Total revenues	866,745	823,000	878,000	878,000
<u>Operating expenses:</u>				
Personnel services	150,326	158,430	158,430	154,210
Supplies	46,240	43,000	43,000	39,700
Professional services	84,740	108,840	108,840	120,697
Communications	2,436	3,500	3,500	3,500
Insurance	8,537	9,800	9,800	9,800
Utilities	94,267	103,100	103,100	109,800
Repairs and maintenance	64,838	74,250	74,250	77,250
Depreciation	267,577	209,000	270,000	270,000
Other	17,614	9,150	9,150	10,050
Total expenses	736,575	719,070	780,070	795,007
Operating income (loss)	130,170	103,930	97,930	82,993
<u>Nonoperating revenues (expenses):</u>				
Investment earnings	31,956	35,000	24,000	30,000
Connection charges	12,200	-	-	-
Interest Expense	(150,058)	(154,128)	(160,527)	(156,448)
Special assessments	-	-	-	-
Miscellaneous revenues	41,214	3,000	3,000	3,000
Total nonoperating revenues (expenses)	(64,688)	(116,128)	(133,527)	(123,448)
Net income (loss) before contributions and transfers	65,482	(12,198)	(35,597)	(40,455)
<u>Transfers in (out):</u>				
Debt Service Fund	(21,300)	-	-	(21,300)
Improvement Projects	-	-	-	(82,500)
Capital contributions	55,992	-	-	-
Change in net assets	100,174	(12,198)	(35,597)	(144,255)
Net assets - January 1	7,483,557	7,523,452	7,583,731	7,548,134
Net assets - December 31	\$ 7,583,731	\$ 7,511,254	\$ 7,548,134	\$ 7,403,879

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

	2011 ACTUAL	2011 2012 BUDGET	2012 ESTIMATE	2013 BUDGET
Net income (loss)	\$ 100,174	\$ (12,198)	\$ (35,597)	\$ (144,255)
Add depreciation	267,577	209,000	270,000	270,000
Change in current assets	31,142	-	-	-
Change in deferred	1,027	-	-	-
Change in current liabilities	(70,766)	-	-	-
Purchase of fixed assets	(408,817)	-	-	(12,500)
Issued debt	-	-	-	-
Principal payments on debt	(187,000)	(233,500)	(233,500)	(392,750)
Total	(266,663)	(36,698)	903	(279,505)
Cash balance - January 1	2,191,586	2,249,481	1,924,923	1,925,826
Cash balance - December 31	<u>\$ 1,924,923</u>	<u>\$ 2,212,783</u>	<u>\$ 1,925,826</u>	<u>\$ 1,646,321</u>

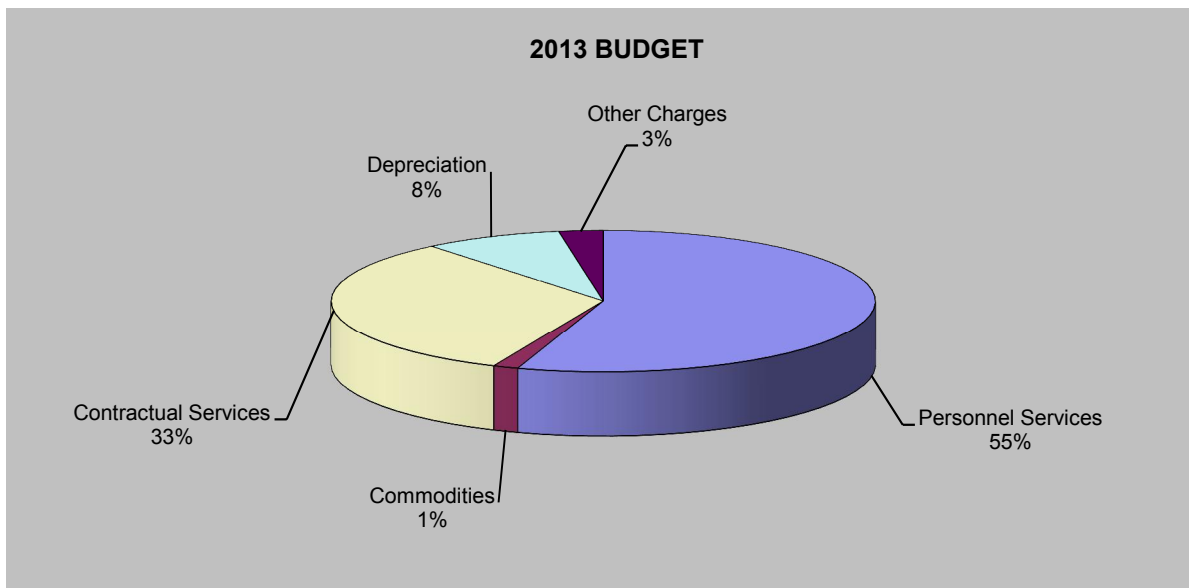
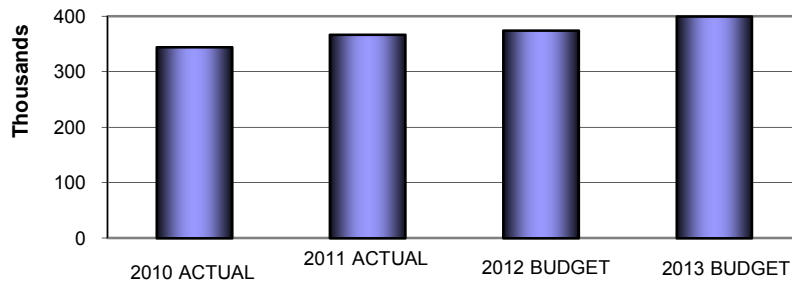
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**CITY OF ST. FRANCIS, MINNESOTA
LIQUOR STORE FUND SUMMARY
EXPENSE ANALYSIS**

Total By Classification	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	PERCENT OVER(UNDER) 2012 BUDGET
Personnel Services	182,035	198,260	210,330	220,020	4.6%
Commodities	6,263	4,508	5,500	6,000	9.1%
Contractual Services	73,058	126,062	121,145	129,953	7.3%
Depreciation	23,951	31,859	27,000	33,000	22.2%
Other Charges	58,881	6,134	10,350	10,500	1.4%
Totals	344,188	366,823	374,325	399,473	6.7%

Staffing

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Operating revenues:</u>				
Liquor sales	\$ 656,175	\$ 635,920	\$ 635,920	\$ 650,000
Beer sales	1,075,743	1,135,000	1,135,000	1,100,000
Wine sales	183,453	178,000	178,000	180,000
Miscellaneous merchandise	42,167	42,000	42,000	42,000
N/A beer	3,896	4,410	4,410	4,500
Tobacco products	56,250	55,850	55,850	56,000
Total revenues	<u>2,017,684</u>	<u>2,051,180</u>	<u>2,051,180</u>	<u>2,032,500</u>
<u>Cost of sales:</u>				
	(1,504,114)	(1,607,000)	(1,607,000)	(1,548,000)
Gross profit	513,570	444,180	444,180	484,500
<u>Operating expenses:</u>				
Personnel services	198,260	210,330	210,330	220,020
Supplies	4,508	5,500	5,500	6,000
Professional services	79,117	81,145	81,145	85,153
Communications	2,302	2,500	2,500	2,500
Insurance	7,610	11,000	11,000	11,000
Utilities	16,378	18,800	18,800	18,600
Repairs and maintenance	23,655	7,700	7,700	12,700
Depreciation	31,859	27,000	27,000	33,000
Other	6,134	10,350	10,350	10,500
Total expenses	<u>369,823</u>	<u>374,325</u>	<u>374,325</u>	<u>399,473</u>
Operating income (loss)	143,747	69,855	69,855	85,027
<u>Other revenues (expenses):</u>				
Investment earnings				
Miscellaneous revenues	19,868	18,000	18,000	18,000
Total other revenues (expenses)	<u>19,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before contributions and transfers	39,393	18,000	18,000	18,000
	183,140	87,855	87,855	103,027
<u>Transfers in (out):</u>				
General Fund				
Pioneer Days	(60,000)	(60,000)	(60,000)	(60,000)
Change in net assets	123,140	27,855	27,855	43,027
Net assets - January 1	<u>1,489,294</u>	<u>1,503,999</u>	<u>1,612,434</u>	<u>1,640,289</u>
Net assets - December 31	<u>\$ 1,612,434</u>	<u>\$ 1,531,854</u>	<u>\$ 1,640,289</u>	<u>\$ 1,683,316</u>

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
Net income (loss)	\$ 123,140	\$ 27,855	\$ 27,855	\$ 43,027
Add depreciation	31,859	27,000	27,000	33,000
Change in current assets	(32,568)	-	-	-
Change in deferred	-	-	-	-
Change in current liabilities	50,821	-	-	-
Purchase of fixed assets	-	-	-	-
Total	173,252	54,855	54,855	76,027
Cash balance - January 1	912,190	784,118	1,085,442	1,140,297
Cash balance - December 31	<u>\$ 1,085,442</u>	<u>\$ 838,973</u>	<u>\$ 1,140,297</u>	<u>\$ 1,216,324</u>

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**CAPITAL OUTLAY
FUNDS**

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CAPITAL OUTLAY

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

Capital Improvement Plan

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

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

Some of the items contained in the CIP will require on-going operational costs and in some cases produce operational savings. However, given the speculative nature of latter-year purchases, the exact cost cannot be reasonably quantified beyond next year. The 2013-2017 CIP was adopted by the Council on August 6, 2012. The following provides a summary of projects included in the City's Capital Improvement Plan along with project year. Overall the 2013 budget provided for in the Capital Improvement plan is \$6,564,521. The following shows a breakdown by year.

FIVE-YEAR CAPITAL IMPROVEMENT PLAN PROJECTS							
BY PROJECT CATEGORY							
CATEGORY	TOTAL	PRIOR YEARS	ALLOCATION OF COSTS BY YEAR				
			2013	2014	2015	2016	2017
BUILDINGS	\$ 2,735,400	\$ 100,000	\$ 380,000	\$ 830,400	\$ 475,000	\$ 475,000	\$ 475,000
COMPUTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EQUIPMENT	\$ 1,094,960	\$ 10,000	\$ 122,662	\$ 141,122	\$ 566,362	\$ 153,162	\$ 101,652
LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PARKS	\$ 864,700	\$ -	\$ 250,000	\$ 110,000	\$ -	\$ 349,700	\$ 155,000
STREETS	\$15,892,150	\$ -	\$ 1,521,400	\$1,585,100	\$ 3,420,400	\$ 2,185,500	\$7,179,750
TRAILS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UTILITIES	\$20,773,469	\$ -	\$ 3,899,554	\$ 393,915	\$16,480,000	\$ -	\$ -
VEHICLES	\$ 1,112,895	\$ -	\$ 390,905	\$ 101,420	\$ 336,440	\$ 178,540	\$ 105,590
TOTALS	\$42,473,574	\$ 110,000	\$ 6,564,521	\$3,161,957	\$21,278,202	\$ 3,341,902	\$8,016,992

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

Description	PRIOR YEARS	ALLOCATION OF COSTS BY YEAR				
		2013	2014	2015	2016	2017
General Government						
CITY CAR	-	-	-	-	20,000	-
VOTING BOOTHS	10,000	-	-	-	-	-
ADMINISTRATION TOTAL	10,000	-	-	-	20,000	-
FIRE DEPARTMENT						
TANKER/PUMPER TRUCK REPLACEMENT	-	300,000	-	-	-	-
FUTURE FIRE TRUCK REPLACEMENTS ROOF	-	-	50,000	50,000	50,000	50,000
FIRE DEPARTMENT TOTAL	100,000	300,000	50,000	50,000	50,000	50,000
Police Department						
DEBT SERVICE PAYMENTS FOR POLICE STATION	-	190,000	237,500	237,500	237,500	237,500
SQUAD CAR REPLACEMENT	-	65,900	51,420	52,440	54,540	55,590
POLICE DEPARTMENT TOTAL	-	255,900	288,920	289,940	292,040	293,090
Public Works						
SAFETY TRAILER	-	-	24,000	-	-	-
DEBT SERVICE PAYMENTS FOR POLICE STATION	-	190,000	237,500	237,500	237,500	237,500
2005 INTERNATIONAL DUMP TRUCK REPLACEMENT	-	-	-	234,000	-	-
2006 FORD F-350 REPLACEMENT	-	-	-	-	54,000	-
239TH & BITTERSWEET MILL AND OVERLAY	-	668,400	-	-	-	-
241ST AVENUE	-	-	-	3,420,400	-	-
245TH & KINGS HWY REALIGNMENT & DITCH WORK	-	-	983,500	-	-	-
BRIDGE STREET EXTENSION	-	-	-	-	-	3,205,400
BRIDGE STREET TRAFFIC IMPROVEMENTS	-	-	-	-	-	3,974,350
BUTTERFIELD DRIVE RECONSTRUCTION	-	-	601,600	-	-	-
RUM RIVER WOODS ADDITION RECONSTRUCTION	-	-	-	-	2,185,500	-
TAMMARACK STREET	-	853,000	-	-	-	-
HWYS, STREETS AND ROADS TOTAL	-	1,711,400	1,846,600	3,891,900	2,477,000	7,417,250
Parks						
DEER CREEK PARK TRAIL	-	-	-	-	349,700	-
Pederson Path Hwy 47 Pedestrian Crossing	-	250,000	-	-	-	-
Hockey Rink Improvements	-	-	110,000	-	-	-
Highland Woods Park Improvements	-	-	-	-	-	45,000
Rum River Woods Improvements	-	-	-	-	-	110,000
REPLACE BUILDING AT COMMUNITY PARK	-	-	355,400	-	-	-
Zero Turn Mower	-	-	18,500	-	-	-
BOBCAT ANNUAL REPLACEMENT	-	31,940	32,900	33,890	34,910	35,930
Hidden Ponds Irrigation	-	-	-	175,000	-	-
PARKS DEPARTMENT TOTAL	-	281,940	516,800	208,890	384,610	190,930
Water & Sewer						
HOUSEHOLD WATER METER CHANGEOUT	-	65,722	65,722	65,722	65,722	65,722
WELL #5	-	-	393,915	-	-	-
EAST SIDE WASTEWATER TREATMENT FAC.	-	-	-	16,480,000	-	-
TRUNK HWY 47 WATER & SEWER EXTENSION	-	3,899,554	-	-	-	-
FORD ESCAPE	-	25,005	-	-	-	-
PORTABLE GENSET	-	-	-	-	52,350	-
VAC/JETTER TRUCK	-	-	-	291,750	-	-
WATER AND SANITARY SEWER TOTAL	-	3,990,281	459,637	16,837,472	118,072	65,722

Liquor Store						
COOLER DOORS/LED LIGHTS	-	25,000	-	-	-	-
LIQUOR STORE TOTAL	-	25,000	-	-	-	-

GRAND TOTAL	110,000	6,564,521	3,161,957	21,278,202	3,341,722	8,016,992
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Some of the projects listed above are not included in our annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Councils, economic conditions and priorities are always changing and these types of projects seem to be postponed or modified more than once. If they were included in our budget each year we feel it would misrepresent what is actually occurring.

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

2013 projects from the 2013-2017 CIP which are not included in the 2013 budget because a budget will not be established until the Council approves the project are:

TANKER/PUMPER TRUCK REPLACEMENT	300,000
239TH & BITTERSWEET MILL AND OVERLAY	668,400
TAMMARACK STREET	853,000
Pederson Path Hwy 47 Pedestrian Crossing	250,000
TRUNK HWY 47 WATER & SEWER EXTENSION	3,899,554

Capital Projects Fund

There are no planned expenditures from the Capital Projects Fund for 2013 at this time.

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$ 513	\$ 16,000	\$ 23,595	\$ 16,000
Miscellaneous	8,009	-	-	-
Total revenues	8,522	16,000	23,595	16,000
<u>Expenditures:</u>				
Building & Structures	1,286,409	-	6,352,684	-
Motor Vehicles	21,313	38,990	21,313	-
	150,000	-	-	-
Total expenditures	1,457,722	38,990	6,373,997	-
Excess (deficit) of revenues over expenditures	(1,449,200)	(22,990)	(6,350,402)	16,000
Other financing sources (uses):				
Transfers in (out):				
Contract for Deed Issued			8,035,951	
Fire Truck Replacement Fund	-	-	-	-
General Fund	300,000	330,000	289,780	-
Net increase (decrease) in fund balance	(1,149,200)	307,010	1,975,329	16,000
Fund balance - January 1	947,652	501,534	(201,548)	1,773,781
Fund balance - December 31	\$ (201,548)	\$ 808,544	\$ 1,773,781	\$ 1,789,781

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ 20,416	\$ 11,000	\$ 12,000	\$ 12,000
Total revenues	20,416	11,000	12,000	12,000
<u>Expenditures:</u>				
Miscellaneous	-	-	-	-
Engineering	-	-	-	-
Interest expense	2,239	3,800	301	-
Total expenditures	2,239	3,800	301	-
Excess (deficit) of revenues over expenditures	18,177	7,200	11,699	12,000
Fund balance - January 1	(134,520)	(125,017)	(116,343)	(104,644)
Fund balance - December 31	\$ (116,343)	\$ (117,817)	\$ (104,644)	\$ (92,644)

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Miscellaneous Revenue:</u>				
Investment earnings	\$ 4,646	\$ 5,000	\$ 4,000	\$ 5,000
Total revenues	4,646	5,000	4,000	5,000
<u>Expenditures:</u>				
Vehicles and equipment	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over expenditures	4,646	5,000	4,000	5,000
Other financing sources (uses):				
Transfers in (out):				
General Fund	100,000	100,000	100,000	-
Capital Projects Fund	-	-	-	-
Net increase (decrease) in fund balance	104,646	105,000	104,000	5,000
Fund balance - January 1	301,537	299,623	406,183	510,183
Fund balance - December 31	<u>\$ 406,183</u>	<u>\$ 404,623</u>	<u>\$ 510,183</u>	<u>\$ 515,183</u>

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ 19,389	\$ 14,250	\$ 18,021	\$ 12,000
Total revenues	19,389	14,250	18,021	12,000
<u>Expenditures:</u>				
Miscellaneous	-	-	-	-
Engineering	28,760	-	-	-
Construction	-	-	-	-
Interest expense	3,565	3,300	340	-
Total expenditures	32,325	3,300	340	-
Excess (deficit) of revenues over expenditures	(12,936)	10,950	17,681	12,000
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	-	-
Net increase (decrease) in fund balance	-	-	-	-
Fund balance - January 1	(12,936)	(125,017)	17,681	12,000
Fund balance - December 31	(117,610)	(103,500)	(130,546)	(112,865)

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Revenues:</u>				
Developer costs	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Total revenues	-	-	-	-
<u>Expenditures:</u>				
Miscellaneous				
Engineering	-	-	-	-
Construction	-	-	-	-
Land	-	-	-	-
Interest expense	-	-	-	-
	8,690	-	-	-
Total expenditures	8,690	-	-	-
Excess (deficit) of revenues over expenditures	(8,690)	-	-	-
Other financing sources (uses):				
Bond proceeds				
Transfers in (out):	-	-	-	-
Water Fund	-	-	-	-
Net increase (decrease) in fund balance	(8,690)	-	-	-
Fund balance - January 1	(510,619)	(510,619)	(519,309)	(519,309)
Fund balance - December 31	(519,309)	(510,619)	(519,309)	(519,309)

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

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

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
<u>Revenues:</u>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>Expenditures:</u>				
Miscellaneous	-	-	-	-
Engineering	-	-	-	-
Construction	-	-	-	-
Land easement	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in (out):				
Water Fund	-	-	-	-
Net increase (decrease) in fund balance	-	-	-	-
Fund balance - January 1	(284,151)	(282,530)	(284,151)	(284,151)
Fund balance - December 31	<u>\$ (284,151)</u>	<u>\$ (282,530)</u>	<u>\$ (284,151)</u>	<u>\$ (284,151)</u>

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



**DEBT SERVICE
FUNDS**

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DEBT SERVICE

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

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

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

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

Legal Debt Limit

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

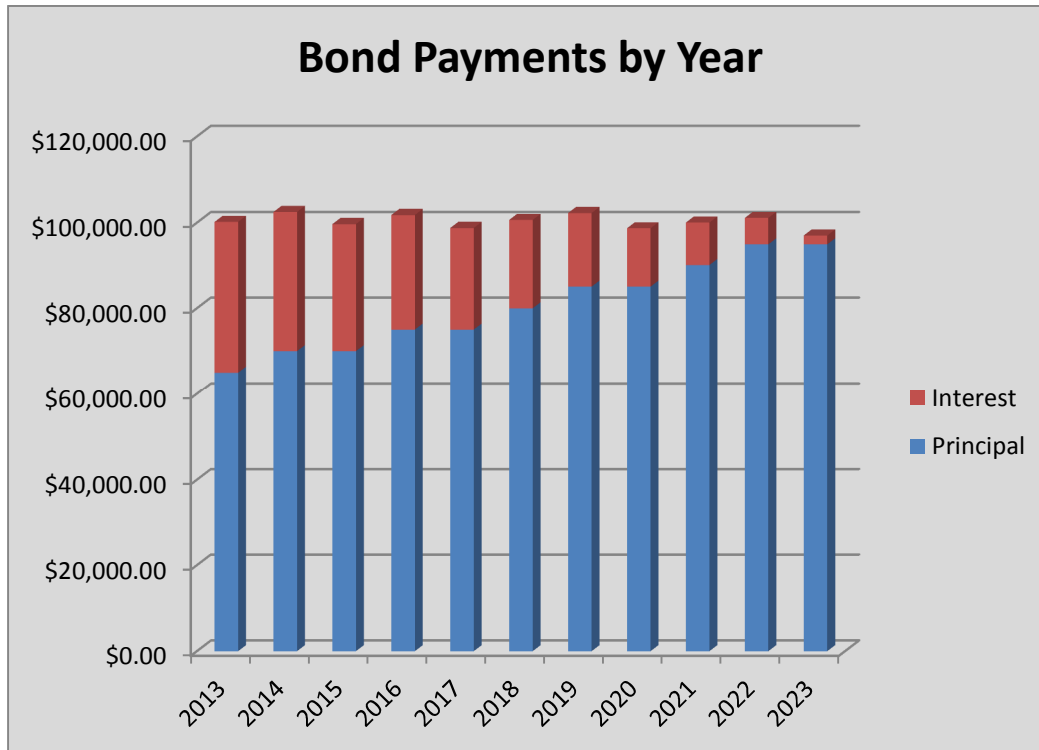
The difference between the statutory debt limit and the bonds outstanding that are covered by the debt limit is referred to as the legal debt margin. The City's debt limit and legal debt margin are both \$12,354,450.

		2012
Estimated market value of taxable property		\$411,814,985
Debt limit (3% of market value)		\$12,354,450
Total bonds outstanding excluding enterprise debt		\$885,000
Less:	Special assessment bonds	885,000
Total debt applicable to debt limit		\$ -
Legal debt margin		\$12,354,450

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

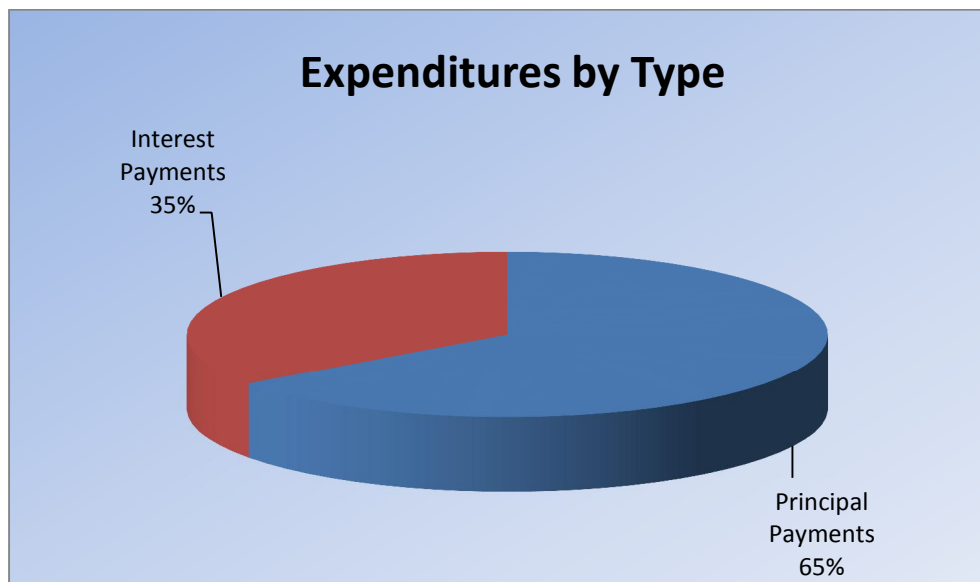
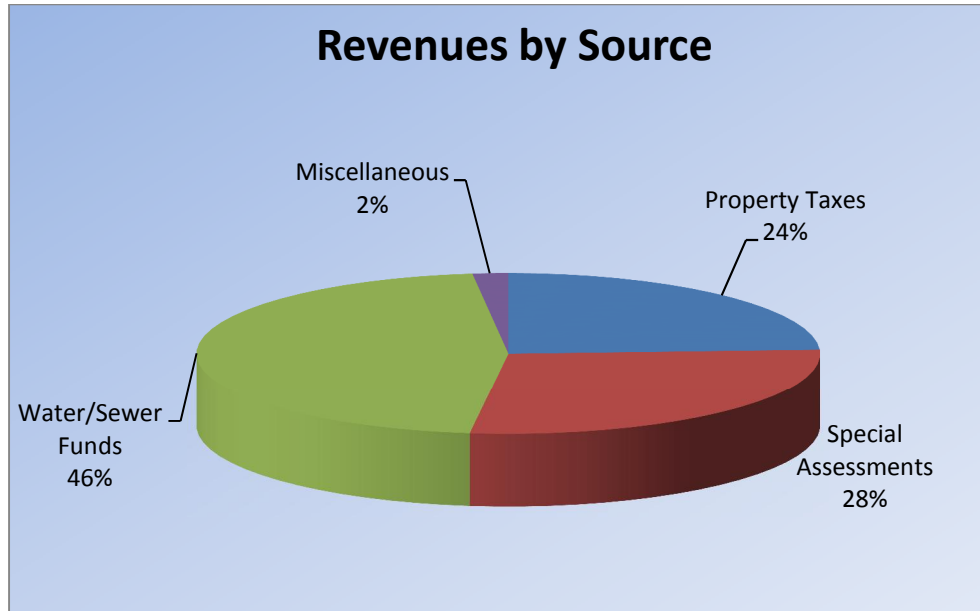
The following tables depict the City's debt service payments by year for General Obligation Debt payable from Special Assessments.

Year	Principal	Interest	Total
2013	65,000.00	35,182.50	100,183
2014	70,000.00	32,482.50	102,483
2015	70,000.00	29,682.50	99,683
2016	75,000.00	26,782.50	101,783
2017	75,000.00	23,782.50	98,783
2018	80,000.00	20,642.50	100,643
2019	85,000.00	17,238.75	102,239
2020	85,000.00	13,711.25	98,711
2021	90,000.00	10,035.00	100,035
2022	95,000.00	6,103.75	101,104
2023	95,000.00	2,042.50	97,043
Total	\$885,000	\$217,686	\$1,102,686



2013 DEBT SERVICE BUDGET

Summary of Revenues and Expenditures



CITY OF ST. FRANCIS, MINNESOTA
DEBT SERVICE BUDGET (311)
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

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

CITY OF ST. FRANCIS, MINNESOTA
EDA LEASE REVENUE BONDS
 STATE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET
Revenues:				
Investment earnings	\$ -	\$ -	\$ 500	\$ 800
Total revenues	-	-	500	800
Expenditures:				
<u>Debt Service:</u>				
Principal:				
Regular	-	-	-	195,000
Interest	-	-	190,178	325,045
Paying agent fees	-	-	-	-
Total expenditures	-	-	190,178	520,045
Excess (deficit) of revenues over expenditures	-	-	(189,678)	(519,245)
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	330,000	340,000
Water Fund	-	-	-	82,500
Sanitary Sewer Fund	-	-	-	82,500
Net increase (decrease) in fund balance	-	-	140,322	(14,245)
Fund balance - January 1	-	-	-	140,322
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,322</u>	<u>\$ 126,077</u>

This fund was set up in 2012 to account for the Lease Revenue Bonds sold by the EDA at the beginning of the year.

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**SUPPLEMENTARY
INFORMATION**

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

Characteristics	Year	St. Francis	% Change From 1990	Anoka County	% Change From 1990	Metro Area	% Change From 1990
		#		#		#	
Population	1990	2,538	--	243,641	--	2,288,721	--
	2000	4,910	0.0	298,084	0.0	2,642,062	0.0
	2010	7,218	47.0	330,844	11.0	2,849,567	7.9
	2020	10,400	111.8	407,710	36.8	3,334,000	26.2
	2030	12,800	160.7	425,260	42.7	3,608,000	36.6
Households	1990	760	--	82,437	--	875,504	--
	2000	1,638	-35.0	106,428	-12.2	1,021,456	-8.6
	2010	2,520	0.0	121,227	0.0	1,117,749	0.0
	2020	4,000	58.7	156,220	28.9	1,362,000	21.9
	2030	5,000	98.4	172,250	42.1	1,492,000	33.5
Persons Per Household	1990	3.34	--	2.96	--	2.61	--
	2000	3.00	15.3	2.80	7.3	2.59	5.7
	2010	2.86	10.2	2.73	4.6	2.55	4.1
	2020	2.60	0.0	2.61	0.0	2.45	0.0
	2030	2.56	-1.5	2.47	-5.4	2.42	-1.2
Employment	1990	793	--	N/A	--	1,273,773	--
	2000	1,247	57%	110,091	-28.8	1,607,916	-24.4
	2010	1,537	94%	124,790	-19.3	1,544,613	-27.3
	2020	1,900	140%	141,970	-8.2	1,990,000	-6.4
	2030	2,220	180%	154,690	0.0	2,126,000	0.0

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

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

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

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

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

CITY OF ST. FRANCIS, MINNESOTA
Miscellaneous Statistical Facts
December 31, 2012

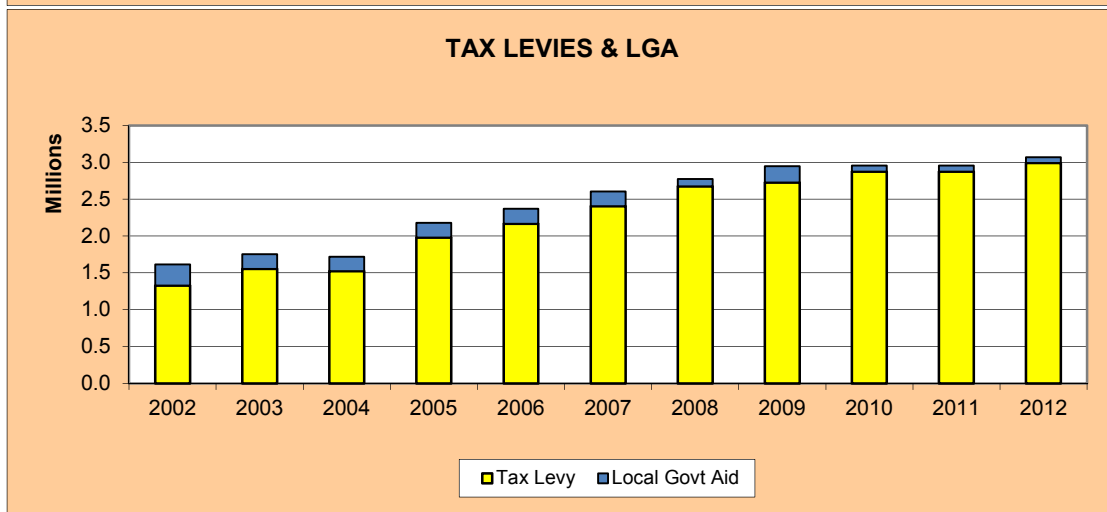
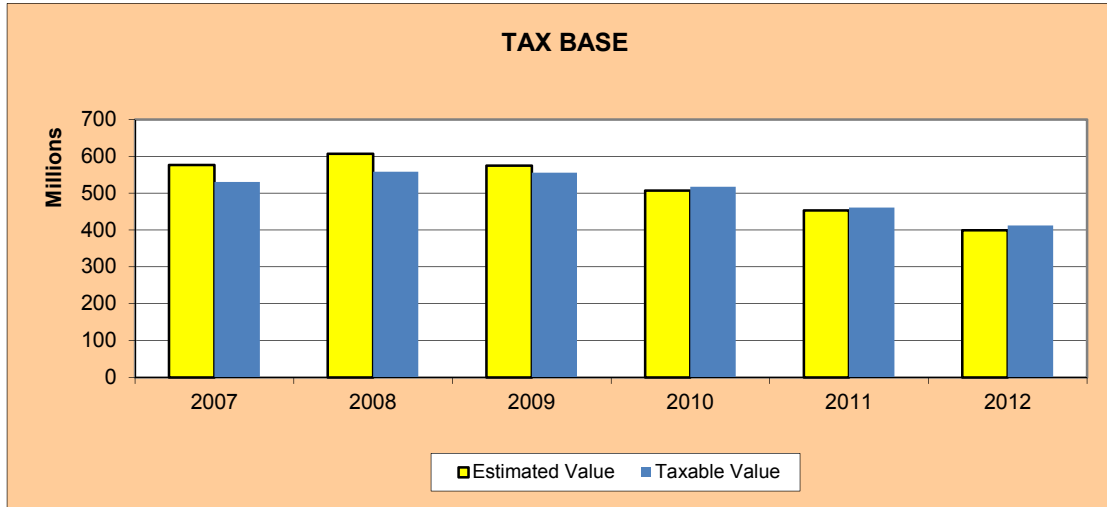
Year of incorporation	1974
Area of city	23.7 sq miles
Miles of roads:	
City	47
State/County	26.9
Private	4.5
	78.4
Water system:	
Number of hydrants	
City	269
Private	68
Number of wells	3
Miles of water mains	
City	24.7
Private	7.4
Raw	0.6
Abandoned	0.2
Sewer system:	
Lift stations	
City	12
Private	2
Miles of sewer mains	
City	20.6
Private	5.7
Number of manholes	
City	504
Private	142
Fire protection:	
Number of stations	1
Number of paid-per-call employees	22
Police protection:	
Number of stations	1
Number of full-time police officers	10
Recreation:	
Parks (developed)	83 acres
Number of parks and playgrounds	14
Employees:	
Full time (including police protection)	25
Part time and temporary (including fire protection)	34
Council members	5

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

CITY OF ST. FRANCIS
Principal Taxpayers
December 31, 2012
(Unaudited)

Taxpayer		2011/2012		
		Taxable Market Value	Net Tax Capacity	Percent of Total Tax Capacity
Alliant Techsystems	Ammunition manufacturer	13,965,100	201,333	4.48%
ALS Properties Woodhaven LLC	Mobile Home Park	8,125,700	101,571	2.26%
St. Francis Realty LLC	Shopping Center	5,239,000	103,484	2.30%
King Exchange LLC	Shopping Center	3,523,100	68,962	1.53%
Connexus Energy	Utility	3,556,800	71,136	1.58%
Northern Capital Investements	Residential	2,256,100	28,201	0.63%
Central Bank	Financial Services	1,887,400	34,864	0.78%
Minnegasco Inc.	Utility	2,529,700	50,594	1.13%
Individual Family LP	Commercial	1,274,100	24,732	0.55%
Village Bank	Commercial	1,388,300	26,786	0.60%
		43,745,300	711,663	15.84%

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



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

TAX BASE

Year Payable	Estimated Value	Taxable Value
2007	576,680,903	530,492,500
2008	606,300,761	557,796,700
2009	574,727,404	555,761,400
2010	507,098,392	517,621,700
2011	452,734,781	461,213,200
2012	399,249,358	411,814,985

TAX LEVIES

Year Payable	Tax Levy	Local Govt Aid	Total Levy + LGA
2002	1,328,713	283,385	1,612,098
2003	1,554,373	197,454	1,751,827
2004	1,521,752	197,454	1,719,206
2005	1,979,977	200,000	2,179,977
2006	2,167,157	200,000	2,367,157
2007	2,402,157	200,000	2,602,157
2008	2,672,615	100,000	2,772,615
2009	2,724,202	222,535	2,946,737
2010	2,873,160	80,940	2,954,100
2011	2,873,160	80,940	2,954,100
2012	2,988,086	80,940	3,069,026

TAX RATES

Year Payable	City Rate	Overlapping Rates*			Special Districts
		Anoka County	ISD #15	ISD #728	
2002	46.515	37.976	29.061	46.051	4.513
2003	44.264	38.469	28.665	41.428	4.637
2004	34.852	35.765	19.149	31.107	4.233
2005	40.652	33.581	18.598	32.996	4.443
2006	38.145	32.543	23.167	36.105	4.016
2007	36.786	31.094	24.716	33.352	3.912
2008	39.380	31.453	23.269	32.491	5.224
2009	38.401	32.445	20.992	36.300	3.797
2010	44.265	35.574	24.970	40.142	4.317
2011	47.139	40.376	28.896	43.489	4.478
2012	53.406	42.265	32.835	45.548	3.225

*-Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

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GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

CAPITAL OUTLAYS: Expenditures for the acquisition of capital assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LEGISLATIVE: Having the power to create laws.

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

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

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

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

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

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

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

PERA: Public Employees Retirement Association

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

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

POLICY: A set of guidelines used for making decisions.

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

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

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

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

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

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

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

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

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

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

TRANSFER: Transfers of assets between funds.

Acronyms

CAFR	Comprehensive Annual Financial Report
CIP	Capital Improvement Plan
EDA	Economic Development Authority
EMV	Estimated Market Value
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers' Association
GO	General Obligation
LGA	Local Government Aid
MVHC	Market Value Homestead Credit
MVHE	Market Value Homestead Exculsion
SAC	Sewer Availability Charge
SIPC	Securities Investor Protection Corporation
TIF	Tax Increment Financing
WAC	Water Availability Charge