

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## City of Saint Paul, Minnesota



For the Fiscal Year Ended December 31, 2016

Mayor Christopher B. Coleman

## **Photo and Design Credits**

The cover image highlights CHS Field located in the City of St. Paul's Lowertown District. The St. Paul Saints played their first game in the newly designed ballpark on May 18, 2015. The stadium also serves as a venue for concerts and various special events. The field has been recognized for its high level of environmentally sustainable practices.

### **Photo Credits:**

CHS Field. Photo courtesy Robert Ferdinandt.

# City of Saint Paul Minnesota

Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
December 31, 2016



Office of Financial Services  
Todd P. Hurley, Director

CITY OF SAINT PAUL, MINNESOTA  
 TABLE OF CONTENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

INTRODUCTORY SECTION		Page
Letter of Transmittal		v
Organizational Chart		xv
Elected and Appointed Officials		xvi
Certificate of Achievement		xvii
FINANCIAL SECTION		Page
Independent Auditor's Report		1
Management's Discussion and Analysis		5
Basic Financial Statements		
• Government-wide Financial Statements		
o Statement of Net Position	Statement 1	27
o Statement of Activities	Statement 2	29
• Fund Financial Statements		
o Balance Sheet – Governmental Funds	Statement 3	30
o Reconciliation of the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	Statement 4	33
o Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Statement 5	34
o Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 6	37
o Statement of Net Position – Proprietary Funds	Statement 7	38
o Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	Statement 8	41
o Statement of Cash Flows – Proprietary Funds	Statement 9	42
o Statement of Net Position – Agency Funds	Statement 10	45
o Statement of Net Position – All Discretely Presented Component Units	Statement 11	46
o Statement of Activities – All Discretely Presented Component Units	Statement 12	48
• Notes to the Financial Statements		49
Required Supplementary Information		
• Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	Schedule 1	149
• Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Annually Budgeted Major Special Revenue Funds	Schedule 2	150
• Schedule of Funding Progress – Other Postemployment Benefits Plan	Schedule 3	152
• Schedule of Employer Contributions – Other Postemployment Benefits Plan	Schedule 4	153
• Schedule of Saint Paul's Contributions – Public Employees General Employees Retirement Fund	Schedule 5	154
• Schedule of Saint Paul's Proportionate Share of Net Pension Liability – Public Employees General Employees Retirement Fund	Schedule 6	155
• Schedule of Saint Paul's Contributions – Public Employees Police and Fire Fund	Schedule 7	156
• Schedule of Saint Paul's Proportionate Share of Net Pension Liability – Public Employees Police and Fire Fund	Schedule 8	157
• Notes to Required Supplementary Information		158

CITY OF SAINT PAUL, MINNESOTA  
 TABLE OF CONTENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016  
 (Continued)

FINANCIAL SECTION (continued)	Page
<b>Supplementary Information</b>	
• Combining Balance Sheet – Nonmajor Governmental Funds	Statement 13 163
• Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	Statement 14 165
○ Combining Balance Sheet – Nonmajor Special Revenue Funds	Statement 15 166
○ Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	Statement 16 170
○ Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Annually Budgeted Nonmajor Special Revenue Funds	Statement 17 174
○ Combining Balance Sheet – Nonmajor Capital Projects Funds	Statement 18 180
○ Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	Statement 19 181
○ Balance Sheet – Nonmajor Permanent Fund	Statement 20 182
○ Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Fund	Statement 21 183
○ Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Annually Budgeted Nonmajor Permanent Funds	Statement 22 184
○ Combining Statement of Net Position – Nonmajor Enterprise Funds	Statement 23 187
○ Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds	Statement 24 189
• Combining Statement of Cash Flows – Nonmajor Enterprise Funds	Statement 25 190
• Combining Statement of Net Position – Internal Service Funds	Statement 26 194
• Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	Statement 27 196
• Combining Statement of Cash Flows – Internal Service Funds	Statement 28 198
• Combining Statement of Net Position – All Agency Funds	Statement 29 205
• Statement of Changes in Assets and Liabilities – All Agency Funds	Statement 30 206
<b>Other Supplementary Information</b>	
• Schedule of Intergovernmental Revenue – All Funds	Schedule 9 210
• Schedule of Expenditures of Federal Awards – All Fund Types	Schedule 10 214
• Notes to the Schedule of Expenditures of Federal Awards	217

CITY OF SAINT PAUL, MINNESOTA  
 TABLE OF CONTENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016  
 (Continued)

STATISTICAL SECTION	Page	
<b>Financial Trends</b>		
• Net Position by Component – Last Ten Fiscal Years	Table 1	221
• Changes in Net Position – Last Ten Fiscal Years	Table 2	222
• Program Revenues by Function/Program – Last Ten Fiscal Years	Table 3	226
• Fund Balances, Governmental Funds – Last Ten Fiscal Years	Table 4	227
• Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	Table 5	228
<b>Revenue Capacity</b>		
• Governmental Funds Tax Revenues by Source – Last Ten Fiscal Years	Table 6	230
• Estimated Market Value, Taxable Market Value, and Net Tax Capacity of Taxable Property – Last Ten Fiscal Years	Table 7	231
• Property Tax Rates and Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years	Table 8	232
• Principal Property Taxpayers – Current Year and Nine Years Ago	Table 9	233
• Property Tax Levies and Collections – City and Library Agency – Last Ten Fiscal Years	Table 10	234
• Property Tax Levies and Collections – Housing and Redevelopment Authority of the City of Saint Paul – Last Ten Fiscal Years	Table 11	235
<b>Debt Capacity</b>		
• Outstanding Debt by Type and Per Capita – Last Ten Fiscal Years	Table 12	236
• Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years	Table 13	237
• Direct, Overlapping and Underlying Governmental Activities Debt	Table 14	238
• Legal Debt Margin Information – Last Ten Fiscal Years	Table 15	239
• Pledged-Revenue Bond Coverage – Last Ten Fiscal Years	Table 16	240
<b>Demographic and Economic Information</b>		
• Demographic and Economic Statistics – Last Ten Fiscal Years	Table 17	251
• Principal Employers – Current Year and Nine Years Ago	Table 18	252
<b>Operating Information</b>		
• Full-Time-Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	Table 19	253
• Operating Indicators by Function/Program – Last Ten Fiscal Years	Table 20	254
• Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	Table 21	255

**Office of the Mayor**  
Office of Financial Services

*Todd Hurley, Director*



**City of Saint Paul**

*Mayor Christopher B. Coleman*

*700 City Hall  
15 West Kellogg Boulevard  
Saint Paul, Minnesota 55102-1658*

*Telephone: (651) 266-8800  
Facsimile: (651) 266-8541*

June 26, 2017

To the Honorable Mayor, Members of the City Council, and Residents of Saint Paul:

The City of Saint Paul's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City Staff, residents, bondholders and other interested parties with useful information concerning the City's operations and financial position. Responsibility for both the accuracy of data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The CAFR is presented in three main sections:

1. Introductory Section - includes this transmittal letter, the City's organizational chart and a list of principal officials.
2. Financial Section - includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements and supplementary information.
3. Statistical Section - contains selected financial and demographic information presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) in the United States of America, as applied to governmental units, requires that the City provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Saint Paul's MD&A can be found immediately following the report of the independent auditors.

**INTERNAL CONTROL**

To provide a reasonable basis for making these representations, the City of Saint Paul has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Saint Paul's financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not outweigh their benefits, the City of Saint Paul's comprehensive framework of internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. All internal control evaluations occur within this framework. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## **INDEPENDENT AUDIT**

State law requires the State Auditor to perform an annual audit of the City and other cities of the first class in Minnesota. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Saint Paul for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the City, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Saint Paul's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The State Auditor's report is presented as the first component of the financial section of this report. As part of their examination, the State Auditor is also issuing a Management and Compliance Report covering the review of the City's system of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The Management and Compliance Report will not modify or affect, in any way, this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit - including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts and grants - will be included in the State Auditor's separately issued Management and Compliance Report.

## **PROFILE OF THE GOVERNMENT**

The City of Saint Paul has been a municipal corporation since 1854. Saint Paul is the state capital and Minnesota's second largest city. The City covers an area of 56 square miles and is situated wholly in Ramsey County. Saint Paul's population, per the 2010 US Census, was 285,068. Data estimates by the Metropolitan Council indicate that the City had a population of 304,442 people and 116,656 households as of the end of 2016.

The City of Saint Paul, Minnesota, has a Mayor-Council form of government. The Mayor is elected by the voters of the City at large for four years on a full-time basis. The City is divided into seven wards. Voters of each ward elect a member of the City Council for four years on a part-time basis. Executive power is vested in the Mayor; legislative power is vested in the Council. The Mayor has veto power, which the Council may override with a vote of five members.

City services include: police, fire, street, sewer and bridge maintenance, parks and recreation centers, libraries, licensing, building and housing code inspections, planning and economic development, zoning, public improvements and general administration.

## **REPORTING ENTITY**

The City's financial statements include all funds of the City (primary government) and its component units. The primary government represents all funds under the ultimate control of the Mayor and City Council. The Library Agency and Housing and Redevelopment Authority (HRA) are legally separate; however they both function in essence as a department of the City of Saint Paul and, therefore, have been included as an integral part of the City of Saint Paul's financial statements. The City of Saint Paul is also financially accountable for the legally separate Saint Paul RiverCentre Convention & Visitors Authority, Saint Paul Regional Water Services and the Port Authority of the City of Saint Paul, all of which are reported separately as component units within the City of Saint Paul's financial statements. The nature of the activities of these organizations and the specific justification and methods for inclusion as component units of the City are discussed in the notes to the financial statements.



## BUDGET CONTROL

The annual budget serves as a foundation for the City of Saint Paul's financial planning and control. In August of each year, the Mayor presents the budget to the City Council for the following calendar year. The budget includes proposed expenditures and means of financing them. The Council then holds a public hearing to obtain taxpayer comments. The budget is legally adopted through the passage of a Council resolution.

City budget amendments that authorize an increase in total fund spending require approval of the City Council. In addition, City Council approval is required for budget amendments transferring appropriations between departments within the General Fund.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Assessment Financing Fund, Public Library General Fund, and the HRA General Fund, this is presented as part of the required supplementary comparison information. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

## FINANCIAL POLICIES

In 2005, the City enacted a fund balance policy mandating minimum thresholds for the General Fund and the General Debt Service Fund. The policy for the General Fund requires a minimum unassigned fund balance of 15% of combined General Fund and Public Library General Fund operating spending. For additional information regarding the 2016 fund balance for the General Fund, see the MD&A as listed in the table of contents.

## ECONOMIC OUTLOOK

Saint Paul is an important part of the overall strong Twin Cities metro area economy. Saint Paul is expected to add more than 37,567 jobs by 2040 (21% growth from 2010). Total employee count in Saint Paul at the end of 2016 was estimated to be 180,833.<sup>1</sup>

- Saint Paul's 2016 unemployment rate is 3.5%.<sup>2</sup>
- Saint Paul median household income rose slightly to \$48,757 in 2015.<sup>3</sup>
- The median value of owner-occupied houses in Saint Paul in 2015 was \$173,900.<sup>4</sup>
- Saint Paul's population with a bachelor's degree or higher in 2015 stood at a strong 39.3%.<sup>5</sup>

Over the years, Saint Paul has consistently registered an unemployment rate equal to or lower than that of the U.S. as a whole. The City's unemployment rate for 2016 was both below the Minnesota rate (4.1%) and the U.S. rate (4.5%).<sup>6</sup> Employment in Saint Paul is not overly reliant on slowing and cyclical sectors, like manufacturing, but rather is based on stable and growing industries such as education, health services and public administration.

Saint Paul's largest employment sector is Education and Health Services (60,832 jobs), with an 7.9% growth from 2012 to third quarter 2016. Other large employment sectors include Public Administration (22,481 jobs; 3.7% growth from 2012 to third quarter 2016), and Professional and Business Services (21,770 jobs as of the third quarter 2016).<sup>7</sup>

---

<sup>1</sup> Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at <http://mn.gov/deed/data/data-tools/qcew/>

<sup>2</sup> Bureau of Labor Statistics, Local Area Unemployment Statistics. Available at: <http://data.bls.gov/cgi-bin/dsrv?la>

<sup>3</sup> 2015 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

<sup>4</sup> 2015 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

<sup>5</sup> 2015 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

<sup>6</sup> Minnesota Department of Employment and Economic Development, available at: <http://mn.gov/deed/data/data-tools/laus/>

<sup>7</sup> Minnesota Department of Employment and Economic Development's Quarterly Census of Employment and Wages (QCEW) tool, available at <http://mn.gov/deed/data/data-tools/qcew/>

## MAJOR INITIATIVES

To maintain this economic growth, the City will continue to develop and implement strategic plans to encourage private investment in housing and economic development projects in Saint Paul.

### City Strategic Plan

A strategic vision for the City was developed by the Mayor's administration in consultation with other stakeholders. To support a vision of Saint Paul as the most livable city in America, it identifies four strategic goals:

**Ready for School, Ready for Life:** Education is core to the quality of life in our great City. Saint Paul will strive to eliminate the achievement gap by ensuring that learning opportunities are accessible for all and are quality-driven. We will achieve this goal by expanding early childhood learning opportunities and setting children on a course for success in school: extending learning opportunities outside of the classroom and connecting formal and informal opportunities throughout the community; and open doorways to higher education by better informing and preparing students for post-secondary educational opportunities.

**Safe Streets and Safe Homes:** Families will feel secure on our sidewalks and in our homes as a result of our strong sense of community and confidence in our world-class public safety system. We will do this by engaging youth with quality recreational, educational, and youth organizing activities; address areas of disinvestment with revitalization; create strong community partnerships; build a world-class Police Department; invest in a 21st Century Fire Department; and elevate emergency management to leverage resources and knowledge that will prepare the City to respond to multi-faceted crises.

**Expanding Economic Opportunity:** We will build our economic future on the foundation of the City's strengths – a well-educated and creative workforce, sound infrastructure, and local businesses rich with growth potential. Strategies include enhancing the vibrant downtown entertainment district by reviving and opening the doors to the Palace Theatre; create a new urban village surrounding a major league soccer stadium that includes retail, office, residential, and public open space uses, stimulating growth by making strategic investments in neighborhoods of greatest disinvestment while coordinating and enhancing other services to these communities; aggressively pursuing the first major developments in downtown in a decade; and leveraging resources and markets for sustainable, environmentally friendly products to build a new manufacturing economy with living-wage jobs.

**Quality Way of Life:** Saint Paul will set high standards for healthy urban living through civic leadership, quality assets, sound environmental stewardship, and a welcoming, diverse population. We will improve, expand, and maintain our parks, libraries, and facilities that benefit the neighborhoods they serve; implement a public art policy to integrate into our public and private infrastructure; focus development on a more natural, urban, and connected city through an expanded system of parks, green spaces, bikeways, and trails; and make downtown a music, culture, and creative arts capital that amplifies the City's creative and ethnic voices that bring identity to Saint Paul.

## MAJOR DEVELOPMENTS

### I. Downtown Saint Paul

#### Custom House

The former post office tower overlooking the Mississippi River has undergone a \$125 million renovation. In April 2016, residential tenants began moving into Custom House, the Exeter Group's 17-story, 202-unit apartment complex at 180 E. Kellogg Boulevard. The 149-room Hyatt Place, the City's first entirely new hotel since the 1980s, opened September 15, 2016. Funding included \$5.8 million in tax increment financing from the City, as well as grants from the Metropolitan Council and the Minnesota Department of Employment and Economic Development.

### 333 on the Park

Timberland Partners began construction in February 2016 on the historic office building at 333 N. Sibley Street into “333 on the Park” which includes 134 market-rate apartments, 10 two-story penthouses, and underground parking and retail space. The \$41 million project received Federal and state historic tax credits and a HUD-insured mortgage loan opened in March 2017.

### Ramsey County West Building

In 2016, Ramsey County continued deconstruction of the six-building former West Publishing complex and the former adult detention center on Kellogg Boulevard. The \$17 million demolition and bluff stabilization are expected to be complete in 2017.

### First National Bank Building

In October 2015, Jim Crockarell/Madison Equities bought the First National Bank building at 332 Minnesota Street for \$37 million. Plans include \$6 million in tenant space improvements and \$12 million in energy retrofits supported by PACE clean energy financing through the Saint Paul Port Authority, part of which included re-illuminating the iconic sign atop the building in November 2016. Major tenants include the Social Security Administration, the law firm of Sweeney & Masterson, the public health consulting and contract group Maximus, and marketing firm The Concept Group.

### Central Station

The Metropolitan Council and City of Saint Paul Housing and Redevelopment Authority own the land east of the Green Line’s Central Station at Fifth and Cedar streets. The two entities began working together in 2016 to position the land as a prime redevelopment site. Metropolitan Council plans to begin marketing the property in 2017. Throughout 2017, the Musicant Group will be working to activate the skyway and public realm adjacent to the property to bring more positive activity and energy to the site.

### Treasure Island Center/Former Macy’s

The Saint Paul Port Authority acquired the Macy’s Department Store at 411 Cedar Street for \$3 million in 2014, and partnered in 2016 on a \$60 million joint venture with Hempel Cos. Plans include some conversion to office space, new retailers, more parking and a rooftop ice rink — a practice facility for the Minnesota Wild and the public by September 2017.

### Palace Theatre

December 2016 marked the near completion of construction on the long-vacant, 100-year-old Palace Theatre performance venue. Beginning in March 2017, music acts enlivened the 1916 vaudeville theater that has been mostly shuttered since 1977. The City’s Housing and Redevelopment Authority purchased the Palace at 17 W. Seventh Place and revived the venue into a 2,800-person concert hall. The \$15.7 million renovation is funded in part by a \$5.0 million grant from the state and a \$9.7 million city loan from the Mayor’s 8-80 Vitality fund. The venue is being jointly operated by locally-based First Avenue and Jam Productions out of Chicago.

### Children’s Museum

Minnesota Children’s Museum broke ground in December 2015 on a \$30 million expansion and renovation at 10 W. Seventh Street. The museum, which remains open during most of construction, is creating all-new exhibits, including a four-story climbing structure and an expanded gallery for air and water play. The project is planned to be completed in June 2017.

### Ecolab

Ecolab paid \$47 million in the summer of 2015 for the Travelers Co. 17-story, pyramid-topped North Tower at 385 Washington Street, which will be converted by the end of 2018 into Ecolab global headquarters. Travelers is consolidating in the South Tower. The former site of Ecolab is being marketed for future tenants.

### Seven Corners Hardware/OXBO/Hampton Inn and Suites

In 2016, the Minnetonka-based Opus Group constructed Oxbo, a six-story, 191-unit luxury apartment complex at the former Seven Corners Hardware site, 216 W. Seventh Street at Chestnut Street. Next door at 200 W. Seventh Street, Vista Host built a 160-unit Hampton Inn and Suites which opened in November 2016.

### United/Children's Mother Baby Center

In October 2015, United Hospital, Allina Health, and Children's Hospitals and Clinics of Minnesota opened a \$32.5 million birthing center at 345 N. Smith Avenue. The first phase included a remodel of Children's neonatal intensive-care unit and build-out of 30,000 square feet of new space, including a new entrance, family waiting area, triage, labor, operating and post-operative rooms. A second phase, completed in 2016, included 30 renovated postpartum rooms and nine renovated antepartum rooms. In addition, improvements have been made to facilities for providers and staff.

### Gillette

In 2016, Gillette Children's Specialty Healthcare renovated more than 40,000 square feet of space on the fourth floor of Region's Hospital at 200 E. University Avenue. The project included renovating all inpatient rehab rooms into private rooms; updating nursing stations; remodeling the entry and registration spaces, waiting areas and restrooms; and adding new advanced imaging equipment. Gillette also converted office space to clinic space at 435 Phalen Boulevard. In addition to the philanthropic contributions and internal capital funds, the City's Housing and Redevelopment Authority issued \$20 million in conduit revenue bonds for the project.

### Regions Hospital

Regions Hospital at 640 Jackson Street began construction in 2016 on a \$4 million ambulance arrival center. The six new parking bays will offer higher clearance and improved sight lines for ambulances. Project completion is expected for June 2017.

### Dorothy Day Center/Higher Ground Saint Paul

Catholic Charities began opening portions of Higher Ground Street Saint Paul, a five-level emergency shelter and 193-unit housing facility at 411 Main Street in December 2016. A second phase to begin in spring 2017 will replace the existing Dorothy Day shelter at 183 Old Sixth Street with a six-story Opportunity Center that includes job referrals, social services, a health clinic, and 171 units of single-room permanent housing. The second phase is expected to be completed by the end of 2018. Total cost of the project is \$100 million.

### Capitol/Minnesota State Senate Building

The Capitol is undergoing a \$309.5 million renovation that will continue into the fall of 2017. An \$89.5 million Senate office building and 264-stall underground parking garage opened in January 2016.

## **II. Along the Green Line**

### Snelling-Midway

A groundbreaking ceremony was held in December 2016 for a \$150 million Major League Soccer stadium overlooking Interstate 94 between Pascal and Snelling Avenues. The stadium will be home to Minnesota United. The City committed \$18.4 million to new roads, sewers, green space and other infrastructure near the stadium, and the stadium will be privately financed. The team owners are seeking property tax relief from the Minnesota State Legislature. Construction is expected to begin in the spring of 2017. Hand-in-hand with the soccer stadium, New York-based strip mall owner RK Midway has teamed with Minnesota United owner Bill McGuire and other major investors to redevelop the adjacent Midway Shopping Center. A master plan approved by the City Council in August 2016 allows for a mix of uses and higher density on the nearly 35-acre transit-oriented redevelopment site.

### Brownstone

Having broken ground in June of 2016, the four-story, \$14.8 million Model Cities Brownstone building at 839-849 W. University Avenue will include 35 units of affordable rental housing, 20,400 feet of commercial space and a reading room dedicated to the history of the Pullman railroad workers. Funding includes up to \$5.0 million in Saint Paul housing conduit revenue bonds, a \$2.0 million loan from the Saint Paul Foundation, and \$1.7 million in city tax increment financing.

#### Little Mekong Plaza

A former meat shop at 402 West University Avenue was demolished in April 2016 to make room for a privately-owned community plaza next to the Green Line. Overseen by Hmong American Partnership, the open-air plaza hosted special events including the Little Mekong Night Market on July 23<sup>rd</sup> and 24<sup>th</sup>. The City dedicated \$300,000 to this project from its 8-80 Vitality Fund. The Plaza officially opened in September 2016 with a community celebration and dedication event.

#### Midway YMCA

The Saint Paul Midway YMCA reopened in January of 2016 after a \$16.4 million redesign that includes an aquatics center, rooftop patio, a demonstration kitchen, a play maze and multiple fitness studios at 1761 West University Avenue.

#### Prior Crossing

In November 2016, Beacon Interfaith Housing Collaborative opened an \$11.3 million, 44-unit studio housing development for homeless youth at 1949 West University Avenue. Funding includes \$8.8 million from the Minnesota Housing Finance Agency, \$1.1 million from the City's Housing and Redevelopment Authority, \$0.9 million from the Metropolitan Council and rental subsidies from Saint Paul Public Housing.

#### Silgan Can

Orton Development has invested \$3 million into renovating the 9-acre Silgan Can factory at 755 Prior Avenue. Tenants in the 300,000-square-foot building include BlackStack Brewery and Can Can Wonderland mini-golf center. Can Can Wonderland held a soft opening in December 2016. BlackStack Brewing opened March 2017.

#### 2700 University

In December 2016, Indianapolis-based Flaherty and Collins opened a five-level, 248-unit luxury housing development at 2700 West University Avenue, complete with heated saltwater pool. With financing help from the Local Initiatives Support Corp., 50 units will be affordable housing. The \$54.7 million project includes 3,000 square feet of retail space, \$8.3 million in City tax-increment financing, \$1.0 million in HOME funds, \$9.0 million in housing revenue conduit bonds and a \$2.0 million transit-oriented development grant from the Metropolitan Council.

#### Sunrise Banks

Sunrise Banks broke ground in June of 2016 on a three-story, 57,000-square-foot headquarters at 2515-2525 Wabash Avenue near Emerald Street.

### **III. Neighborhoods**

#### Ford Site

Throughout 2016, planning processes have continued at the former Ford plant site in the Highland neighborhood of Saint Paul. The City presented the preliminary draft of proposed zoning and public realm plan for the site in November 2016. There has been substantial community involvement to help shape the vision for the site, which will continue on through finalization of the proposed zoning and public realm plan which will go to the Planning Commission and City Council in 2017. Studies completed in 2016 include a market study, energy study, and jobs study/strategy. All buildings on the site have been demolished and the site has undergone most environmental testing, which is now being remediated by Ford Land overseen by the Minnesota Pollution Control Agency.

#### Cambric Apartments

In 2016 Dominion completed the \$27 million Cambric project, 113 units of affordable rental housing for seniors. A grand opening celebration was held in November 2016.

#### Metropolitan State University

Metropolitan State University renovated its Dayton's Bluff campus with a \$20 million, 760-stall parking ramp at 400 Maria Avenue, a \$12 million student center off East Seventh Street, and a \$39 million, three-story science center at Sixth Street and Mounds Boulevard. The ramp and student center opened in 2015 and the Science Education Center held a grand opening and ribbon cutting in April 2016.

### Village on Rivoli Bluffs

Having broken ground in May 2016, Dayton's Bluff Neighborhood Housing Services began construction of the first seven of up to 38 houses at Minnehaha Avenue and Rivoli Street in Railroad Island. Funding sources include the Minnesota Housing Finance Agency, City Sales Tax Revitalization Program (STAR) grants, and Brownfield Economic Development grants.

### Saint Paul College

Construction continued in 2016 on the 45,000-square-foot Health and Science Alliance Center at Saint Paul College which will include science labs, simulation labs, and classrooms. The Health and Science Alliance Center will be attached to the building at 235 Marshall Avenue and is anticipated to be complete by the fall of 2017. The \$19 million project received a boost from the 2015 state bonding bill.

### HealthPartners Neuroscience Center

HealthPartners is building a \$75 million, 128,000-square-foot neuroscience center at 295 Phalen Boulevard. The four-story building will bring together nationally recognized programs in neurological care, research, and rehabilitation. The center includes a 640-space parking ramp. Construction began in 2015 and is anticipated to be completed in the spring of 2017.

### Johnson Senior High School

In June 2016, the Saint Paul school district began a \$15 million renovation of Johnson Senior High School at 1349 Arcade Street, including a classroom and office addition and accessibility upgrades. The renovation work is expected to be completed in September 2017.

### 72 Cesar Chavez

At 72 Cesar Chavez Street, the Neighborhood Development Alliance broke ground in October 2016 on a three-floor, 40-unit "workforce housing" apartment building. The \$11.5 million building will be open to anyone earning up to 60 percent of area median income, or about \$50,000 for a family of four, and includes 3,000 square feet of arts space. Two Metropolitan Council grants and housing tax credits from the Saint Paul Housing and Redevelopment Authority are included in the funding.

### Schmidt Brewery

The Schmidt Artist Lofts are fully occupied, and the West Seventh/Fort Road Federation is lining up commercial tenants for the old Rathskeller building. Developer Craig Cohen began working with Cushman and Wakefield in 2016 to convert the former Keg Building into the Keg and Case market, an indoor/outdoor farmers market, restaurant space and outdoor ice rink.

### 217 Chestnut Street

Developer Shafer Richardson Inc. proposed a project in 2016 for the Ryan Lot, 1.3 acres of an HRA-owned property at 217 Chestnut Street in Irvine Park, to build 175 units of market-rate housing. The plan includes apartments, townhomes, and 168 enclosed parking stalls. Two six-story wings will front Exchange Street and Eagle Parkway.

### The Finn in Highland Village

In 2016 the Ackerberg Group continued redevelopment of the Edina Realty office at 735 Cleveland Avenue into a four-story apartment building with ground-level commercial space. Construction is expected to be completed in the spring of 2017.

### West Side Flats Master Plan

The updated West Side Flats Master Plan and Development Guidelines was adopted by the Saint Paul City Council in June 2015. The new West Side Flats Master Plan and Development Guidelines will guide future development on the Flats for decades to come, including a large greenway on the property, which will serve as both a community amenity and stormwater management infrastructure. Sherman Associates is planning the next phase of development on the site, including two buildings of mixed-income apartment units (one of the buildings is proposed to be developed to Passive House energy efficiency standards). A groundbreaking is expected in 2017.

## **CASH AND INVESTMENT MANAGEMENT**

Cash balances during the year were invested in U.S. Treasuries, Agencies of the Federal Government, certificates of deposit, municipal securities, money market funds, savings deposit accounts and guaranteed investment contracts, in accordance with Minnesota State Statute 118A and the City's Investment Policy. An investment policy was adopted by the City Council in July 2003 to improve management of the City's investment portfolio. The investment policy's goal is to preserve safety by minimizing credit and market risks, while ensuring liquidity and maintaining a competitive yield on the portfolio. A portion of City's investment portfolio is managed by four external managers. As of December 31, 2016, the reported interest on investments was \$5.3 million. All securities purchased by the City are held by a third party safekeeping agent in the City's name, or in the City's safe.

## **DEBT MANAGEMENT**

The City of Saint Paul partners with Ramsey County and Independent School District #625 (Saint Paul Public Schools) as members of the Joint Property Tax Advisory Committee (JPTAC). The JPTAC, created by Minnesota law, is charged with the obligation to reduce the overall tax burden on the citizens of Saint Paul. The Joint Debt Advisory Committee (JDAC), a subcommittee of JPTAC, is charged with overseeing and reporting to the public on joint debt activities. This group evaluates compliance by the jurisdictions within the adopted target ranges for satisfactory debt management and releases its findings in the Joint Debt Book, which is usually published every two years.

The most recent report was published in September 2015. All goals and objectives of the Joint Debt Advisory Committee were met. It is anticipated that a report on debt outstanding as of December 31, 2017, will be completed in September 2018.

The City maintained its AAA bond ratings from Standard & Poor's and Fitch Ratings due to the strong economy, very strong financial management and strong budgetary performance.

## **RISK MANAGEMENT**

The City has a centralized Risk Management Division within the Office of Human Resources that provides direction, management, coordination and planning services for risk, insurance and employee benefit programs. The risk management effort covers significant loss exposures, applies effective and reasonable risk controls and suggests funding arrangements for both insured and self-funded risks to ensure that the financial integrity of the City is not impaired after a loss.

The Risk Management Division also provides administrative and management services in the areas of health and welfare benefits, tort liability, workers' compensation, occupational health, loss control and safety, emergency preparedness, contract review and property insurance. Additional information on the City of Saint Paul's risk management activities can be found in Note VIII.C of the notes to the financial statements.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saint Paul, Minnesota for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. This was the 40th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently-organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the 2016 Comprehensive Annual Financial Report was accomplished through the combined efforts of the Office of Financial Services' accounting staff and departmental accountants. The State Auditor's cooperation in scheduling staff to review statements as they were prepared was very helpful and appreciated.

Cordially,

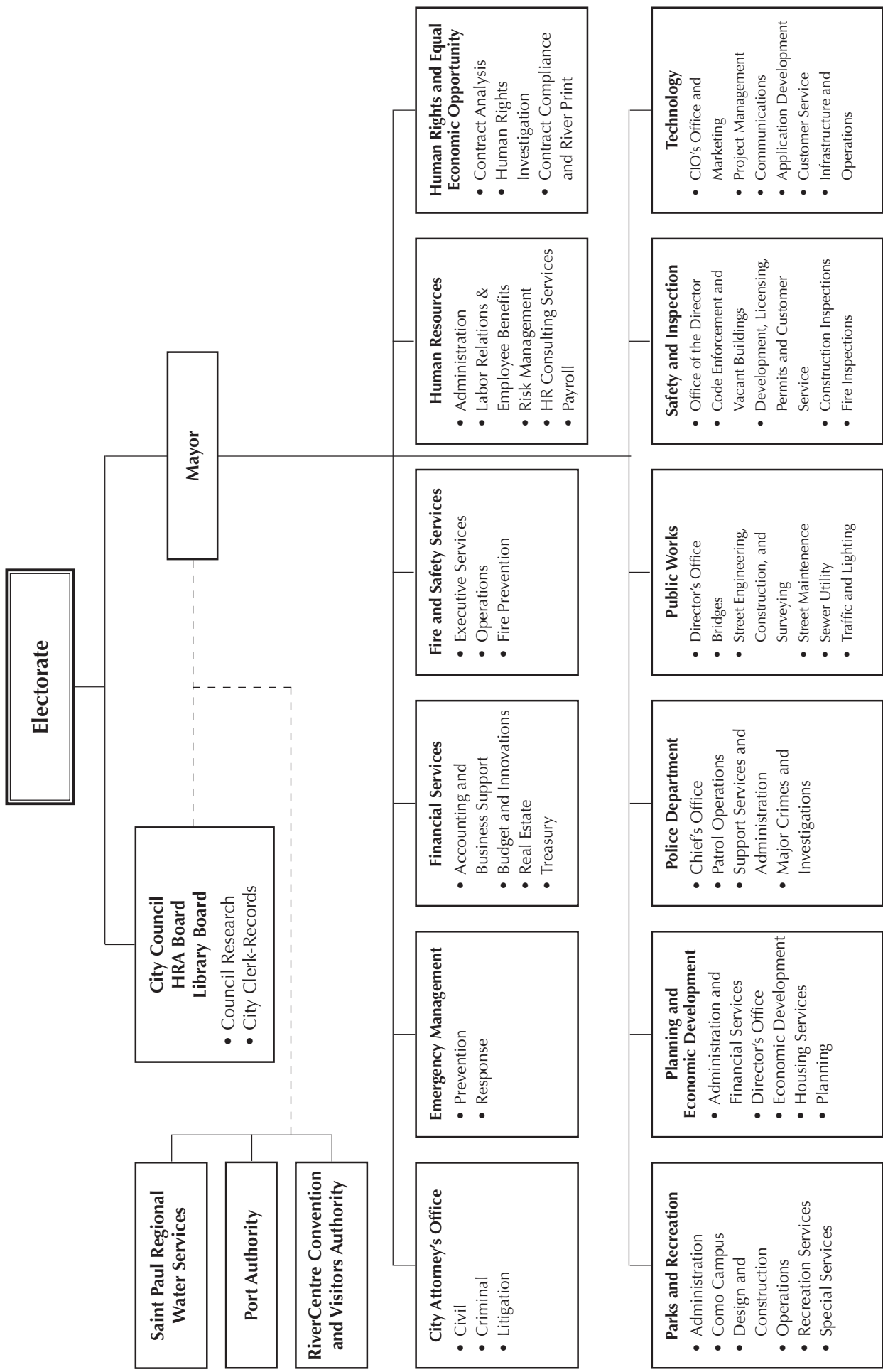
A handwritten signature in blue ink, appearing to read "Todd Hurley". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Todd Hurley, Director  
Office of Financial Services



# City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



**ELECTED OFFICIALS**

<b>OFFICE</b>	<b>NAME</b>	<b>TERM EXPIRES</b>
Mayor	Christopher B. Coleman	January 1, 2018
Councilmember - Ward 1	Dai Thao	January 1, 2020
Councilmember - Ward 2	Rebecca Noecker	January 1, 2020
Councilmember - Ward 3	Christopher Tolbert	January 1, 2020
Councilmember - Ward 4	Russ Stark	January 1, 2020
Councilmember - Ward 5	Amy Brendmoen	January 1, 2020
Councilmember - Ward 6	Daniel Bostrom	January 1, 2020
Councilmember - Ward 7	Jane Prince	January 1, 2020

**APPOINTED OFFICIALS**

<b>DEPARTMENT/DIVISION/OFFICE</b>	<b>DIRECTOR'S NAME</b>	<b>TERM EXPIRES</b>
City Attorney	Samuel Clark	*
City Clerk	Shari Moore	*
Emergency Management	Rick Larkin	*
Financial Services	Todd Hurley	*
Fire and Safety Services	Tim Butler	2019
Human Rights and Equal Economic Opportunity	Jessica Kingston	*
Human Resources	Angie Nalezny	*
Mayor - Deputy Mayor	Kristin Beckmann	*
Mayor - Chief of Staff	Dana Bailey	*
Parks and Recreation	Michael Hahm	*
Planning and Economic Development	Jonathan Sage-Martinson	*
Police	Todd Axtell	2022
Public Libraries	Jane Eastwood	*
Public Works	Kathy Lantry	*
Safety and Inspection	Ricardo Cervantes	*
Technology	Tarek Tomes	*
Regional Water Services	Steve Schneider	**

\* Serves at the pleasure of the Mayor

\*\* Serves at the pleasure of the Board of Water Commissioners



Government Finance Officers Association

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

Presented to

**City of Saint Paul  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO





REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## INDEPENDENT AUDITOR'S REPORT

The Honorable Christopher B. Coleman, Mayor,  
and Members of the City Council  
City of Saint Paul, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saint Paul, Minnesota, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Penfield Apartments, a major fund (HRA Penfield Enterprise Fund) and 1 percent, 1 percent, and 5 percent, respectively, of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Saint Paul RiverCentre Convention and Visitors Authority, which represent 2 percent, 3 percent, and 17 percent, respectively, and the Port Authority of the City of Saint Paul, which represent 31 percent, 7 percent, and 25 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Penfield Apartments, the Saint Paul RiverCentre Convention and Visitors Authority, and the Port Authority of the City of Saint Paul, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing*

*Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Saint Paul RiverCentre Convention and Visitors Authority were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saint Paul as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Saint Paul’s basic financial statements. The introductory section, the supplementary information, the other supplementary information, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017, on our consideration of the City of Saint Paul’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Saint Paul’s internal control over financial reporting and compliance. It does not include the Penfield Apartments, the Saint Paul RiverCentre Convention and Visitors Authority, or the Port Authority of the City of Saint Paul, which were audited by other auditors.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

June 20, 2017

**This page left blank intentionally**





# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

---

As management of the City of Saint Paul, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the City's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages v-xiv of this report.

---

### FINANCIAL HIGHLIGHTS

---

- The assets of the City of Saint Paul exceeded its liabilities at the close of the most recent fiscal year by \$1,139.3 million (*net position*). Of this amount \$180.2 million is restricted for specific purposes and \$1,167.4 million is net investment in capital assets. The total net position includes all major infrastructure networks.
- The City's total net position decreased by \$25.2 million. Governmental activities decreased by \$21.8 million and business-type activities decreased by \$3.4 million.
- The City of Saint Paul's governmental funds reported combined ending fund balances of \$256.2 million, an increase of \$14.5 million in comparison with the prior year. Approximately 11.8% of this amount or, \$29.8 million, is unassigned and available for use in accordance with the City's spending policies.
- The City adopted a fund balance policy for the General Fund and City Debt Service Funds. The policy established specific goals and guidance for future decisions regarding the appropriate level and use of fund balance. The City General Fund fund balance should be maintained at 15% of the next year's planned budget for the General Fund and the Public Library General Fund which is financed by property taxes and local government aid. The City Debt Service fund balance should maintain an amount equal to the first half of the subsequent year's debt service, plus 7.5%, in addition to any reserves required by bond indentures, covenants, ordinances, other debt obligations and any net unrealized gains or losses associated with the fair value of investments.
- At the end of the fiscal year, fund balance for the General Fund was \$48.9 million, a decrease of \$0.6 million or a 0.1% decrease of the 2016 fund balance. The General Fund fund balance is 18.1% of the budgeted 2017 General Fund expenditures of \$252.4 million plus the Public Library General Fund expenditures of \$17.7 million. This is in compliance with the 15% fund balance policy.
- At the end of the fiscal year, fund balance for the City Debt Service Fund was \$62.1 million or 168.3% of the governmental activities due within one year debt service payments of \$36.9 million.
- The City's total long-term bonds and notes decreased by \$16.0 million, a 2.7% decrease from 2015 for a total outstanding on December 31, 2016 of \$575.8 million.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

---

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

#### **Government-wide Financial Statements**

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

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, health, culture and recreation, and housing and economic development. The business-type activities of the City of Saint Paul include sewer; development loan programs; parking; the Penfield Apartments; parks, recreation and athletics; impound lot; and printing.

The government-wide financial statements include not only the City of Saint Paul itself (known as the primary government), but also Saint Paul RiverCentre Convention & Visitors Authority (RCVA), Saint Paul Regional Water Services (SPRWS) and Port Authority of the City of Saint Paul, which are separate legal entities for which the City of Saint Paul is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the Saint Paul Library Agency, although legally separate, function for all practical purposes as departments of the City of Saint Paul, and therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found in the Basic Financial Statements section of this report.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

---

#### Fund Financial Statements

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

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

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

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Public Library General Fund, HRA General Fund, Assessment Financing, City Debt Service, HRA Debt Service, and City Capital Projects, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in the Basic Financial Statements section of this report.

*Proprietary Funds* – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its River Print, Impound Lot, Sewer Utility, Parks Special Services; HRA Loan, HRA Parking and HRA Penfield. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for Internal Borrowing, Central Services, Equipment Services Fire-Police, Public Works Administration, Public Works Equipment Service, Public Works Engineering, Asphalt Plant, Traffic Warehouse, Parks Supply and Maintenance, and Planning and Economic Development Administration. The services provided by these funds predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

---

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility, HRA Parking, and HRA Loan, since they are considered to be major funds of the City. Data from the other enterprise funds are combined into a single aggregated presentation. All internal service funds are combined into a separate single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

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

The basic fiduciary fund financial statements can be found in the Basic Financial Statements section of this report.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Supplementary Information

In addition to the basic financial statements and accompanying notes, *Required Supplementary Information*, presents a detailed budgetary comparison schedule for the City General Fund, Assessment Financing Fund, Public Library General Fund and the HRA General Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement No. 45, it also includes other post-employment benefit plan information: a) schedule of funding progress and b) schedule of employer contributions. In accordance with the requirements of GASB Statements Nos. 68 and 72, also included, is defined benefit pension plan information: a) schedules of the City's contributions and b) schedules of the City's proportionate share of net pension liability. These schedules can be found in the Required Supplementary Information section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, internal service funds and other information related to the individual funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found in the Supplementary Information section of this report.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Changes in Net Position*. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Saint Paul, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,139.3 million as of December 31, 2016.

### CONDENSED STATEMENT OF NET POSITION (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Current and Other Assets	\$ 402,614	\$ 381,997	\$ 99,658	\$ 101,398	\$ 502,272	\$ 483,395	3.91%
Capital Assets	1,304,036	1,288,922	367,219	420,257	1,671,255	1,709,179	(2.22)%
Total Assets	\$ 1,706,650	\$ 1,670,919	\$ 466,877	\$ 521,655	\$ 2,173,527	\$ 2,192,574	(0.87)%
Deferred Outflows of Resources	322,159	47,787	4,641	733	326,800	48,520	573.54%
Long-Term Liabilities	\$ 1,085,408	\$ 781,427	\$ 145,385	\$ 192,336	\$ 1,230,793	\$ 973,763	26.40%
Other Liabilities	61,580	65,259	8,946	9,851	70,526	75,110	(6.10)%
Total Liabilities	\$ 1,146,988	\$ 846,686	\$ 154,331	\$ 202,187	\$ 1,301,319	\$ 1,048,873	24.07%
Deferred Inflows of Resources	58,686	27,113	1,009	647	59,695	27,760	115.04%
Net Position:							
Net Investments in Capital Assets	\$ 924,717	\$ 927,887	\$ 242,688	\$ 250,611	\$ 1,167,405	\$ 1,178,498	(0.94)%
Restricted	165,969	152,709	14,224	16,780	180,193	169,489	6.32%
Unrestricted	(267,550)	(235,689)	59,265	52,163	(208,285)	(183,526)	13.49%
Total Net Position	\$ 823,136	\$ 844,907	\$ 316,177	\$ 319,554	\$ 1,139,313	\$ 1,164,461	(2.16)%

The largest portion of the City's net position, \$1,167.4 million, reflects its investments in capital assets (e.g., land, building, improvements, equipment, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$180.2 million represent resources that are subject to external restriction on how they may be used. The remaining balance, unrestricted net position of (\$208.2) million, may be used to meet the government's ongoing obligation to citizens and creditors.

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended December 31, 2016. Overall, both the governmental and business-type activities revenue and expenses remained stable. Governmental activities decreased the City of Saint Paul's net position by \$21.8 million. Business-type activities decreased the City's net position by \$3.4 million. The calculation for pension liability accounts for much of the decrease.

### CONDENSED STATEMENT OF CHANGES IN NET POSITION (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program Revenues							
Charges for Services	\$ 175,322	\$ 172,986	\$ 80,088	\$ 82,087	\$ 255,410	\$ 255,073	0.13%
Operating Grants and Contributions	44,135	57,404	-	-	44,135	57,404	(23.11)%
Capital Grants and Contributions	19,189	25,636	-	-	19,189	25,636	(25.15)%
General Revenues							
Property Taxes	130,026	123,641	1,099	1,780	131,125	125,421	4.55%
City Sales Tax	18,823	18,023	-	-	18,823	18,023	4.44%
Franchise Fees and Other Taxes	29,710	29,332	-	-	29,710	29,332	1.29%
Local Government Aid	62,338	61,888	-	-	62,338	61,888	0.73%
Grants and Contributions							
Not Restricted	6,746	5,594	693	657	7,438	6,251	19.00%
Investment Income	3,484	4,108	408	504	3,892	4,612	(15.61)%
Gain on Sale of Capital Assets	319	66	-	-	319	66	382.65%
Noncapital Contributions	20,028	20,004	-	-	20,028	20,004	0.12%
Miscellaneous	5,141	1,303	-	-	5,141	1,303	294.56%
<b>Total Revenues</b>	<b>\$ 515,259</b>	<b>\$ 519,985</b>	<b>\$ 82,289</b>	<b>\$ 85,028</b>	<b>\$ 597,548</b>	<b>\$ 605,013</b>	<b>(1.23)%</b>

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

#### CONDENSED STATEMENT OF CHANGES IN NET POSITION (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Expenses:							
General Government	\$ 70,544	\$ 64,463	\$ -	\$ -	\$ 70,544	\$ 64,463	9.43%
Public Safety	248,226	206,496	-	-	248,226	206,496	20.21%
Highway and Streets	97,130	93,283	-	-	97,130	93,283	4.12%
Sanitation	5,766	5,661	-	-	5,766	5,661	1.85%
Health	3,091	1,688	-	-	3,091	1,688	83.11%
Culture and Recreation	71,749	67,959	-	-	71,749	67,959	5.58%
Housing and Economic Development	39,460	43,674	-	-	39,460	43,674	(9.65)%
Interest and Fiscal Charges	21,515	21,544	-	-	21,515	21,544	(0.14)%
Sewer	-	-	47,797	45,645	47,797	45,645	4.71%
Development Loan Programs	-	-	3,650	3,615	3,650	3,615	0.98%
Parking	-	-	12,340	12,021	12,340	12,021	2.65%
Penfield	-	-	3,685	4,587	3,685	4,587	(19.66)%
Parks, Recreation and Athletics	-	-	3,120	2,773	3,120	2,773	12.52%
Impound Lot	-	-	2,833	2,502	2,833	2,502	13.23%
Printing	-	-	1,132	1,347	1,132	1,347	(15.95)%
Lofts	-	-	3	1,168	3	1,168	(99.76)%
<b>Total Expenses</b>	<b>\$ 557,481</b>	<b>\$ 504,768</b>	<b>\$ 74,561</b>	<b>\$ 73,658</b>	<b>\$ 632,042</b>	<b>\$ 578,426</b>	<b>9.27%</b>
Change in Net Position before Transfers	\$ (42,222)	\$ 15,217	\$ 7,728	\$ 11,370	\$ (34,494)	\$ 26,587	(229.74)%
Transfers	20,451	10,902	(20,451)	(10,902)	-	-	
Special Item	-	-	9,345	3,564	9,345	3,564	
<b>Change in Net Position</b>	<b>\$ (21,771)</b>	<b>\$ 26,119</b>	<b>\$ (3,378)</b>	<b>\$ 4,032</b>	<b>\$ (25,149)</b>	<b>\$ 30,151</b>	<b>(183.41)%</b>
Net Position, January 1	\$ 844,907	\$ 818,788	\$ 319,554	\$ 315,522	\$ 1,164,461	\$ 1,134,310	2.66%
Net Position, December 31	\$ 823,136	\$ 844,907	\$ 316,177	\$ 319,554	\$ 1,139,312	\$ 1,164,461	(2.16)%

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

---

#### Governmental Activities

Governmental activities decreased the City's net position by \$21.8 million, a net decrease of \$47.9 million in net change in net position compared to the 2015 increase of \$26.1 million. Overall, the governmental activities in 2016 were stable, with a slight decrease in revenues and increased expenses. Revenues decreased by \$4.7 million while the expenses increased by \$52.7 million and the net transfers increased by \$9.5 million. The increase in transfers is due to utilization of net proceeds from sale of the Penfield to support one-time costs. Additional Public Safety personnel costs were incurred for Police and Fire Fighting and Paramedic Operations compared to 2015 and Highways and Streets, Culture and Recreation and General Government all saw increased personnel costs.

In June 2012, the Governmental Accounting Standards Board (GASB) issued new public pension accounting rules that took effect in fiscal year 2015 for local and state governments. When it comes to defined benefit cost-sharing plans like Public Employee's Retirement Association of Minnesota (PERA) plans, GASB Statement No. 68 replaces the reporting requirements of GASB Statement No. 27, which was issued in 1994 and GASB Statement No. 50, which was issued in 2007. The new requirements call for four major changes:

- A "Net Pension Liability" was calculated by PERA's actuary, and a pro-rata share of the liability was recognized on the City's and the Regional Water Services' Statements of Net Position in the proprietary funds and government-wide financial statements.
- Pension expense also was calculated by PERA's actuary, and will no longer be tied to the amount of contributions the City submits to PERA each year; rather, it will be tied to the change in net pension liability from year to year. A pro-rata share of total pension expenses was recognized in the City's and the Regional Water Services' Statements of Activities in the proprietary funds and government-wide financial statements.
- The discount rate used to calculate total pension liabilities will be changed, which may lead to higher liabilities for accounting and financial reporting purposes.
- Some of each year's pension costs will be deferred and amortized over a number of years. The City and the Regional Water Services will be required to keep track of those deferred inflows and outflows of resources and expense them properly each year.

It is important to note that these GASB rules apply only to accounting and financial reporting. They do not apply to funding, and will not be used to determine contribution requirements. Rather the only thing that changes is where and how pension costs are accounted for in financial statements.

#### Business-type Activities

Business-type activities experienced a \$3.4 million decrease in net position. This is a result of the revenues increasing by \$6.6 million while the expenses increased by \$0.9 million. The net result is a decrease in net position due to increased transfers to support Governmental Activities. Most of the increase in expenses compared to 2015 occurred in the Sewer Utility Fund. The Sewer Utility Fund experienced increased costs due to increased volume rates as well as creation of a new base fee to help fund permanent fixed costs of maintaining the system infrastructure. The Housing and Redevelopment Authority of Saint Paul sold the Penfield Apartments in 2016 at a net gain of \$9.3 million.

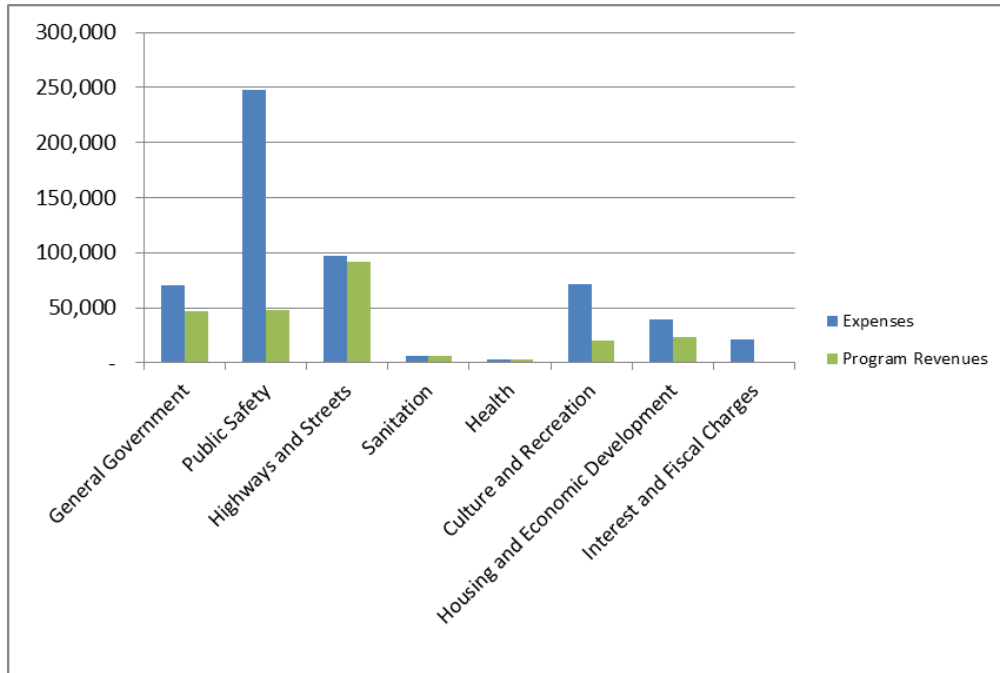


# CITY OF SAINT PAUL, MINNESOTA

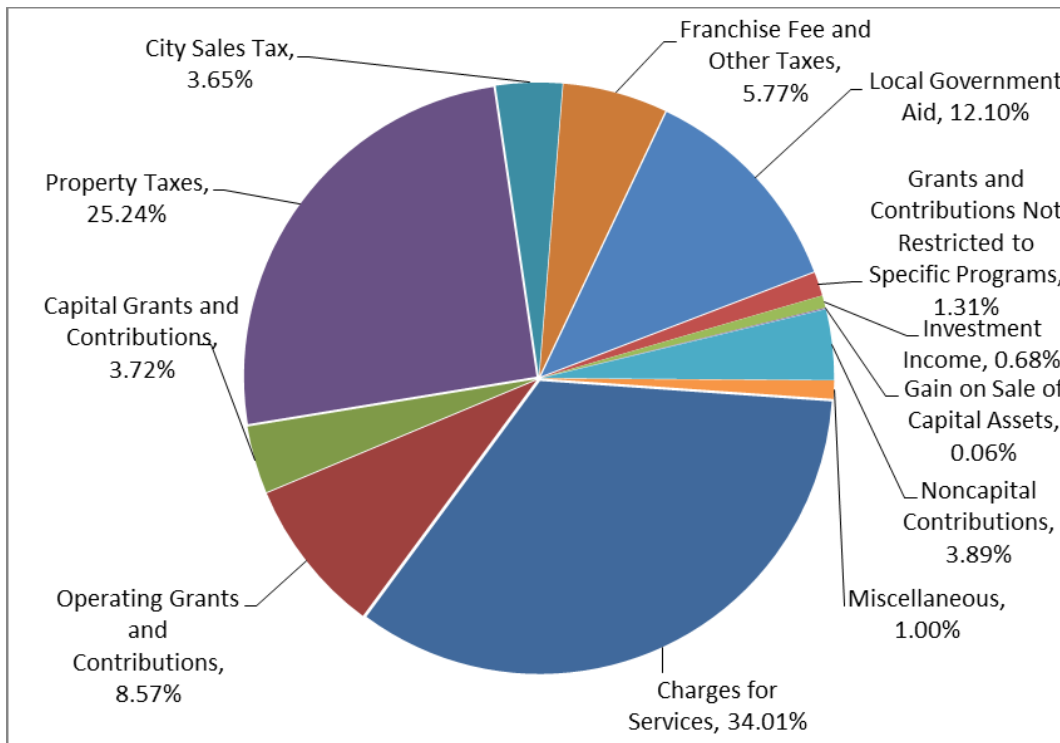
## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

**Expenses and Program Revenues – Governmental Activities (in thousands)**



**Revenue by Source – Governmental Activities**

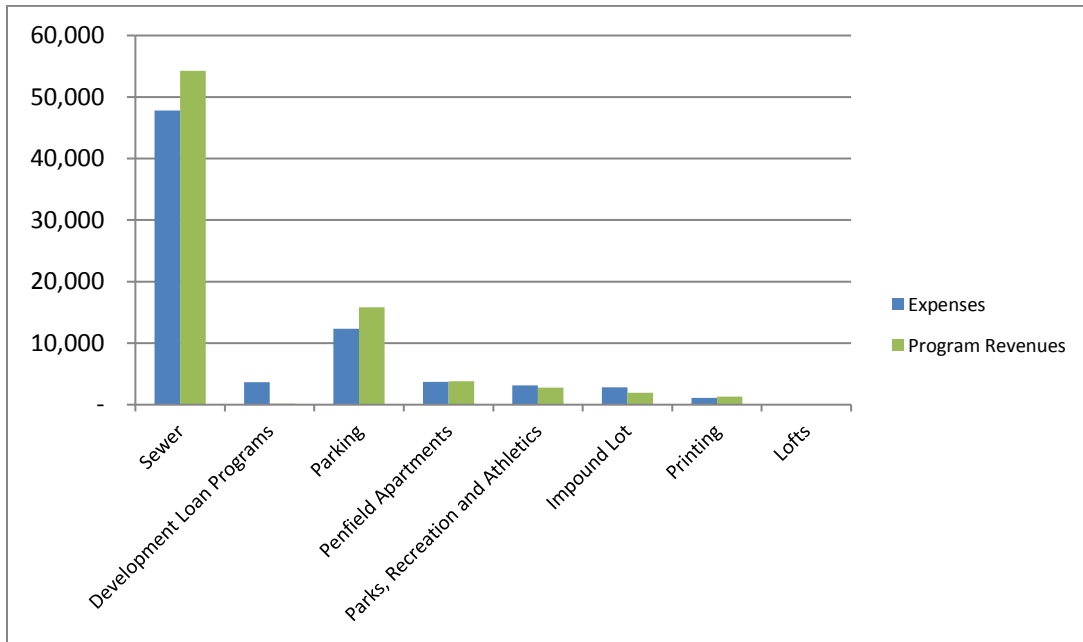


# CITY OF SAINT PAUL, MINNESOTA

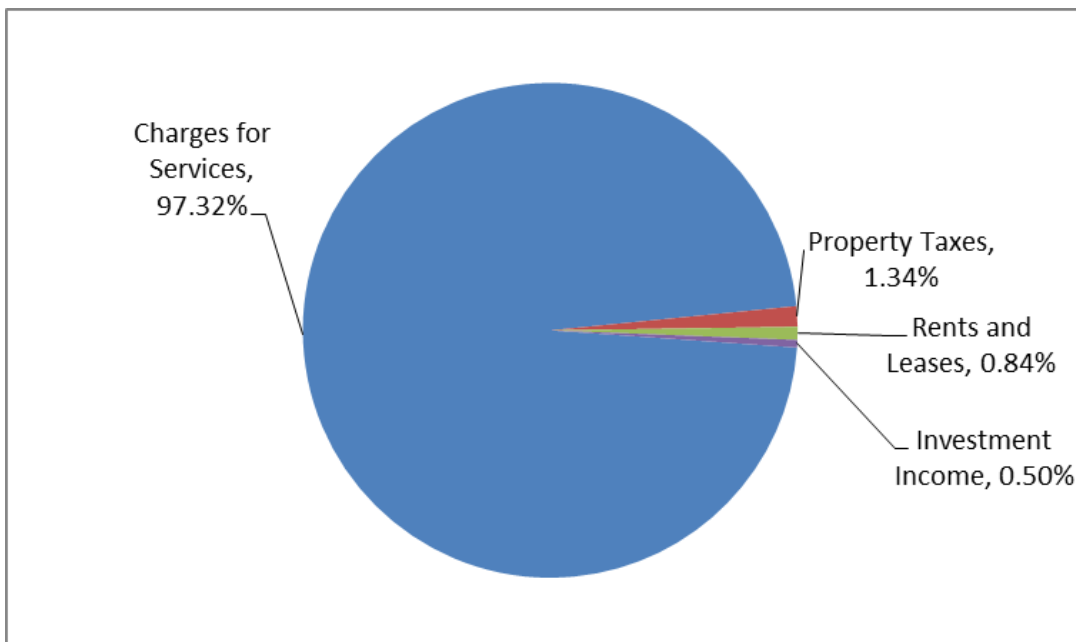
## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

**Expenses and Program Revenues – Business-type Activities (in thousands)**



**Revenues by Source – Business-type Activities**



# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

#### Governmental Funds

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

At the end of the current fiscal year, the City of Saint Paul's governmental funds reported combined ending fund balances of \$256.2 million. The majority of the fund balance is either nonspendable or restricted which comprise 66.4% of the total. The rest at 33.6% is unrestricted.

Nonspendable fund balance (less than 0.01% of total) includes amounts that are not in spendable form, or legally or contractually required to be maintained intact. Restricted fund balance comprise 66.4% of the total fund balance. Fund balance is reported as restricted when constraints place on the use of the resources are either externally imposed by the creditors (such as through debt covenants), grantors, other governments or is imposed by law through constitutional provisions or enabling legislation.

Of the total \$86.1 million of unrestricted fund balance, \$29.8 million is committed, \$26.5 million is assigned and \$29.8 million is unassigned. The total unassigned balance is net of the reported balance in the City General Fund of \$48.7 million and the rest are reported in various special revenue funds for (\$4.5) million and capital project funds for (\$14.4) million.

Purposes	Nonspendable	Restricted	Unrestricted			Subtotal	Total
			Committed	Assigned	Unassigned		
Corpus of Permanent Funds	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
General Government	-	37,774,527	620,407	3,898,259	-	4,518,666	42,293,193
Public Safety	-	1,037,679	90,220	546,799	-	637,019	1,674,698
Highways and Streets	-	11,543,258	-	8,544,444	-	8,544,444	20,087,702
Culture and Recreation	-	11,652,357	3,226,728	3,647,432	-	6,874,160	18,526,517
Sanitation	-	1,263,638	-	885,760	-	885,760	2,149,398
Housing and Economic Development	-	33,095,860	25,919,119	8,992,044	-	34,911,163	68,007,023
Debt Service	-	73,611,445	-	-	-	-	73,611,445
Unassigned	-	-	-	-	29,771,007	29,771,007	29,771,007
<b>Total</b>	<b>\$ 35,000</b>	<b>\$ 169,978,764</b>	<b>\$ 29,856,474</b>	<b>\$ 26,514,738</b>	<b>\$ 29,771,007</b>	<b>\$ 86,142,219</b>	<b>\$ 256,155,983</b>
<b>Percent of Total</b>	<b>0.0%</b>	<b>66.4%</b>	<b>11.7%</b>	<b>10.4%</b>	<b>11.6%</b>	<b>33.6%</b>	<b>100.0%</b>

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**General Fund** is the chief operating fund of the City. Total fund balance as of December 31, 2016, was \$49.0 million, of which \$48.7 million was unassigned fund balance. It may be useful to compare unassigned fund balance to total fund balance and total fund expenditures as a measure of the fund's liquidity. Unassigned fund balance represents 99.5% of the total fund balance and 20.1% of the total 2016 fund expenditures including transfers out. The fund balance decreased by \$0.5 million during the current fiscal year.

The following table provides an overview of the General Fund revenues by source.

Revenues by Source	2016	2015	Net Change	Total Percent Change
Property Tax	\$ 75,659,347	\$ 72,635,061	\$ 3,024,286	4.16%
Franchise Fees and Other Taxes	27,339,254	27,158,541	180,713	0.67%
Intergovernmental	74,907,287	71,824,056	3,083,231	4.29%
Fees, Sales and Services	53,265,433	52,681,576	583,857	1.11%
Investment Income	1,451,595	1,341,742	109,853	8.19%
Miscellaneous	1,707,053	933,207	773,846	82.92%
Transfers In	7,674,140	7,470,289	203,851	2.73%
Sale of Capital Assets	34,794	40,141	(5,347)	(13.32)%
<b>Total</b>	<b>\$ 242,038,903</b>	<b>\$ 234,084,613</b>	<b>\$ 7,954,290</b>	<b>3.40%</b>

Overall, the General Fund revenues increased by \$8.0 million (3.4%) in 2016 as compared to 2015. The increase in revenues is mainly due to increased revenues in Intergovernmental, Property Taxes and Miscellaneous. Most of the Intergovernmental, the increase came from \$2.2 million in reimbursement from the state of MN for paramedic runs that qualified for Medicaid reimbursement. The Miscellaneous increase is due to an investment return related to the RCVA, and training reimbursement for firefighters. For 2016, Saint Paul's Local Government Aid increased \$0.45 million; this is a general purpose aid intended to be used for property tax relief, from the State of Minnesota. Franchise Fees and Other Taxes, Fees, Sales and Services, Investment Income and Transfers In saw slight increases, while Sale of Capital Assets had a minor decrease.

In 2016, total General Fund revenue in the property tax account category totaled \$75.7 million, which represents an increase of \$3.0 million, or 4.2%, from 2015. Total property tax levied in 2016 was \$105.0 million, a 2.8% increase over 2015. The General Fund's portion of current year collections was \$73.0 million or 69.5% of the city-wide total. The remaining portion of the property tax levy supports the Public Library General Fund, in the amount of \$16.6 million or 15.8%, the HRA General fund for \$3.2 million or 3.1% and the City Debt Service Fund for \$12.2 million or 11.6% of the overall tax levy. In addition to the current year property tax revenue of \$73.0 million, delinquent property tax collections totaled \$0.9 million and the balance of the overall property tax revenue is from \$1.8 million in Tax Increment Financing collections.

Franchise Fees and Other Taxes increased by a total of \$0.2 million. Franchise fees had a minor increase largely due to milder weather. Hotel-Motel Taxes increased over 2015 which accounted for the slight increase in this category.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The following table provides an overview of the General Fund expenditures by function.

Expenditures by Function	2016	2015	Net Change	Total Percent Change
General Government	\$ 42,968,691	\$ 41,399,098	\$ 1,569,593	3.79%
Public Safety	166,916,628	160,625,591	6,291,037	3.92%
Highways and Streets	2,210,714	2,167,493	43,221	1.99%
Culture and Recreation	28,355,355	27,501,822	853,533	3.10%
Miscellaneous	229,496	780,623	(551,127)	(70.60)%
Debt	3,042	5,460	(2,418)	(44.29)%
Transfers Out	1,890,385	1,564,716	325,669	20.81%
Total	<u>\$ 242,574,311</u>	<u>\$ 234,044,803</u>	<u>\$ 8,529,508</u>	3.64%

Total General Fund expenditures increased by \$8.5 million or 3.6% as compared to 2015.

Public Safety expenditures increased by \$6.3 million compared to 2015. The increase was mainly due to increased personnel costs for Fire Fighting, Paramedics and Police operations compared to 2015. Additional staff costs in Police totaling \$1.9 million was due to overtime from staffing protests.

General Government increased by \$1.6 million compared to 2015. Departments with the largest increases were Technology (\$0.8 million), Human Rights (\$0.3 million) and City Attorney (\$0.3 million). Beyond annual increases for existing staff, areas which saw the largest increases were data processing services in Technology (\$0.5 million), professional service contracts (\$0.2 million) in Human Rights.

Culture and Recreation increased by \$0.9 million compared to 2015. The increase was mainly due to growth in salary and benefits costs in the Parks and Recreation department.

**Assessment Financing Fund** accounts for monies from assessments and fees charged for the building of capital projects, Truth-In-Sale of Housing, Nuisance Housing Abatement, Code Enforcement and the Rental Registration program. The fund is reporting a fund balance of \$5.2 million on December 31, 2016.

**Public Library General Fund** accounts for the general operations of the Saint Paul Public Library. The purpose of separating the Public Library from the City General Fund was to increase its visibility within the community. Revenues to support the agency are from property taxes, and outside grants. Revenues reported from these sources including transfers in totaled \$17.3 million with expenditures including transfers out of \$17.1 million. The fund balance increased \$0.2 million. The fund is reporting a fund balance of \$2.3 million on December 31, 2016.

The **HRA General Fund** is the chief operating fund of the HRA. Revenues include the HRA property tax levy, fees from conduit revenue bond issues, property rentals, and investment earnings. The major spending activities are for staff administration of HRA programs, maintenance of HRA properties, and professional services for HRA programs and projects. The

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

---

fund balance in the HRA General Fund decreased during 2016 by \$1.4 million to a total of \$11.1 million at December 31, 2016, due to an increase in administrative costs.

**City Debt Service Fund** accounts for the revenues and expenditures relating to the City's general obligation debt that is supported by property tax revenues. In 2016, \$12.3 million was received in taxes, \$0.3 million more than in 2015. The transfers in of \$37.6 million have increased by \$3.5 million. The total fund revenues and transfers in were \$101.0 million and the expenditures for debt payments in 2016 totaled \$89.0 million. The fund balance of \$62.1 million at the end of the fiscal year is to be used for future debt service payments.

**HRA General Debt Service Fund** accumulates resources and pays debt service for the HRA's debt that is not financed by the HRA's four enterprise funds. Debt service on the bonds is financed by property tax increments, lease payments from the City, and investment earnings. At December 31, 2016, the fund balance is \$11.5 million, which is entirely restricted for future debt service. Total debt spending during 2016 was \$12.9 million.

**City Capital Projects Fund** accounts for the major capital improvement projects relating to City-owned capital assets. The fund has a total fund balance of \$41.9 million. The net decrease in fund balance during the current year was \$13.6 million. This is mainly due to expenditures for capital outlay which was higher than the bond proceeds received.

### Proprietary Funds

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

**Sewer Utility Enterprise Fund** performance in 2016 ended with an unrestricted net asset balance of \$28.6 million at December 31, 2016. The total net position increased in 2016 by \$3.5 million. Operating cash is being maintained in the \$30-\$40 million range; total cash balance at December 31, 2016 was \$37.4 million. Revenues are being increased with a three and a half percent (3.5%) increase in sanitary rates and a three and a half percent (3.5%) increase in storm rates, which was recommended by the Mayor and adopted by the City Council in late 2016 for implementation on January 1, 2017.

The Sewer Utility Enterprise Fund anticipates a decrease in unrestricted net position as a result of continuation of an Inflow / Infiltration program, major reconstruction of storm sewer tunnels, and other construction repair work. At this time, the restrictions placed on resources in the Sewer Utility Enterprise Fund are those related to outstanding debt (\$4.59 million), and the restriction for operation and maintenance (\$4.87 million). In March 2016, Standard & Poor's Rating Group indicated their support of Sewer Utility management by maintaining their rating of the Sewer Utility's revenue bonds as AAA.

The **HRA Loan Enterprise Fund** accounts for loans issued and related servicing for various housing and economic development programs and projects. The fund has unrestricted net position totaling \$22.9 million at December 31, 2016. The assets of the fund include loans receivable and accrued interest on these loans which are reported at \$4.7 million (net of allowance) and in many cases have long repayment terms before there will be liquidation to cash. Cash and investments are reported at \$18.1 million at December 31, 2016. The fund had an overall increase in net position of \$4.1 million for 2016, primarily due to \$14.6 million transferred in from the HRA Penfield Fund from the sale of the Penfield Apartments in September 2016.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

---

The **HRA Parking Enterprise Fund** accounts for the operation of HRA-owned parking facilities in Saint Paul. The fund has unrestricted net position of \$17.8 million at December 31, 2016. Assets in the fund include capital assets for parking facilities reported at the depreciated amount of \$83.8 million. Long-term debt used for financing the construction of the parking facilities is \$46.8 million in principal outstanding at December 31, 2016. The fund had operating income of \$5.9 million during 2016.

The **HRA Penfield Fund** accounts for the Penfield Apartments. The Fund has unrestricted net position totaling \$2.4 million at December 31, 2016. The assets of the fund include Cash with Fiscal Agent reported at \$2.9 million at December 31, 2016. The fund had an overall net position of \$2.4 million for at December 31, 2016. The City sold the Penfield property to a private investor in September 2016 for \$65.5 million. After paying off remaining liabilities, the City realized a profit of \$9.3 million, which can be used for future HRA projects.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### GENERAL FUND BUDGETARY HIGHLIGHTS

---

The final amended budget for the General Fund includes the original adopted budget, plus any previously appropriated funds set aside for the purpose of honoring legally-incurred obligations (prior year encumbrances and commitments), plus any additional supplemental appropriations that were legislated by the City Council during the year. The General Fund started the year with a total appropriation of \$244.9 million, of which the adopted budget, including transfers, was \$242.0 million and \$2.9 million of 2015 budget authority carried forward to 2016.

The 2016 actual spending including transfers out was \$242.6 million, as compared to the final budget of \$245.1 million, resulted in a \$2.5 million positive budget-to-actual variance. Actual expenditures were 98.9% of the final budgeted amount.

The 2016 actual financing including transfers in was \$242.0 million compared to the final budget of \$242.3 million, and resulted in a negative variance of \$0.3 million. Actual revenues were 99.9% of the final budgeted amount.

Overall, the General Fund budget to actual results reflected a positive variance of \$2.2 million, with an actual net change in fund balance of (\$0.5) million.



# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### CAPITAL ASSETS

---

At the end of 2016, the City had invested a total of \$1,671.3 million in capital assets (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress of the City, including the capital assets recorded for the City's internal service funds which have a depreciated value of \$15.1 million.

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

The HRA purchased the Palace Theatre and began construction on the building in 2015. This project is being financed by a loan from the City and a Minnesota Department of Employment and Economic Development (DEED) grant. Construction in progress for the Palace Theatre was \$14,213,245 on December 31, 2016.

Public Works completed its 21<sup>st</sup> year of Saint Paul Streets (SPS) Program formerly known as Residential Street Vitality Program (RSVP) by awarding Third Street, Como Chatsworth Phase II, and University for a total of \$11.5 million of Street Improvement Bonds.

Public Works awarded Raymond Phase III, White Bear Avenue, Randolph Avenue, Jackson Phase II and Wheelock Parkway Projects for a total of \$29.9 million of Municipal State Aid, Federal Grants, County, 8-80 Vitality and local funding.

Public Works completed project work on Como/Chatsworth Phase I and II, University Avenue, Third Street, Payne/Bedford, Cleveland Avenue Parking Bays, Selby/Saratoga Pedestrian and Traffic Improvements and the Pierce Butler Bike Path. Public Works continued design work on the Summit Avenue Bridge and worked in cooperation with Parks and Recreation Department on the Grand Round.

The Sewer System Rehabilitation program is now in its 19th year. The 2015 Superior and Sherman Tunnel Rehab projects were completed in the spring of 2016. In 2016 the City awarded contracts for the following projects: Arterial Street Sewer Lining, 2016 Miscellaneous Sewer Lining, Phase 1 Phalen Creek Storm Tunnel Rehab, Sherman Sanitary Lift Station and Forcemain Improvements Project, and 2016 Major Sewer Repairs.

The Saint Paul Parks and Recreation Department completed construction on the Palace Recreation Center. The \$5.7 million project features a refrigerated ice rink and warming house, a new play area and ballfields. The Parks Department also began design on the Scheffer Recreation Center renovation project. Major construction for that project will occur in 2018.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### CAPITAL ASSETS

#### CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Land	\$ 169,278	\$ 169,278	\$ 31,540	\$ 35,100	\$ 200,818	\$ 204,378	(1.74)%
Buildings and Structures	405,783	413,225	58,347	111,945	464,130	525,170	(11.62)%
Improvements other than Buildings	82,293	84,545	-	-	82,293	84,545	(2.66)%
Public Improvements	-	-	271,309	269,336	271,309	269,336	0.73%
Equipment	42,949	45,277	1,948	2,112	44,897	47,389	(5.26)%
Infrastructure	497,263	480,576	-	-	497,263	480,576	3.47%
Construction in Progress	106,470	96,022	4,074	1,764	110,544	97,786	13.05%
<b>Total</b>	<b>\$ 1,304,036</b>	<b>\$ 1,288,923</b>	<b>\$ 367,218</b>	<b>\$ 420,257</b>	<b>\$ 1,671,254</b>	<b>\$ 1,709,180</b>	<b>(2.22)%</b>

Additional information on the City of Saint Paul's capital assets can be found in Note VI.E in the Notes to the Financial Statements section of this report.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

### LONG-TERM OBLIGATIONS

During 2016, the City issued \$89.1 million in bonds and \$2.3 million in notes, and retired \$96.9 million in bonds and \$10.5 million in notes, resulting in \$493.9 million in bonds payable and \$81.9 million in notes payable at the end of 2016. Of the bonded debt, \$200.8 million is considered to be gross direct general property tax supported debt; considering the \$62.1 million available in the City Debt Service Fund the net general property tax supported debt at year end was \$138.7 million or \$461 per capita.

The City's General Obligation bonds issued in 2016 the City received AAA ratings from Standard & Poor's Global Ratings and Fitch Ratings. The Sewer Revenue bonds issued in 2016 received an AAA rating from Standard & Poor's Global Ratings and were the City's second issuance to carry the Green Bond designation.

### OUTSTANDING DEBT GENERAL OBLIGATION, REVENUE, LEASE REVENUE AND SALES TAX NOTES AND BONDS (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
General Obligation Bonds	\$237,765	\$215,715	\$ 18,150	\$ 19,875	\$255,915	\$235,590	8.63%
Limited Tax Bonds	-	-	-	7,170	-	7,170	(100.00)%
Revenue Bonds	-	-	75,065	79,720	75,065	79,720	(5.84)%
Sales Tax Revenue Bonds	100,040	105,945	-	-	100,040	105,945	(5.57)%
HRA Tax Increment Revenue Bonds	26,784	28,669	-	-	26,784	28,669	(6.58)%
HRA Parking Facilities Revenue Bonds	-	-	32,060	34,070	32,060	34,070	(5.90)%
HRA Lease Revenue Bonds	4,045	10,600	-	-	4,045	10,600	(61.84)%
General Obligation Notes	10,066	12,501	-	-	10,066	12,501	(19.48)%
Revenue Notes	51,575	57,675	4,026	5,194	55,601	62,869	(11.56)%
HRA Revenue Notes	12,358	13,105	3,880	1,580	16,238	14,685	10.58%
Total	\$442,633	\$444,210	\$133,181	\$147,609	\$575,814	\$591,819	(2.70)%

Additional information on the City of Saint Paul's long-term obligations can be found in Note VI.G in the Notes to the Financial Statements section of this report.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

---

#### Financial Outlook

The Saint Paul Annual Operating budget, in particular the City's General Fund and the Public Library's General Fund remain heavily influenced by state decisions regarding the state aid payments, called Local Government Aid (LGA).

In 2008, 2009, 2010, 2011, and 2012, the State had significant budget deficits which were resolved in part by sharply reducing aid payments to local governments. The reductions in aid occurred after the City had adopted its annual budgets for each of those years. Saint Paul took actions to mitigate the reductions by instituting hiring and spending freezes, as well as a limited use of available fund balance in excess of its fund balance policy requirements. These actions brought the City's budget back in line with forecasted revenues.

State aid payments are the second largest source of revenue in the City's General Fund budget. After years of reductions in LGA certifications, the State Legislature in 2013 increased LGA by \$10.1 million bringing the City's certified amount to \$60.1 million. In the 2014 and 2015 legislative sessions, Saint Paul continued to see increased certified amounts, first with an additional \$1.4 million in 2014 for the City's 2015 fiscal year and \$449 thousand in 2015 for fiscal year 2016 bringing the total LGA certification to \$62.3 million. During the 2017 legislative session an omnibus bill was not passed. This resulted in Saint Paul's LGA certification remaining mostly flat, increasing by \$300 thousand to \$62.6 million.

The LGA increases approved during the 2013 through 2015 legislative sessions are good steps forward towards a continued balanced and predictable state/local fiscal relationship. With the State of Minnesota's commitment to funding LGA, local government budget planning and service delivery will be more predictable for the citizens of Saint Paul.

The Mayor is committed to working closely with the City Council to address any budgetary concerns by continued evaluation of management measures to restructure and resize service delivery systems and balance the need for growth in local revenues. The City will continue to address citizen concerns for both current level of property taxation and preserving the scope and quality of municipal services.

# CITY OF SAINT PAUL, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2016

---

### CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

---

#### Employment Outlook

The 2016 annual average unemployment rate for the City of Saint Paul was reported by the Bureau of Labor Statistics at 3.5%, compared to the state unemployment rate of 4.1% and a U.S. average rate of 4.5%. Saint Paul has a balanced, diversified employment base with no single industry sector dominating. Employment is not overly reliant on slowing and cyclical sectors, like manufacturing, but is centered with stable and growing employment sectors. Saint Paul's largest employment sector is education and health services (60,832 jobs in 2016, 34.2% of total). Other large sectors include public administration (22,481 jobs, 12.4%); professional and business services (21,770 jobs, 12.0%); and trade, transportation, and utilities (18,585 jobs, 10.4%) according to Minnesota Department of Employment and Economic Development.

For 2016, Saint Paul employers paid an average of \$57,130 annually compared to the 2015 average of \$55,692, which represents an increase of 2.6%. An average wage in the Metro increased by 2.0% (\$66,924 vs. \$65,624) and by 2.3% statewide (\$54,011 vs. \$52,780) during the same period.

---

### REQUESTS FOR INFORMATION

---

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Office of Financial Services, Attn: Chris Eitemiller, Accounting Manager, at 15 W. Kellogg Boulevard, Room 110; Saint Paul, Minnesota 55102, call 651-266-8547, or e-mail [chris.eitemiller@ci.stpaul.mn.us](mailto:chris.eitemiller@ci.stpaul.mn.us).

General information relating to the City of Saint Paul, Minnesota, can be found at the City's internet website, [www.stpaul.gov](http://www.stpaul.gov).

**This page left blank intentionally**



	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS</b>				
Cash and Investments	\$ 273,001,085	\$ 59,910,367	\$ 332,911,452	\$ 35,963,832
Investments	-	4,722,358	4,722,358	21,701,563
Receivables (Net of Allowance for Uncollectibles)	67,042,921	7,255,096	74,298,017	11,728,428
Due from Xcel Energy	1,145,183	-	1,145,183	-
Due from Component Units	2,675,803	2,623,990	5,299,793	-
Due from Primary Government	-	-	-	81,720
Due from Other Governmental Units	30,111,028	88,335	30,199,363	805,160
Internal Balances	5,438,747	(5,438,747)	-	-
Inventories	9,209,800	4,873,871	14,083,671	2,302,585
Other Assets	-	-	-	472,293
Restricted Cash and Investments	250,300	20,615,929	20,866,229	32,477,598
Long Term Receivables	13,739,623	5,006,705	18,746,328	92,292,280
Capital Assets Not Being Depreciated				
Land	169,277,572	31,539,972	200,817,544	12,091,232
Construction in Progress	106,469,573	4,074,070	110,543,643	23,390,761
Capital Assets Net of Accumulated Depreciation				
Buildings and Structures	405,783,279	58,347,415	464,130,694	57,914,160
Improvements Other than Buildings	82,293,369	-	82,293,369	-
Public Improvements	-	271,308,634	271,308,634	247,713,506
Equipment	42,948,874	1,948,438	44,897,312	26,465,181
Infrastructure	497,263,247	-	497,263,247	-
Total Assets	<u>1,706,650,404</u>	<u>466,876,433</u>	<u>2,173,526,837</u>	<u>565,400,299</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unrealized Loss on Derivatives	8,087,690	-	8,087,690	-
Loss on Debt Refunding	-	848,181	848,181	354,545
Deferred Pension Outflows	314,071,412	3,792,989	317,864,401	8,908,815
Total Deferred Outflows of Resources	<u>322,159,102</u>	<u>4,641,170</u>	<u>326,800,272</u>	<u>9,263,360</u>
<b>LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	29,162,489	3,312,213	32,474,702	9,912,953
Accrued Salaries	14,860,395	447,164	15,307,559	1,143,369
Due to Component Units	-	81,720	81,720	-
Due to Primary Government	-	-	-	5,299,793
Due to Other Governmental Units	4,091,356	32,947	4,124,303	3,017,469
Liabilities Payable from Restricted Assets	-	2,434,530	2,434,530	63,173,909
Unearned Revenue	13,465,365	2,637,619	16,102,984	11,049,298
Noncurrent Liabilities:				
Due Within One Year	51,028,192	7,966,058	58,994,250	19,096
Due in More than One Year	497,220,810	127,934,611	625,155,421	113,595,516
Pollution Remediation Obligation	1,589,421	-	1,589,421	-
Net Other Postemployment Benefits Obligation	51,676,387	1,197,953	52,874,340	6,644,476
Net Pension Liability	483,893,235	8,286,840	492,180,075	19,432,584
Total Liabilities	<u>1,146,987,650</u>	<u>154,331,655</u>	<u>1,301,319,305</u>	<u>233,288,463</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Inflows	58,685,904	1,009,431	59,695,335	2,610,619
<b>NET POSITION</b>				
Net Investment in Capital Assets	924,717,220	242,687,846	1,167,405,066	291,177,649
Restricted for:				
General Government	38,923,005	-	38,923,005	-
Public Safety	1,037,679	-	1,037,679	-
Highways and Streets	11,543,258	-	11,543,258	-
Culture and Recreation	9,963,531	-	9,963,531	-
Sanitation	1,263,638	-	1,263,638	-
Economic Development	29,539,686	-	29,539,686	-
Debt Service	73,611,445	8,356,057	81,967,502	-
Permanent Activities				
Expendable	51,522	-	51,522	-
Nonexpendable	35,000	-	35,000	-
Operations and Maintenance	-	5,032,794	5,032,794	30,448,938
Grantors	-	834,754	834,754	-
Unrestricted	(267,550,032)	59,265,066	(208,284,966)	17,137,990
Total Net Position	<u>\$ 823,135,952</u>	<u>\$ 316,176,517</u>	<u>\$ 1,139,312,469</u>	<u>\$ 338,764,577</u>

The accompanying notes are an integral part of these financial statements.

**This page left blank intentionally**





Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals	
					Governmental Activities	Business-Type Activities		
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General Government	\$ 70,544,027	\$ 32,068,901	\$ 14,441,499	\$ -	\$ (24,033,627)	\$ -	\$ (24,033,627)	\$ -
Public Safety	248,226,223	40,835,147	6,922,575	-	(200,468,501)	-	(200,468,501)	-
Highways and Streets	97,130,188	73,265,083	4,579,162	14,342,920	(4,943,023)	-	(4,943,023)	-
Sanitation	5,766,000	6,093,628	-	-	327,628	-	327,628	-
Health	3,090,856	2,914,508	-	-	(176,348)	-	(176,348)	-
Culture and Recreation	71,749,233	10,237,135	9,465,976	-	(52,046,122)	-	(52,046,122)	-
Housing and Economic Development	39,460,130	9,907,531	8,725,925	4,846,083	(15,980,591)	-	(15,980,591)	-
Interest and Fiscal Charges	21,514,665	-	-	-	(21,514,665)	-	(21,514,665)	-
<b>Total Governmental Activities</b>	<b>557,481,322</b>	<b>175,321,933</b>	<b>44,135,137</b>	<b>19,189,003</b>	<b>(318,835,249)</b>	<b>-</b>	<b>(318,835,249)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Sewer	47,796,953	54,250,478	-	-	-	6,453,525	6,453,525	-
Development Loan Programs	3,650,448	174,557	-	-	-	(3,475,891)	(3,475,891)	-
Parking Operations	12,340,066	15,828,064	-	-	-	3,487,998	3,487,998	-
Penfield	3,685,094	3,820,113	-	-	-	135,019	135,019	-
Parks, Recreation and Athletics	3,120,301	2,752,536	-	-	-	(367,765)	(367,765)	-
Impound Lot	2,833,098	1,925,444	-	-	-	(907,654)	(907,654)	-
Printing	1,132,149	1,336,677	-	-	-	204,528	204,528	-
Lofts	2,769	590	-	-	-	(2,179)	(2,179)	-
<b>Total Business-Type Activities</b>	<b>74,560,878</b>	<b>80,088,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,527,581</b>	<b>5,527,581</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 632,042,200</b>	<b>\$ 255,410,392</b>	<b>\$ 44,135,137</b>	<b>\$ 19,189,003</b>	<b>\$ (318,835,249)</b>	<b>\$ 5,527,581</b>	<b>\$ (313,307,668)</b>	<b>\$ -</b>
<b>Component Units</b>								
RiverCentre Convention & Visitors Authority	\$ 17,338,561	\$ 12,044,788	\$ 553,149	\$ 2,751,028	\$ -	\$ -	\$ -	\$ (1,989,596)
Regional Water Services	49,672,872	58,951,513	154,177	693,222	-	-	-	10,126,040
Port Authority	30,124,923	10,568,465	4,023,742	-	-	-	-	(15,532,716)
<b>Total Component Units</b>	<b>\$ 97,136,356</b>	<b>\$ 81,564,766</b>	<b>\$ 4,731,068</b>	<b>\$ 3,444,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,396,272)</b>
<b>General Revenues</b>								
<b>Taxes</b>								
Property Taxes, Levied for General Purposes					\$ 110,577,084	\$ 1,099,375	\$ 111,676,459	\$ -
Property Taxes, Levied for Debt Service					19,448,709	-	19,448,709	6,494,405
City Sales Tax					18,823,311	-	18,823,311	-
Gross Earnings Franchise Fee					25,324,225	-	25,324,225	-
Other Taxes					4,385,376	-	4,385,376	2,158,220
<b>Revenues Not Restricted to Specific Programs</b>								
Local Government Aid					62,337,589	-	62,337,589	-
Grants and Contributions					6,745,610	692,821	7,438,431	-
<b>Investment Income</b>								
Interest Earned on Investments					5,015,342	299,230	5,314,572	678,010
Increase (Decrease) in Fair Value of Investments					(2,242,493)	(190,122)	(2,432,615)	(309,757)
Other Investment Income					711,069	298,792	1,009,861	-
Gain on Sale of Capital Assets					318,549	300	318,849	41,819
Noncapital Contribution					20,027,594	-	20,027,594	-
Miscellaneous					5,141,112	-	5,141,112	4,524,106
Transfers					20,451,196	(20,451,196)	-	-
Special Item - Sale of Penfield Apartments (See Note III.C.)					-	9,345,498	9,345,498	-
Special Item - Acquisition of Mendota Heights Water System (See Note VII. J.)					-	-	-	33,290,218
<b>Total General Revenues, Transfers, and Special Items</b>					<b>297,064,273</b>	<b>(8,905,302)</b>	<b>288,158,971</b>	<b>46,877,021</b>
<b>Change in Net Position</b>					<b>(21,770,976)</b>	<b>(3,377,721)</b>	<b>(25,148,697)</b>	<b>39,480,749</b>
<b>Net Position, January 1</b>					<b>844,906,928</b>	<b>319,554,238</b>	<b>1,164,461,166</b>	<b>299,283,828</b>
<b>Net Position, December 31</b>					<b>\$ 823,135,952</b>	<b>\$ 316,176,517</b>	<b>\$ 1,139,312,469</b>	<b>\$ 338,764,577</b>

The accompanying notes are an integral part of these financial statements.

	General	Assessment Financing	Public Library General Fund	HRA General Fund	City Debt Service
<b>ASSETS</b>					
Cash and Investments with Treasurer	\$ 39,514,837	\$ 5,736,042	\$ 2,883,961	\$ 10,479,857	\$ 38,913,164
Cash and Investments with Trustees	-	-	-	-	22,888,148
Imprest Funds	33,072	-	-	-	-
Receivables					
Property Taxes - Due from Ramsey County	1,784,697	-	398,675	50,953	290,530
Property Taxes - Delinquent	1,241,350	-	283,801	54,775	198,888
Accounts (net of allowance for estimated uncollectible)	2,559,039	-	-	9,506	-
Assessments	-	20,660,492	-	-	13,647,728
Notes and Loans	-	-	-	10,609	-
Accrued Interest	642,579	-	-	75,654	104,415
Due from Xcel Energy	1,034,033	-	-	-	-
Due from Other Funds	17,616,489	-	-	15,550	-
Due from Component Units	-	-	-	-	13,390
Due from Other Governmental Units	2,078,079	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-
Advance to Other Funds	-	-	-	746,347	-
Land Held for Resale	-	-	-	327,993	-
<b>TOTAL ASSETS</b>	<b>\$ 66,504,175</b>	<b>\$ 26,396,534</b>	<b>\$ 3,566,437</b>	<b>\$ 11,771,244</b>	<b>\$ 76,056,263</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accrued Salaries Payable	\$ 10,919,193	\$ 6,525	\$ 663,107	\$ -	\$ 10,382
Accounts Payable	2,572,897	-	162,810	7,572	49,357
Contracts/Retention Payable	-	-	-	259,932	-
Due to Other Funds	47,680	-	-	-	-
Due to Other Governmental Units	1,503,112	310	49,627	599	664
Assessments	-	-	-	-	-
Advance from Other Funds	44,862	515,496	-	-	-
Unearned Revenue	-	194,851	-	-	-
<b>Total Liabilities</b>	<b>15,087,744</b>	<b>717,182</b>	<b>875,544</b>	<b>268,103</b>	<b>60,403</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	2,471,178	20,503,245	416,277	417,294	13,917,681
<b>Fund Balance</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	62,078,179
Committed	268,433	-	1,836,417	6,148,400	-
Assigned	-	5,176,107	438,199	4,937,447	-
Unassigned	48,676,820	-	-	-	-
<b>Total Fund Balances</b>	<b>48,945,253</b>	<b>5,176,107</b>	<b>2,274,616</b>	<b>11,085,847</b>	<b>62,078,179</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 66,504,175</b>	<b>\$ 26,396,534</b>	<b>\$ 3,566,437</b>	<b>\$ 11,771,244</b>	<b>\$ 76,056,263</b>

The accompanying notes are an integral part of these financial statements.

	HRA Debt Service	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 5,782,423	\$ 40,699,981	\$ 72,515,797	\$ 216,526,062
Cash and Investments with Trustees	5,637,858	-	1,307,169	29,833,175
Imprest Funds	-	-	60,045	93,117
Receivables				
Property Taxes - Due from Ramsey County	77,678	-	78,895	2,681,428
Property Taxes - Delinquent	60,041	-	54,998	1,893,853
Accounts (net of allowance for estimated uncollectible)	-	-	2,729,821	5,298,366
Assessments	-	-	20,938,701	55,246,921
Notes and Loans	-	-	8,909,401	8,920,010
Accrued Interest	68,731	158,193	285,356	1,334,928
Due from Xcel Energy	-	111,150	-	1,145,183
Due from Other Funds	-	-	-	17,632,039
Due from Component Units	-	2,230,542	376,179	2,620,111
Due from Other Governmental Units	-	14,702,364	12,976,334	29,756,777
Restricted Cash and Cash Equivalents	-	-	250,300	250,300
Advance to Other Funds	-	-	13,991,458	14,737,805
Land Held for Resale	-	-	5,283,119	5,611,112
<b>TOTAL ASSETS</b>	<b>\$ 11,626,731</b>	<b>\$ 57,902,230</b>	<b>\$ 139,757,573</b>	<b>\$ 393,581,187</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accrued Salaries Payable	\$ -	\$ -	\$ 1,948,053	\$ 13,547,260
Accounts Payable	-	640,637	8,196,038	11,629,311
Contracts/Retention Payable	-	2,682,927	-	2,942,859
Due to Other Funds	-	-	4,899,359	4,947,039
Due to Other Governmental Units	-	789,576	1,491,339	3,835,227
Assessments	-	-	1,383,853	1,383,853
Advance from Other Funds	-	2,296,624	17,609,919	20,466,901
Unearned Revenue	-	-	10,011,733	10,206,584
<b>Total Liabilities</b>	<b>-</b>	<b>6,409,764</b>	<b>45,540,294</b>	<b>68,959,034</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	93,465	9,642,801	21,004,229	68,466,170
<b>Fund Balance</b>				
Nonspendable	\$ -	\$ -	\$ 35,000	\$ 35,000
Restricted	11,533,266	56,221,265	40,146,054	169,978,764
Committed	-	-	21,603,224	29,856,474
Assigned	-	-	15,962,985	26,514,738
Unassigned	-	(14,371,600)	(4,534,213)	29,771,007
<b>Total Fund Balances</b>	<b>11,533,266</b>	<b>41,849,665</b>	<b>73,213,050</b>	<b>256,155,983</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,626,731</b>	<b>\$ 57,902,230</b>	<b>\$ 139,757,573</b>	<b>\$ 393,581,187</b>

The accompanying notes are an integral part of these financial statements.

**This page left blank intentionally**



CITY OF SAINT PAUL, MINNESOTA  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET AND  
 THE GOVERNMENT - WIDE STATEMENT OF NET POSITION  
 DECEMBER 31, 2016

Statement 4  
 (Page 1 of 1)

---

Total Fund Balances - Governmental Funds	\$ 256,155,983
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	1,288,900,580
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements, excluding the provision for an allowance for uncollectible taxes.	68,466,170
Internal Service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	15,023,226
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(805,410,007)</u>
Net Position of Governmental Activities	<u><u>\$ 823,135,952</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SAINT PAUL, MINNESOTA  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 5  
 (Page 1 of 2)

	General	Assessment Financing	Public Library General Fund	HRA General Fund	City Debt Service
<b>REVENUES</b>					
Taxes					
Property Taxes					
Current Taxpayer	\$ 72,994,440	\$ -	\$ 16,632,334	\$ 3,246,045	\$ 12,152,516
Current Tax Increment	1,814,932	-	-	-	-
Delinquent Taxpayer	858,226	-	146,825	-	116,965
Delinquent Tax Increment	(8,251)	-	-	-	-
Total Property Taxes	75,659,347	-	16,779,159	3,246,045	12,269,481
City Sales Tax	-	-	-	-	-
Gross Earnings Franchise Fees	25,324,225	-	-	-	-
Hotel-Motel Tax	1,874,686	-	-	-	-
Other Taxes	140,343	-	-	-	-
Total Taxes	102,998,601	-	16,779,159	3,246,045	12,269,481
Licenses and Permits	10,591,250	-	-	-	-
Intergovernmental Revenue (Schedule 9)	74,907,287	-	326,979	-	3,141,587
Fees, Sales and Services	42,435,162	-	-	2,247,356	3,643,776
Assessments	239,022	7,751,592	-	-	4,231,111
Investment Income					
Interest Earned on Investments	2,264,481	-	-	321,640	563,076
Increase (Decrease) in Fair Value of Investments	(1,149,442)	-	-	(137,187)	(222,225)
Interest Earned - Other	336,556	-	-	-	129,654
Miscellaneous Revenue					
Contributions from Other Sources	1,173,717	-	-	-	5,461,347
Program Income	-	-	-	-	25,318
Other	533,336	-	2,898	-	-
Total Revenues	234,329,970	7,751,592	17,109,036	5,677,854	29,243,125
<b>EXPENDITURES</b>					
Current					
General Government	42,968,691	1,685,196	-	-	3,692,846
Public Safety	166,916,628	308,716	-	-	-
Highways and Streets	2,210,714	-	-	-	-
Sanitation	-	-	-	-	-
Health	-	-	-	-	-
Culture and Recreation	28,355,355	-	16,887,840	-	-
Housing and Economic Development	-	-	-	6,877,836	-
Capital Outlay	229,496	-	18,369	-	-
Debt Service					
Bond Principal	-	-	-	-	42,625,000
Other Debt Principal	-	-	-	-	5,765,147
Interest - Bonds	-	-	-	-	13,082,016
Interest - Other Debt	3,042	-	-	-	1,965,467
Bond Issuance Costs	-	-	-	-	1,346,891
Total Expenditures	240,683,926	1,993,912	16,906,209	6,877,836	68,477,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,353,956)	5,757,680	202,827	(1,199,982)	(39,234,242)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,674,139	226,266	175,000	300,000	37,585,785
Transfers Out	(1,890,385)	(6,699,423)	(144,776)	(479,892)	(20,569,134)
Bonds Issued	-	-	-	-	32,250,000
Premium on Bonds Issued	-	-	-	-	1,886,608
Sale of Capital Assets	34,794	-	-	-	-
Total Other Financing Sources (Uses)	5,818,548	(6,473,157)	30,224	(179,892)	51,153,259
Net Change in Fund Balances	(535,408)	(715,477)	233,051	(1,379,874)	11,919,017
FUND BALANCES, January 1	49,480,661	5,891,584	2,041,565	12,465,721	50,159,162
FUND BALANCES, December 31	\$ 48,945,253	\$ 5,176,107	\$ 2,274,616	\$ 11,085,847	\$ 62,078,179

The accompanying notes are an integral part of these financial statements.

CITY OF SAINT PAUL, MINNESOTA  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 5  
 (Page 2 of 2)

	HRA General Debt Service	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes				
Property Taxes				
Current Taxpayer	\$ -	\$ -	\$ -	\$ 105,025,335
Current Tax Increment	7,158,317	-	14,793,149	23,766,398
Delinquent Taxpayer	-	-	-	1,122,016
Delinquent Tax Increment	-	-	-	(8,251)
Total Property Taxes	7,158,317	-	14,793,149	129,905,498
City Sales Tax	-	-	18,823,311	18,823,311
Gross Earnings Franchise Fees	-	-	-	25,324,225
Hotel-Motel Tax	-	-	2,183,807	4,058,493
Other Taxes	-	-	186,540	326,883
Total Taxes	7,158,317	-	35,986,807	178,438,410
Licenses and Permits	-	-	2,055,633	12,646,883
Intergovernmental Revenue (Schedule 9)	-	15,879,139	31,593,962	125,848,954
Fees, Sales and Services	582,903	6,072,450	21,934,299	76,915,946
Assessments	-	-	37,166,379	49,388,104
Investment Income				
Interest Earned on Investments	233,937	1,044,110	595,330	5,022,574
Increase (Decrease) in Fair Value of Investments	(42,355)	(347,363)	(361,618)	(2,260,190)
Interest Earned - Other	-	607	242,486	709,303
Miscellaneous Revenue				
Contributions from Other Sources	625,660	-	-	7,260,724
Program Income	-	11,046	8,280	44,644
Other	-	1,287,464	7,643,154	9,466,852
Total Revenues	8,558,462	23,947,453	136,864,712	463,482,204
<b>EXPENDITURES</b>				
Current				
General Government	-	161,190	3,559,855	52,067,778
Public Safety	-	243,745	15,439,584	182,908,673
Highways and Streets	-	8,180,326	46,011,421	56,402,461
Sanitation	-	-	5,591,091	5,591,091
Health	-	-	2,914,508	2,914,508
Culture and Recreation	-	406,849	11,859,943	57,509,987
Housing and Economic Development	-	312,297	22,308,391	29,498,524
Capital Outlay	-	47,980,438	16,807,673	65,035,976
Debt Service				
Bond Principal	9,780,000	-	-	52,405,000
Other Debt Principal	550,000	-	196,669	6,511,816
Interest - Bonds	2,420,009	-	-	15,502,025
Interest - Other Debt	75,660	51,975	3,830,751	5,926,895
Bond Issuance Costs	29,639	441,688	30,610	1,848,828
Total Expenditures	12,855,308	57,778,508	128,550,496	534,123,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,296,846)	(33,831,055)	8,314,216	(70,641,358)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,857,355	10,979,540	43,212,220	106,010,305
Transfers Out	(1,585,522)	(16,650,981)	(34,991,622)	(83,011,735)
Bonds Issued	-	24,775,000	1,930,000	58,955,000
Premium on Bonds Issued	-	1,140,123	120,176	3,146,907
Sale of Capital Assets	-	-	13,391	48,185
Total Other Financing Sources (Uses)	4,271,833	20,243,682	10,284,165	85,148,662
Net Change in Fund Balances	(25,013)	(13,587,373)	18,598,381	14,507,304
FUND BALANCES, January 1	11,558,279	55,437,038	54,614,669	241,648,679
FUND BALANCES, December 31	\$ 11,533,266	\$ 41,849,665	\$ 73,213,050	\$ 256,155,983

The accompanying notes are an integral part of these financial statements.

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 14,507,304
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities.</p>	10,017,370
<p>Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, retirements and contributions) is to increase or decrease net position</p>	225,857
<p>Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>	4,922,482
<p>Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	9,466,682
<p>Governmental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	(1,686,780)
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	(61,416,983)
<p>Internal Service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities.</p>	<u>2,193,092</u>
Change in Net Position of Governmental Activities	<u>\$ (21,770,976)</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Utility	HRA Loan	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds		
<b>ASSETS</b>							
Current Assets							
Cash and Investments with Treasurer	\$ 21,572,354	\$ 17,363,061	\$ 16,069,737	\$ -	\$ -	\$ 55,005,152	\$ 25,010,043
Cash with Fiscal Agents	-	-	1,249,448	2,925,462	-	4,174,910	-
Cash and Investments with Trustees	-	728,705	-	-	-	728,705	1,537,738
Imprest Funds	-	-	-	-	1,600	1,600	950
Restricted Cash and Cash Equivalents	15,822,686	-	4,793,243	-	-	20,615,929	-
Receivables							
Delinquent Taxes Receivable	-	-	41,486	-	-	41,486	-
Accounts - net	80,016	-	544,844	-	527,427	1,152,287	587,474
Assessments	5,996,841	18,560	-	-	-	6,015,401	-
Accrued Interest	29,110	2,791	13,698	-	323	45,922	-
Due from Other Funds	-	-	-	-	-	-	150,727
Due from Component Units	2,623,990	-	-	-	-	2,623,990	55,692
Due from Other Governmental Units	31,828	-	-	-	56,507	88,335	354,251
Inventories	295,453	-	-	-	281,764	577,217	3,594,965
Prepaid Items	-	-	-	-	-	-	3,723
Land Held for Resale	-	4,296,654	-	-	-	4,296,654	-
<b>Total Current Assets</b>	<b>46,452,278</b>	<b>22,409,771</b>	<b>22,712,456</b>	<b>2,925,462</b>	<b>867,621</b>	<b>95,367,588</b>	<b>31,295,563</b>
Noncurrent Assets							
Restricted Assets							
Investment for Revenue Bond Future Debt Service	4,722,358	-	-	-	-	4,722,358	-
Advance to Other Funds	-	4,028,519	564,744	-	-	4,593,263	2,362,186
Other Long-Term Receivable - net	-	4,254,737	236,250	-	-	4,490,987	4,819,613
Accrued Interest Receivable on Loans - net	-	413,743	101,975	-	-	515,718	-
Capital Assets							
Land	787,113	-	27,247,487	-	3,505,372	31,539,972	87,343
Buildings and Structures	3,347,053	-	109,234,105	-	2,683,435	115,264,593	15,035,586
Less: Accumulated Depreciation	(1,128,881)	-	(53,821,672)	-	(1,966,625)	(56,917,178)	(11,123,259)
Public Improvements	421,720,720	-	-	-	48,287	421,769,007	-
Less: Accumulated Depreciation	(150,434,471)	-	-	-	(25,902)	(150,460,373)	-
Equipment	2,789,334	-	2,597,598	-	2,751,984	8,138,916	33,011,042
Less: Accumulated Depreciation	(2,135,105)	-	(1,464,545)	-	(2,590,828)	(6,190,478)	(21,928,531)
Construction in Progress	4,074,070	-	-	-	-	4,074,070	53,153
<b>Total Noncurrent Assets</b>	<b>283,742,191</b>	<b>8,696,999</b>	<b>84,695,942</b>	<b>-</b>	<b>4,405,723</b>	<b>381,540,855</b>	<b>22,317,133</b>
<b>TOTAL ASSETS</b>	<b>\$ 330,194,469</b>	<b>\$ 31,106,770</b>	<b>\$ 107,408,398</b>	<b>\$ 2,925,462</b>	<b>\$ 5,273,344</b>	<b>\$ 476,908,443</b>	<b>\$ 53,612,696</b>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Debt Refunding Outflows	\$ 848,181	\$ -	\$ -	\$ -	\$ -	\$ 848,181	\$ -
Deferred Pension Outflows	1,748,261	-	-	-	2,044,728	3,792,989	9,234,224
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,596,442</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,044,728</b>	<b>\$ 4,641,170</b>	<b>\$ 9,234,224</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 332,790,911</b>	<b>\$ 31,106,770</b>	<b>\$ 107,408,398</b>	<b>\$ 2,925,462</b>	<b>\$ 7,318,072</b>	<b>\$ 481,549,613</b>	<b>\$ 62,846,920</b>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Utility	HRA Loan	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds		
<b>LIABILITIES</b>							
Current Liabilities (Payable from Current Assets)							
Accrued Salaries Payable	\$ 246,438	\$ -	\$ -	\$ -	\$ 200,726	\$ 447,164	\$ 1,313,135
Accounts Payable	404,613	17,600	1,041,786	539,328	351,411	2,354,738	1,471,073
Contracts Payable	-	47,957	-	-	-	47,957	-
Due to Other Funds	-	-	-	-	10,306,477	10,306,477	2,529,250
Due to Component Units	81,720	-	-	-	-	81,720	-
Due to Other Governmental Units	17,652	1,255	85	-	13,955	32,947	256,129
Unearned Revenue	-	2,628,904	-	-	8,715	2,637,619	3,258,781
Compensated Absences Payable	-	-	-	-	20,500	20,500	86,500
General Obligation Bonds Payable	-	-	-	-	-	-	150,000
Revenue Bonds Payable	4,670,417	-	2,105,000	-	-	6,775,417	-
Revenue Notes Payable	1,170,141	-	-	-	-	1,170,141	-
Capital Lease Payable	-	-	-	-	-	-	1,734,818
Accrued Interest Payable	47,752	-	861,766	-	-	909,518	22,593
<b>Total Current Liabilities (Payable from Current Assets)</b>	<b>6,638,733</b>	<b>2,695,716</b>	<b>4,008,637</b>	<b>539,328</b>	<b>10,901,784</b>	<b>24,784,198</b>	<b>10,822,279</b>
Current Liabilities (Payable from Restricted Assets)							
General Obligation Bonds Payable	-	-	1,800,000	-	-	1,800,000	-
Revenue Bonds Payable	424,583	-	-	-	-	424,583	-
Accrued Interest Payable	209,947	-	-	-	-	209,947	-
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<b>634,530</b>	<b>-</b>	<b>1,800,000</b>	<b>-</b>	<b>-</b>	<b>2,434,530</b>	<b>-</b>
<b>Total Current Liabilities</b>	<b>7,273,263</b>	<b>2,695,716</b>	<b>5,808,637</b>	<b>539,328</b>	<b>10,901,784</b>	<b>27,218,728</b>	<b>10,822,279</b>
Noncurrent Liabilities							
General Obligation Bonds Payable	-	-	16,784,271	-	-	16,784,271	1,059,340
Revenue Bonds Payable	73,725,729	-	30,037,294	-	-	103,763,023	-
Revenue Notes Payable	2,855,909	3,880,000	-	-	-	6,735,909	-
Capital Lease Payable	-	-	-	-	-	-	3,877,979
Advance from Other Funds	-	814,744	-	-	-	814,744	411,609
Compensated Absences Payable	270,569	-	-	-	380,839	651,408	1,938,689
Net Other Postemployment Benefits Obligation	569,205	-	-	-	628,748	1,197,953	3,844,389
Net Pension Liability	4,317,086	-	-	-	3,969,754	8,286,840	22,090,426
<b>Total Noncurrent Liabilities</b>	<b>81,738,498</b>	<b>4,694,744</b>	<b>46,821,565</b>	<b>-</b>	<b>4,979,341</b>	<b>138,234,148</b>	<b>33,222,432</b>
<b>TOTAL LIABILITIES</b>	<b>89,011,761</b>	<b>7,390,460</b>	<b>52,630,202</b>	<b>539,328</b>	<b>15,881,125</b>	<b>165,452,876</b>	<b>44,044,711</b>
DEFERRED INFLOWS OF RESOURCES							
Deferred Pension Inflows	\$ 526,940	\$ -	\$ -	\$ -	\$ 482,491	\$ 1,009,431	\$ 2,689,772
NET POSITION							
Net Investment in Capital Assets	205,215,715	-	33,066,408	-	4,405,723	242,687,846	8,463,197
Restricted							
Debt Service	4,590,284	-	3,765,773	-	-	8,356,057	-
Operations and Maintenance	4,867,090	-	165,704	-	-	5,032,794	-
Grantors	-	834,754	-	-	-	834,754	-
Unrestricted	28,579,121	22,881,556	17,780,311	2,386,134	(13,451,267)	58,175,855	7,649,240
<b>TOTAL NET POSITION</b>	<b>\$ 243,252,210</b>	<b>\$ 23,716,310</b>	<b>\$ 54,778,196</b>	<b>\$ 2,386,134</b>	<b>\$ (9,045,544)</b>	<b>\$ 315,087,306</b>	<b>\$ 16,112,437</b>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						1,089,211	
Net Position of Business-Type Activities						\$ 316,176,517	

The accompanying notes are an integral part of these financial statements.

**This page left blank intentionally**



	Business Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Utility	HRA Loan	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds		
<b>OPERATING REVENUES</b>							
Fees, Sales and Services	\$ 54,247,520	\$ 142,618	\$ 15,828,064	\$ 3,820,113	\$ 5,332,474	\$ 79,370,789	\$ 54,453,730
Rents and Leases	2,015	-	-	-	674,732	676,747	2,022,352
Interest Earned on Loans	-	31,939	-	-	-	31,939	216,791
Miscellaneous	943	-	-	-	8,041	8,984	490,025
<b>Total Operating Revenues</b>	<b>54,250,478</b>	<b>174,557</b>	<b>15,828,064</b>	<b>3,820,113</b>	<b>6,015,247</b>	<b>80,088,459</b>	<b>57,182,898</b>
<b>OPERATING EXPENSES</b>							
Cost of Merchandise Sold	-	-	-	-	196,180	196,180	244,963
Salaries	3,327,015	-	-	-	2,445,195	5,772,210	18,272,814
Employee Fringe Benefits	1,820,358	-	-	-	1,272,274	3,092,632	8,598,982
Services	31,791,372	3,626,474	6,760,937	1,744,924	2,206,482	46,130,189	13,034,373
Materials and Supplies	310,740	-	-	-	584,802	895,542	9,478,802
Depreciation	5,554,957	-	3,177,939	902,916	163,540	9,799,352	2,412,504
Miscellaneous	1,989,796	-	-	-	142,504	2,132,300	21,089
<b>Total Operating Expenses</b>	<b>44,794,238</b>	<b>3,626,474</b>	<b>9,938,876</b>	<b>2,647,840</b>	<b>7,010,977</b>	<b>68,018,405</b>	<b>52,063,527</b>
<b>OPERATING INCOME (LOSS)</b>	<b>9,456,240</b>	<b>(3,451,917)</b>	<b>5,889,188</b>	<b>1,172,273</b>	<b>(995,730)</b>	<b>12,070,054</b>	<b>5,119,371</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Property Tax Increment	-	-	1,099,375	-	-	1,099,375	-
Intergovernmental Revenue (Schedule 9)	151,823	385,998	-	-	155,000	692,821	-
Gain on Sale of Capital Assets	300	-	-	-	-	300	44,507
Loss on Retirement of Capital Assets	-	-	(278,686)	-	-	(278,686)	-
Investment Income	-	-	-	-	-	-	-
Interest Earned on Investments	260,517	(69,703)	92,300	489	15,627	299,230	(51,099)
Increase (Decrease) in Fair Value of Investments	(164,513)	(18,024)	(7,347)	-	(238)	(190,122)	17,697
Interest Earned - Other	98,315	200,477	-	-	-	298,792	1,766
Miscellaneous Other Revenue (Expenses)	20	(137)	(19,137)	(146,300)	-	(165,554)	5,983
Interest Expense	-	-	-	-	-	-	-
General Obligation Bonds	-	-	(2,151,554)	-	-	(2,151,554)	-
Revenue Bonds	(2,717,620)	-	-	-	(81,035)	(2,798,655)	-
Capital Lease	-	-	-	-	-	-	(152,771)
Revenue Notes	(167,651)	(30,050)	-	-	-	(197,701)	-
Mortgage	-	-	-	(890,954)	-	(890,954)	-
Advance from Other Funds	-	-	-	-	-	-	(11,416)
Debt Issuance Costs	(273,601)	-	-	-	-	(273,601)	(19,340)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,812,410)</b>	<b>468,561</b>	<b>(1,265,049)</b>	<b>(1,036,765)</b>	<b>89,354</b>	<b>(4,556,309)</b>	<b>(164,673)</b>
<b>Income (Loss) Before Transfers and Special Item</b>	<b>6,643,830</b>	<b>(2,983,356)</b>	<b>4,624,139</b>	<b>135,508</b>	<b>(906,376)</b>	<b>7,513,745</b>	<b>4,954,698</b>
Transfers In	34,911	14,636,228	146,554	257,812	4,388,927	19,464,432	1,006,894
Transfers Out	(3,172,231)	(7,582,599)	(1,286,665)	(26,606,029)	(1,268,104)	(39,915,628)	(3,554,268)
Special Item - Sale of Penfield Apartments (Note III.C.)	-	-	-	9,345,498	-	9,345,498	-
<b>Change in Net Position</b>	<b>3,506,510</b>	<b>4,070,273</b>	<b>3,484,028</b>	<b>(16,867,211)</b>	<b>2,214,447</b>	<b>(3,591,953)</b>	<b>2,407,324</b>
<b>NET POSITION, January 1</b>	<b>239,745,700</b>	<b>19,646,037</b>	<b>51,294,168</b>	<b>19,253,345</b>	<b>(11,259,991)</b>		<b>13,705,113</b>
<b>NET POSITION, December 31</b>	<b>\$ 243,252,210</b>	<b>\$ 23,716,310</b>	<b>\$ 54,778,196</b>	<b>\$ 2,386,134</b>	<b>\$ (9,045,544)</b>		<b>\$ 16,112,437</b>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						214,232	
<b>Total Change in Net Position of Business-Type Activities</b>						<b>\$ (3,377,721)</b>	

The accompanying notes are an integral part of these financial statements.

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Utility	HRA Loan	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from Loan Recipients and Other Customers	\$ 54,811,934	\$ 660,647	\$ 16,150,846	\$ 4,037,591	\$ 5,839,043	\$ 81,500,061	\$ 5,179,052
Receipts from Other Funds for Services Provided	4,828	-	-	-	201,515	206,343	51,126,662
Other Operating Receipts	20	-	-	-	7,356	7,376	60
Payment to Suppliers	(26,396,261)	(3,649,956)	(5,897,447)	(1,366,693)	(2,819,730)	(40,130,087)	(17,448,750)
Payment to Employees	(3,297,230)	-	-	-	(2,389,078)	(5,686,308)	(17,928,719)
Payment for Fringe Benefits and Payroll Taxes	(390,953)	-	-	-	(874,812)	(1,265,765)	(6,779,869)
Payment to Other Funds for Services Used	(7,825,629)	-	-	-	(335,694)	(8,161,323)	(5,042,792)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>16,906,709</b>	<b>(2,989,309)</b>	<b>10,253,399</b>	<b>2,670,898</b>	<b>(371,400)</b>	<b>26,470,297</b>	<b>9,105,644</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers In from Other Funds	34,911	14,636,228	146,554	257,812	4,388,927	19,464,432	1,006,894
Transfers Out to Other Funds	(3,172,231)	(7,582,599)	(1,286,665)	(26,606,029)	(1,268,104)	(39,915,628)	(3,554,268)
Property Tax Increments	-	-	1,119,608	-	-	1,119,608	-
Intergovernmental	151,823	385,998	-	-	155,000	692,821	-
Advance Received From Other Funds	-	-	-	-	533,429	533,429	297,867
Repayment of Advance Made to Other Funds	-	286,999	-	-	-	286,999	-
Repayment of Advance Received from Other Funds	-	-	-	-	(128,642)	(128,642)	(907,462)
Interest Paid on Advance Received from Other Funds	-	-	-	-	-	-	(11,416)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(2,985,497)</b>	<b>7,726,626</b>	<b>(20,503)</b>	<b>(26,348,217)</b>	<b>3,680,610</b>	<b>(17,946,981)</b>	<b>(3,168,385)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from Issuance of Long-term Debt	30,866,236	2,300,000	-	-	-	33,166,236	-
Proceeds from Issuance of Capital Lease	-	-	-	-	-	-	1,209,340
Proceeds from Sale of Capital Assets	136,969	-	-	63,353,045	-	63,490,014	44,507
Principal Paid On							
General Obligation Bonds	-	-	(1,725,000)	-	-	(1,725,000)	-
Revenue Bonds	(28,655,000)	-	(2,010,000)	-	(4,217,515)	(34,882,515)	-
Limited Tax Bonds	-	-	-	-	(7,170,000)	(7,170,000)	-
Revenue Notes	(1,170,141)	-	-	(39,810,124)	-	(40,980,265)	-
Capital Lease	-	-	-	-	-	-	(1,678,472)
Payments for Acquisition and Construction of Capital Assets							
Buildings and Structures	-	-	(859,541)	-	-	(859,541)	-
Improvement Other than Buildings	-	-	(248,356)	-	-	(248,356)	-
Public Improvements	(8,150,861)	-	-	-	-	(8,150,861)	-
Equipment	(276,883)	-	(135,789)	-	-	(412,672)	(3,194,079)
Construction in Progress	(2,310,130)	-	-	-	-	(2,310,130)	-
Interest Paid On							
General Obligation Bonds	-	-	(664,083)	-	-	(664,083)	-
Revenue Bonds	(2,733,201)	-	(1,588,475)	-	(81,035)	(4,402,711)	-
Limited Tax Bonds	-	-	-	-	(219,278)	(219,278)	-
Capital Lease	-	-	-	-	-	-	(155,517)
Revenue Notes	(165,409)	(30,050)	-	-	-	(195,459)	-
Mortgage	-	-	-	(994,460)	-	(994,460)	-
Mortgage Insurance	-	-	-	(146,300)	-	(146,300)	-
Payments of Bond Issue Costs	(273,601)	-	-	-	-	(273,601)	(19,340)
<b>NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(12,732,021)</b>	<b>2,269,950</b>	<b>(7,231,244)</b>	<b>22,402,161</b>	<b>(11,687,828)</b>	<b>(6,978,982)</b>	<b>(3,793,561)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Sale of Investment Securities	794,070	-	-	-	-	794,070	-
Investment Service Fee	-	(137)	(19,137)	-	-	(19,274)	(127)
Interest and Dividends Received	369,591	162,047	99,988	489	16,031	648,146	(40,590)
Increase (Decrease) in Fair Value of Investments	(164,513)	(18,024)	(7,347)	-	(238)	(190,122)	17,697
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>999,148</b>	<b>143,886</b>	<b>73,504</b>	<b>489</b>	<b>15,793</b>	<b>1,232,820</b>	<b>(23,020)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,188,339</b>	<b>7,151,153</b>	<b>3,075,156</b>	<b>(1,274,669)</b>	<b>(8,362,825)</b>	<b>2,777,154</b>	<b>2,120,678</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>35,206,701</b>	<b>10,940,613</b>	<b>19,037,272</b>	<b>4,200,131</b>	<b>8,364,425</b>	<b>77,749,142</b>	<b>24,428,053</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 37,395,040</b>	<b>\$ 18,091,766</b>	<b>\$ 22,112,428</b>	<b>\$ 2,925,462</b>	<b>\$ 1,600</b>	<b>\$ 80,526,296</b>	<b>\$ 26,548,731</b>

The accompanying notes are an integral part of these financial statements.

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Utility	HRA Loan Enterprise	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ 9,456,240	\$ (3,451,917)	\$ 5,889,188	\$ 1,172,273	\$ (995,730)	\$ 12,070,054	\$ 5,119,371
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities							
Depreciation	5,554,957	-	3,177,939	902,916	163,540	9,799,352	2,412,504
Nonoperating Miscellaneous Other Revenue Received	20	-	-	-	-	20	6,110
Changes in Assets and Liabilities							
(Increase) Decrease in							
Accounts Receivable	21,731	-	322,782	9,621	(710)	353,424	(297,106)
Assessments Receivable	219,134	710	-	-	-	219,844	-
Notes and Loans Receivable	-	(913,601)	-	-	-	(913,601)	697,951
Accrued Interest Receivable	-	188,653	-	-	-	188,653	-
Due from Other Funds	-	-	-	225,516	-	225,516	764,039
Due from Component Units	354,313	-	-	-	-	354,313	(55,692)
Due from Other Governmental Units	(28,894)	-	-	-	31,721	2,827	72,307
Deferred Pension Outflows	(1,354,208)	-	-	-	(1,706,066)	(3,060,274)	(7,269,341)
Inventories	(99,323)	-	-	-	4,519	(94,804)	(219,118)
Prepaid Items	-	-	-	162,890	-	162,890	2,574
Land Held for Resale	-	7,900	-	-	-	7,900	-
Increase (Decrease) in							
Accrued Salaries Payable	29,785	-	-	(15,442)	48,685	63,028	207,803
Accounts Payable	(8,575)	(34,346)	863,495	486,102	(34,108)	1,272,568	8,945
Contracts and Retention Payable	-	9,900	-	(92,429)	-	(82,529)	-
Due to Other Funds	-	-	-	-	-	-	(72,228)
Due to Component Units	277	-	-	-	-	277	-
Due to Other Governmental Units	(17,000)	964	(5)	-	4,133	(11,908)	151,170
Net Pension Liability	1,477,841	-	-	-	1,861,350	3,339,191	7,933,001
Deferred Pension Inflows	1,305,763	-	-	-	198,905	1,504,668	875,879
Unearned Revenue	-	1,202,428	-	(180,549)	1,656	1,023,535	(1,609,185)
Compensated Absences Payable	(68,746)	-	-	-	(21,075)	(89,821)	(61,519)
Net Other Postemployment Benefits Obligation	63,394	-	-	-	71,780	135,174	438,179
Total Adjustments	7,450,469	462,608	4,364,211	1,498,625	624,330	14,400,243	3,986,273
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 16,906,709	\$ (2,989,309)	\$ 10,253,399	\$ 2,670,898	\$ (371,400)	\$ 26,470,297	\$ 9,105,644
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION							
Cash and Investments with Treasurer	\$ 21,572,354	\$ 17,363,061	\$ 16,069,737	\$ -	\$ -	\$ 55,005,152	\$ 25,010,043
Cash Held with Fiscal Agents	-	-	1,249,448	2,925,462	-	\$4,174,910	-
Cash and Investments with Trustees	-	728,705	-	-	-	\$728,705	1,537,738
Imprest Funds	-	-	-	-	1,600	1,600	950
Restricted Cash and Investments	15,822,686	-	4,793,243	-	-	20,615,929	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 37,395,040	\$ 18,091,766	\$ 22,112,428	\$ 2,925,462	\$ 1,600	\$ 80,526,296	\$ 26,548,731
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Capital Assets Purchased on Account							
Public Improvements	\$ 194,612	\$ -	\$ -	\$ -	\$ -	\$ 194,612	\$ 535,583
Equipment	55,020	-	-	-	-	55,020	-
Increase/(Decrease) in Fair Value of Investments	(164,513)	(18,024)	(7,347)	-	1,103	(188,781)	-
Loss on Capital Assets	-	-	(278,686)	-	-	(278,686)	-

The accompanying notes are an integral part of these financial statements.

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
STATEMENT OF NET POSITION  
AGENCY FUNDS  
DECEMBER 31, 2016

Statement 10  
(Page 1 of 1)

---

ASSETS

Cash and Investments with Treasurer	\$	2,531,856
Receivables		
Property Taxes - Due from Ramsey County		<u>45,052</u>
TOTAL ASSETS	\$	<u><u>2,576,908</u></u>

LIABILITIES

Accounts Payable	\$	1,425,992
Due to Other Governmental Units		<u>1,150,916</u>
TOTAL LIABILITIES	\$	<u><u>2,576,908</u></u>

The accompanying notes are an integral part of these financial statements.

	RiverCentre Convention & Visitors Authority	Regional Water Services	Port Authority	Totals
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 3,608,926	\$ 28,935,428	\$ 3,283,161	\$ 35,827,515
Investments	1,883,721	1,860,189	17,957,653	21,701,563
Departmental Cash	-	134,317	-	134,317
Imprest Funds	-	2,000	-	2,000
<b>Restricted Cash and Cash Equivalents</b>				
Cash for Operations	-	-	7,041,359	7,041,359
Cash for General Obligation Debt Service	-	-	3,342,845	3,342,845
Cash for Revenue Bond Debt Service	-	-	4,836,058	4,836,058
Investments for Operations	393,526	-	-	393,526
Investments for Revenue Bond Debt Service	-	3,109,100	-	3,109,100
Investments for Revenue Note Debt Service	-	1,642,580	-	1,642,580
<b>Receivables</b>				
Accounts (net of allowance for Estimated Uncollectibles)	1,534,118	4,613,918	2,439,138	8,587,174
Assessments	-	3,006,839	-	3,006,839
Accrued Interest	-	72,252	62,163	134,415
Due from Primary Government	-	81,720	-	81,720
Due from Other Governmental Units	-	805,160	-	805,160
Inventory - Materials and Supplies	-	2,245,232	57,353	2,302,585
Prepaid Items	156,006	-	316,287	472,293
<b>Total Current Assets</b>	<b>7,576,297</b>	<b>46,508,735</b>	<b>39,336,017</b>	<b>93,421,049</b>
<b>Noncurrent Assets</b>				
<b>Restricted Assets</b>				
Investments for Operations	5,179,259	-	-	5,179,259
Investments for Revenue Bond Future Debt Service	-	5,056,495	-	5,056,495
Investments for Revenue Bond Operations and Maintenance	-	1,876,376	-	1,876,376
<b>Total Restricted Assets</b>	<b>5,179,259</b>	<b>6,932,871</b>	<b>-</b>	<b>12,112,130</b>
<b>Other Assets</b>				
Other Long-Term Receivables	-	145,655	32,277,797	32,423,452
Taxes Receivable	-	-	59,868,828	59,868,828
<b>Total Other Assets</b>	<b>-</b>	<b>145,655</b>	<b>92,146,625</b>	<b>92,292,280</b>
<b>Capital Assets</b>				
Land	-	4,061,766	8,029,466	12,091,232
Buildings and Structures	-	57,586,478	59,096,998	116,683,476
Less: Accumulated Depreciation	-	(23,713,066)	(35,056,250)	(58,769,316)
Public Improvements	-	382,324,816	-	382,324,816
Less: Accumulated Depreciation	-	(134,611,310)	-	(134,611,310)
Equipment	417,820	56,853,568	3,922,607	61,193,995
Less: Accumulated Depreciation	(244,815)	(32,234,868)	(2,249,131)	(34,728,814)
Construction in Progress	-	13,878,140	9,512,621	23,390,761
<b>Total Capital Assets</b>	<b>173,005</b>	<b>324,145,524</b>	<b>43,256,311</b>	<b>367,574,840</b>
<b>Total Noncurrent Assets</b>	<b>5,352,264</b>	<b>331,224,050</b>	<b>135,402,936</b>	<b>471,979,250</b>
<b>TOTAL ASSETS</b>	<b>12,928,561</b>	<b>377,732,785</b>	<b>174,738,953</b>	<b>565,400,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding	-	-	354,545	354,545
Deferred Pension Outflows	-	8,113,186	795,629	8,908,815
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>8,113,186</b>	<b>1,150,174</b>	<b>9,263,360</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 12,928,561</b>	<b>\$ 385,845,971</b>	<b>\$ 175,889,127</b>	<b>\$ 574,663,659</b>

The accompanying notes are an integral part of these financial statements.

	RiverCentre Convention & Visitors Authority	Regional Water Services	Port Authority	Totals
<b>LIABILITIES</b>				
Current Liabilities (Payable from Current Assets)				
Accrued Salaries Payable	\$ 146,183	\$ 908,829	\$ 41,107	\$ 1,096,119
Compensated Absences Payable	-	47,250	-	47,250
Claims and Judgments Payable	-	635,562	-	635,562
Accounts Payable	1,359,892	1,928,720	5,865,876	9,154,488
Contract Retention Payable	-	122,903	-	122,903
Due to Primary Government	-	5,299,793	-	5,299,793
Due to Other Governmental Units	-	3,017,469	-	3,017,469
Unearned Revenue	609,207	368,542	10,071,549	11,049,298
Revenue Notes Payable	19,096	-	-	19,096
Total Current Liabilities (Payable from Current Assets)	<u>2,134,378</u>	<u>12,329,068</u>	<u>15,978,532</u>	<u>30,441,978</u>
Current Liabilities (Payable from Restricted Assets)				
General Obligation Bonds	-	-	2,765,000	2,765,000
Revenue Bonds Payable	-	2,750,000	24,386,857	27,136,857
Revenue Notes Payable	-	1,270,583	1,001,880	2,272,463
Accrued Interest Payable				
General Obligation Bonds	-	-	512,216	512,216
Revenue Bonds	-	29,925	30,190,379	30,220,304
Revenue Notes	-	40,572	226,497	267,069
Total Current Liabilities (Payable from Restricted Assets)	<u>-</u>	<u>4,091,080</u>	<u>59,082,829</u>	<u>63,173,909</u>
Total Current Liabilities	<u>2,134,378</u>	<u>16,420,148</u>	<u>75,061,361</u>	<u>93,615,887</u>
Noncurrent Liabilities				
General Obligation Bonds Payable	-	-	33,979,081	33,979,081
Revenue Bonds Payable	-	11,031,616	32,114,974	43,146,590
Revenue Notes Payable	80,802	24,039,833	7,688,521	31,809,156
Compensated Absences Payable	-	1,665,905	-	1,665,905
Net Other Postemployment Benefits Obligation	-	4,720,154	1,924,322	6,644,476
Net Pension Liability	-	19,343,663	88,921	19,432,584
Claims and Judgments Payable	-	2,994,784	-	2,994,784
Total Noncurrent Liabilities	<u>80,802</u>	<u>63,795,955</u>	<u>75,795,819</u>	<u>139,672,576</u>
TOTAL LIABILITIES	<u>2,215,180</u>	<u>80,216,103</u>	<u>150,857,180</u>	<u>233,288,463</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	-	2,364,708	245,911	2,610,619
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>2,215,180</u>	<u>82,580,811</u>	<u>151,103,091</u>	<u>235,899,082</u>
NET POSITION				
Net Investment in Capital Assets	173,005	285,053,492	5,951,152	291,177,649
Restricted	-	11,614,054	18,834,884	30,448,938
Unrestricted	10,540,376	6,597,614	-	17,137,990
TOTAL NET POSITION	<u>\$ 10,713,381</u>	<u>\$ 303,265,160</u>	<u>\$ 24,786,036</u>	<u>\$ 338,764,577</u>

The accompanying notes are an integral part of these financial statements.

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units			Totals
					RiverCentre Convention & Visitors Authority	Regional Water Services	Port Authority	
RiverCentre Convention & Visitors Authority	\$ 17,338,561	\$ 12,044,788	\$ 553,149	\$ 2,751,028	\$ (1,989,596)	\$ -	\$ -	\$ (1,989,596)
Regional Water Services	49,672,872	58,951,513	154,177	693,222	-	10,126,040	-	10,126,040
Port Authority	30,124,923	10,568,465	4,023,742	-	-	-	(15,532,716)	(15,532,716)
<b>Total Component Units</b>	<b>\$ 97,136,356</b>	<b>\$ 81,564,766</b>	<b>\$ 4,731,068</b>	<b>\$ 3,444,250</b>	<b>\$ (1,989,596)</b>	<b>\$ 10,126,040</b>	<b>\$ (15,532,716)</b>	<b>\$ (7,396,272)</b>
General Revenues								
Taxes								
Property Taxes, Levied for Debt Service					\$ -	\$ -	\$ 6,494,405	\$ 6,494,405
Hotel/Motel Tax					2,158,220	-	-	2,158,220
Investment Income								
Interest Earned on Investments					83,318	349,254	245,438	678,010
Increase (Decrease) in Fair Value of Investments					(21,752)	(182,824)	(105,181)	(309,757)
Gain on Sale of Capital Assets					-	41,819	-	41,819
Miscellaneous					13,105	92,668	4,418,333	4,524,106
Special Item - Acquisition of Mendota Heights Water System (See Note VII.J.)					-	33,290,218	-	33,290,218
<b>Total General Revenues and Special Items</b>					<b>2,232,891</b>	<b>33,591,135</b>	<b>11,052,995</b>	<b>46,877,021</b>
<b>Change in Net Position</b>					<b>243,295</b>	<b>43,717,175</b>	<b>(4,479,721)</b>	<b>39,480,749</b>
<b>NET POSITION, January 1</b>					<b>10,470,086</b>	<b>259,547,985</b>	<b>29,265,757</b>	<b>299,283,828</b>
<b>NET POSITION, December 31</b>					<b>\$ 10,713,381</b>	<b>\$ 303,265,160</b>	<b>\$ 24,786,036</b>	<b>\$ 338,764,577</b>

## Note I. Form of Government

The City of Saint Paul, Minnesota has a mayor-council form of government. The mayor is elected by the voters of the City at large for four years on a full-time basis. The City is divided into seven wards. Voters of each ward elect a member of the City Council for four years on a part-time basis. Executive power is vested in the mayor; legislative power is vested in the Council. The mayor has veto power, which the Council may override with a vote of five members.

## Note II. Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 – *The Financial Reporting Entity* and GASB Statement No. 61 – *The Financial Reporting Entity – Omnibus*, the City's financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable for the component unit if it appoints a voting majority of the component unit's governing body and is able to impose its will on the component unit or there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Saint Paul (the primary government) and its component units (legally separate organizations). The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the City's reporting entity either as blended component units or as discretely presented component units. Blended component units' financial data is reported as part of the primary government and are reported with similar funds of the primary government. Discretely presented component units' financial data is reported in a column separate from the financial data of the primary government to emphasize that they are legally separate from the City.

### Blended Component Units

The following component units have been presented as blended component units because the component units' governing bodies are the same as the governing body of the City and a financial benefit or burden relationship exists or the City has operational responsibility for the component unit.

#### **Housing and Redevelopment Authority of the City of Saint Paul (HRA)**

The Housing and Redevelopment Authority of the City of Saint Paul (HRA) was established to undertake urban renewal programs. These programs strive to redevelop the residential, commercial and industrial areas of the City of Saint Paul and to provide adequate jobs, a sound fiscal base and a variety of affordable housing for City residents. The City of Saint Paul's City Councilmembers act as the HRA Board and the City has operational responsibility of the HRA. The Authority's budget and tax levy are approved by the City Council. The City has a general obligation pledge on certain HRA debt. Separate financial statements for the HRA can be obtained from the City of Saint Paul, Department of Planning and Economic Development, 1400 City Hall Annex, 25 West Fourth Street, Saint Paul, MN 55102.

## **Note II. Financial Reporting Entity (continued)**

The HRA's component unit, Penfield Apartments, LLC is presented as a blended component unit of the HRA because the component unit's governing body is the same as the governing body of the HRA. Penfield Apartments, LLC is the developer and owner of a 253-unit market rate apartment complex, with structured parking and a grocery store located in the complex. It is a special purpose entity LLC, financed primarily by a U.S. Department of Housing and Urban Development mortgage, and is wholly owned by a single entity, the HRA. The HRA Board acts as the Penfield Apartments, LLC Board. Separate financial statements for the Penfield Apartments, LLC can be obtained from the City of Saint Paul, Department of Planning and Economic Development, 1400 City Hall Annex, 25 West Fourth Street, Saint Paul, MN 55102. In September 2016, the Penfield Apartments were sold to LIPT, LLC. See Note III, C.1.

### **Saint Paul Library Agency**

The Saint Paul Library Agency was established in 2003 and is responsible for operating the City's public library system. This system provides reading materials to meet the interests of all ages, responds to the community's need for information and facilitates lifelong learning to enrich the quality of life in the community. The City of Saint Paul's City Councilmembers act as the Library Board and the City has operational responsibility of the agency. The agency's budget is approved by the Board. The agency's tax levy is approved by City Council. The City has a general obligation pledge on Library debt. The Library Agency consists of an operating fund, debt service fund and a capital improvement fund. These funds are incorporated into the City's financial report.

### **Discretely Presented Component Units**

The component unit columns in the government-wide financial statements includes the financial data of the City's other component units. The governing bodies of these component units are not substantively the same as the governing body of the primary government and the component units do not provide services exclusively to the primary government.

### **RiverCentre Convention & Visitors Authority**

The Saint Paul RiverCentre Convention & Visitors Authority (RCVA), a Minnesota non-profit corporation, was organized to equip, maintain, manage and operate the RiverCentre Convention Center, Roy Wilkins Auditorium, RiverCentre Parking Ramp and pedestrian connection and operate a convention bureau to market and promote the City as a tourist and convention destination. The Mayor appoints the President and CEO. There are nineteen individuals on the Board of Directors. Ten directors are designated by the Mayor with the approval of City Council, three directors are City Councilmembers and six directors are members of the RCVA who represent the business community. Debt obligations have been issued on behalf of the RCVA and the operational revenues have been committed to the repayment of those obligations. However, ultimately, the City of Saint Paul or the Saint Paul Housing and Redevelopment Authority would be obligated to pay those debt obligations if the RCVA's revenues were insufficient to meet debt service. Separate financial statements for the RCVA can be obtained from the Saint Paul RiverCentre Convention & Visitors Authority; 175 West Kellogg Boulevard; Suite 502; Saint Paul, MN 55102.

### **Saint Paul Regional Water Services**

The Saint Paul Regional Water Services provides safe, quality water to Saint Paul and surrounding communities at a reasonable price. The Board of Water Commissioners consists of seven members. Five board members are appointed by the Mayor with the consent of the City Council, three of whom are City Councilmembers and two are citizens. The remaining two board members are appointed by suburban city councils. The City Council approves the Regional Water Services' water rates and the City has issued general obligation bonded debt on behalf of Regional Water Services. As part of the annual audit of the City performed by the State Auditor's Office, the Regional Water Services' financial statements have been included in their audit. Separate financial statements can be obtained from the Regional Water Services; Business Division; 1900 Rice Street; Saint Paul, MN 55113.

## Note II. Financial Reporting Entity (continued)

### Port Authority of the City of Saint Paul

The Port Authority of the City of Saint Paul was established to increase the volume of commerce in the City through the creation of development districts and the acquisition and construction of industrial, commercial and other revenue-producing projects. The Port Authority finances this development in order to expand the tax base and create job opportunities. The Mayor appoints the Port Authority's board of commissioners with the consent of the City Council. Two of the seven board of commissioners are City Councilmembers. The Port Authority has issued general obligation debt and the Authority's development activities are financed in part with tax increment financing. It should be noted that other debt issued by the Port Authority, including industrial development revenue bonds, are not liabilities of the City of Saint Paul. The Port Authority considers these bonds as no-commitment debt, and they are excluded from its financial statements. The Authority defines no-commitment debt as debt for which the Authority has no further financial obligation. The industrial development bonds do not constitute indebtedness of the City and are secured solely by revenues from the commercial organizations on whose behalf the bonds are issued. The City assumes no responsibility for the day-to-day operations of the Port Authority, nor is it responsible for financing deficits. Separate financial statements can be obtained from the Port Authority of the City of Saint Paul, Chief Financial Officer, 380 St. Peter Street; Suite 850; Saint Paul, MN 55102.

The Port Authority's component unit, Capital City Properties (CCP), is a Minnesota not-for-profit corporation established in 1991 for the purpose of performing the functions and carrying out the public purposes of the Port Authority. All of the members of the board of directors of CCP are either commissioners or staff of the Port Authority. CCP leases the Capital City Plaza Parking Garage St. Paul, as well as participates in various joint ventures. Subject to the authorization of the CCP board of directors, excess cash flow may be utilized to carry out the public purpose of the Port Authority. Complete financial statements can be obtained from Capital City Properties, Chief Financial Officer, 380 St. Peter Street; Suite 850; Saint Paul, MN 55102.

### Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. Related organizations are not included in the City's reporting entity.

The Public Housing Agency of the City of Saint Paul owns and operates housing projects for low income, elderly and handicapped families. The commissioners of the Public Housing Agency are appointed by the City Council. The City does not provide funding, has no obligation for the debt of the Agency, and cannot impose its will on the Agency.

The Riverfront Redevelopment Corporation was established to affect the planning and implementation of the development and preservation of the Mississippi River Corridor within Saint Paul. The operations of the Redevelopment Corporation are managed by a board of directors consisting of not less than eight and no more than seventeen members. All members of the board of directors are appointed by the Mayor with the consent of the City Council. Four of the directors of the corporation are designated as the City representatives. These are (1) Mayor or the Mayor's designee, (2) two members of the City Council and (3) the Director of the City of Saint Paul, Department of Planning and Economic Development. The City has no ability to impose its will to significantly influence the programs, projects or level of services performed or provided by the Riverfront Redevelopment Corporation. The City is not responsible for funding debts, operating deficiencies and/or disposing of surpluses.

## Note II. Financial Reporting Entity (continued)

### Joint Venture

The Minneapolis/Saint Paul Housing Finance Board (the Board) was established in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul (HRA), and the former Minneapolis Community Development Agency (MCDA), and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The governing bodies of the HRA and the City of Minneapolis each appoint three of the six members of the Board. The Board was created for the public purpose of providing decent, safe, sanitary and affordable housing to the residents of the City of Saint Paul and the City of Minneapolis. The powers exercised by the Board include the power to undertake financing programs to implement individual components of the housing plan for each city and to issue revenue bonds to finance such programs. All bonds are special limited obligations of the Board and shall be payable only out of funds specifically pledged for each issue. Total net position at December 31, 2016, was \$8,920,849. The 2016 operations resulted in a decrease of \$435,713 to net position. During 2016, there were no distributions made from the Board to Minneapolis/Saint Paul.

Upon dissolution of the Board, all properties acquired by the Board and any surplus monies shall be distributed to the HRA and the City of Minneapolis in the proportion and otherwise pursuant to directions provided in the related indenture of trust or other bond documents. If properties acquired by the Board and any surplus monies are not traceable to a particular bond issue or the indenture is silent as to distribution of the assets upon discharge of the issue, the assets shall be distributed on the basis of the amount of funds each entity has contributed that would affect those assets. The respective percentage shares of the HRA and the City of Minneapolis in the Board's assets, liabilities and equity were not determined at December 31, 2016. There has been no investment made by the HRA in the joint venture. Thus, the financial statements do not reflect an equity interest in the joint venture. Complete financial statements of the Board can be obtained from the City of Saint Paul, Department of Planning and Economic Development, 1400 City Hall Annex, 25 West Fourth Street, Saint Paul, Minnesota 55102.

(The remainder of this page left blank intentionally)



### **Note III. Summary of Significant Accounting Policies**

The financial statements of the City of Saint Paul have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **A. Government-wide and Fund Financial Statements**

##### **Government-wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities and are prepared on the full accrual economic resource basis. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City allocates indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

##### **Fund Financial Statements**

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows/outflows of resources, fund equity/net position, revenues and expenditures/expenses. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

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

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

### Note III. Summary of Significant Accounting Policies (continued)

3. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

- General Fund – accounts for the City's primary operating activities financed mainly from property taxes, franchise fees and local government aid. It is used to account for all financial resources except those accounted for in another fund.
- Assessment Financing – accounts for assessments and fees charged for the building of capital projects, Truth-In-Sale of Housing, Nuisance Housing Abatement, Code Enforcement and the Rental Registration program.
- Public Library General Fund – accounts for the primary operating activities of the Library financed mainly from property taxes to provide a full range of library services.
- HRA General Fund – accounts for the HRA's primary operating activities financed mainly from property taxes and conduit bond fees. It is used to account for all financial resources except those accounted for in another fund.
- City Debt Service – accounts for resources accumulated, mainly from property taxes, investment earnings and payments made for principal and interest on long-term obligations other than tax increment district or enterprise fund debt.
- HRA Debt Service – accounts for HRA resources accumulated, mainly from property tax increment, investment earnings and payments made for principal and interest on long-term obligations other than enterprise fund debt.
- City Capital Projects – to account for monies received from the sale of general obligation bonds and Invest Saint Paul bonds which are transferred to this fund. It also accounts for monies received from various agencies to fund construction projects and capital expenditures for the improvement of residential structures and commercial corridors.

The City reports the following major enterprise funds:

- Sewer Utility – accounts for all fees collected from the customers connected to the City sewer system and for all expenses of operating this system.
- HRA Loan – accounts for loans issued under HRA housing and business programs.
- HRA Parking – accounts for parking revenues which are used for acquisition, construction, operation and maintenance of HRA-owned parking facilities.
- HRA Penfield – accounts for the operations and debt service for the Penfield Apartments, a market rate rental project. The Penfield Apartments were sold in September 2016.

(The remainder of this page left blank intentionally)

### Note III. Summary of Significant Accounting Policies (continued)

The City reports the following non-major governmental and enterprise funds:

#### *Non-Major Governmental Funds*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

- City Grants
- General Government Special Projects
- Fire Responsive Services
- Police Special Projects
- Charitable Gambling
- Right Of Way Maintenance
- Street Lighting Districts
- Recycling And Solid Waste
- Public Health
- Parks and Recreation Special Projects
- Como Campus
- Parkland Replacement
- Lowertown Ballpark
- Public Library Special Projects
- City HUD Grants
- City Sales Tax
- HRA Grants

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets.

- HRA Development Capital Projects
- HRA Tax Increment Capital Projects

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs; that is, for the benefit of the government or its citizenry.

- Parks Memorial

#### *Non-Major Enterprise Funds*

Enterprise Funds are used to report any activity for which a fee is charged to external users of goods or services, and must be used for activities which meet certain debt or cost-recovery criteria.

- Parks Special Services
- Impound Lot
- River Print
- HRA Lofts

In addition, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis, including attorney, purchasing, technology, equipment, engineering and administrative services.

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These funds include employee withholding, funds payable to the State of Minnesota for sales and use tax, building permit surcharge and unclaimed property, and others.

### **Note III. Summary of Significant Accounting Policies (continued)**

#### **B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

##### **Government-wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

(The remainder of this page left blank intentionally)

### Note III. Summary of Significant Accounting Policies (continued)

#### Fund Financial Statements – Governmental Funds

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

#### Revenues

Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become both measurable and available to finance the expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

#### *Nonexchange Transactions*

Derived tax revenue transactions result from assessments imposed by governments on exchange transactions. Hotel-motel tax and City sales tax are reported as revenue when the underlying exchange occurs and the receivable amount is available.

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes, franchise fees and capital improvement special assessments are imposed nonexchange transactions. Revenues from property taxes and capital improvement special assessments are recognized in the period for which they were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes, franchise fees and capital improvement special assessments receivable which are not available are reported as deferred inflows of resources, and will be recognized as revenue in the fiscal year that they become available. The City considers these revenues as available if they are collected within sixty days after year end.

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and may also establish time requirements. Federal and state grants mandating the City perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when the eligibility and time requirements are met, usually when the corresponding expenditure is incurred, using the guidelines of the legal and contractual requirements of the individual programs.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations and donations. The provider may establish purpose restrictions and eligibility requirements. Revenues are recognized in the year to which they apply according to statute or contract. Gifts and contributions from individuals and miscellaneous revenues are also considered voluntary nonexchange transactions, and are generally recognized when received in cash because they are not measurable until received. Tax credits paid by the state (included in intergovernmental revenue) are recognized as revenue in the fiscal year that they become available. The City considers revenues from tax credits paid by the state as available if they are collected within sixty days after year end.

### Note III. Summary of Significant Accounting Policies (continued)

#### *Exchange Transactions*

Exchange transactions include revenues such as interest earned, service-type special assessments, fees, sales and services, licenses and permits. Sales and services, interest earned and service-type special assessments are reported as revenue when they become both measurable and available to finance expenditures of the fiscal period. The City considers these revenues as available if they are collected within sixty days after year end. Licenses, permits and fees are reported as revenue when received in cash, because they are usually not measurable until received.

#### *Expenditures*

Expenditures are recorded under the modified accrual method when the fund liability is incurred, except for principal and unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

#### **Fund Financial Statements – Proprietary Funds and Fiduciary Funds**

Proprietary funds, consisting of enterprise and internal service funds, are reported using the economic resources measurement focus and the full accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Material unbilled accounts receivables are recorded at year end.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's Fiduciary Funds consist solely of Agency Funds. Agency Funds do not have a measurement focus, but are reported on a full accrual basis of accounting.

#### **Fund Financial Statements – All Funds**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### C. Special Items

#### 1. Special Item – Sale of Penfield Apartments

On September 22, 2016, the HRA sold the Penfield Apartments to LIPT, LLC for \$65,500,000 (per purchase agreement). Sale proceeds in the amount of \$40,942,800 were used to pay off two existing mortgages on the Penfield Apartments. The net gain on the sale of the Penfield Apartments in the amount of \$9,345,498 is reported in the Business-type Activities on the Government-wide Statement of Activities and in the HRA Penfield Enterprise Fund on the Proprietary Funds Statement of Revenues, Expense and Changes in Fund Net Position.

### Note III. Summary of Significant Accounting Policies (continued)

#### D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

##### 1. Cash and Investments

The City maintains a general portfolio, which is a pool of investments covering pooled cash and cash equivalents. The City's Office of Financial Services, Treasury Section, also manages the deposit and investment function of the Regional Water Services and the majority of the RiverCentre Convention & Visitors Authority discretely presented component units. Each fund's portion of this pool is displayed on the financial statements within "Cash and Investments with Treasurer."

Cash equivalents are cash on hand, cash in bank and highly-liquid investments adjusted to fair value having original maturities (time span from purchase date to maturity date) of three months or less. Cash equivalents are identified only for the purpose of the Statement of Cash Flows. Included in the classification of cash equivalents are cash and investments with treasurer, imprest funds and restricted cash.

In addition, the City invests non-pooled cash within various funds. Investments are reported at fair value, as defined and determined in accordance with *Governmental Standards Board Statement No. 72, Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value of investments are reported as revenue in the year in which the change occurred. Accordingly, investments are stated at fair value.

A market approach is used to value all investments other than external investment pools, which are measured at the net asset value, or fair value per share. Investments in nonparticipating interest-earning contracts, such as savings accounts and nonnegotiable certificates of deposit are reported at cost. Money market investments and participating interest-earning investment contracts (negotiable certificates of deposit), are reported at amortized cost, since these investments had a remaining maturity of one year or less at the time of purchase. Money market investments are short-term, highly-liquid debt instruments, bankers' acceptances and U.S. Treasury and agency obligations.

It is the City's practice to ensure that investments can be held to maturity. The amounts of unrealized gains or losses are included in investment income as an increase (decrease) in fair value of investments. In 2016, the City recorded a "decrease in fair value of investments" as investment income of \$2,432,615 for governmental and proprietary funds. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year were included as part of the change in the fair value of investments reported in the current year.

(The remainder of this page left blank intentionally)

### Note III. Summary of Significant Accounting Policies (continued)

#### Interest Earned on Investments

In accordance with legal provisions, investment earnings from pooled deposits and investments are recorded in the following funds:

##### General Fund

##### Special Revenue Funds:

- HRA General Fund
- City Grants
- Police Special Projects
- Charitable Gambling
- Right Of Way Maintenance
- Parks And Recreation Special Projects
- Parkland Replacement
- Public Library Special Projects
- City Sales Tax

##### Debt Service Funds:

- City Debt Service
- HRA Debt Service

##### Capital Projects Funds:

- City Capital Projects
- HRA Development Capital Projects
- HRA Tax Increment Capital Projects

##### Permanent Fund:

- Parks Memorial

##### Enterprise Funds:

- Sewer Utility
- HRA Loan
- HRA Parking
- HRA Penfield
- Parks Special Services
- HRA Lofts

##### Internal Service Funds:

- Internal Borrowing

Investment earnings are allocated based on average monthly cash balances.

See Note VI.A for further information.



## Note III. Summary of Significant Accounting Policies (continued)

### 2. Receivables

#### Property Taxes

Property tax levies are set by the City Council in October each year, and are certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The county spreads all levies over assessable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes on leased government-owned property may be paid in two equal installments on May 15 and October 15; property taxes on other personal property are to be paid in full on May 15.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable, and are fully offset by deferred inflows of resources, because they are not known to be available to finance current expenditures. No allowance for uncollectible taxes has been provided, because such amounts are not expected to be material.

#### Accounts Receivable

Accounts receivable has been shown net of an allowance for uncollectible accounts.

#### Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances to other funds as reported in the fund financial statements are included in nonspendable fund balance in the General Fund to indicate the asset is not in spendable form and in restricted, committed, or assigned fund balance in the other governmental funds to indicate the level of constraint placed upon the proceeds from the repayment of the advance.

#### Notes and Loans Receivable

Notes and loans (hereafter referred to as "loans") have been issued to financially assist private developers in various Saint Paul development projects or to provide housing or commercial rehabilitation financing for Saint Paul property owners. All loans are secured by first or second property mortgages, with the exception of the STAR Program loans, which are not always secured.

Loans receivable in governmental funds are reported as an asset in the amount of loan proceeds disbursed less collections on principal. In order to satisfy federal grant reporting requirements, deferred inflows of resources of an equal amount to the asset is also reported on the respective governmental fund balance sheet and revenues are reported when principal payments are received from the loan recipient. An allowance for uncollectible loans, which offsets the total gross loans receivables, is recognized for the amount of loans receivable for which collection is doubtful or questionable.

### **Note III. Summary of Significant Accounting Policies (continued)**

Deferred inflows of resources are also reduced by the amount of the allowance for uncollectible loans. At the time of the disbursement of the loan, expenditures and loans receivable are debited in the amount of the loan issued, with the loans receivable being offset by a credit to deferred inflows of resources. In order to satisfy federal grant reporting requirements, unearned revenue of an equal amount to restricted grants is also reported in the balance sheet and revenues are reported when principal payments are received from the loan recipient.

For enterprise funds, loans receivable are reported as an asset in the amount of loan proceeds disbursed less collections on principal. An allowance for uncollectible loans, which offsets the total gross loans receivable, is recognized for the amount of loans receivable for which collection is doubtful or questionable.

The allowance for uncollectible loans is based upon an analysis of credit risk and payment delinquency.

#### **3. Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Proprietary fund inventories are generally used for construction, for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

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

#### **4. Land Held for Resale**

Land is acquired by the HRA for subsequent resale for redevelopment purposes and not as an investment program. In order to entice development, the land is often resold at prices substantially lower than the HRA's cost. Land Held for Resale is reported as an asset at the net realizable value for all assets acquired before 2009 and at cost of purchase for all assets purchased after 2008 in the fund which acquired it. Deferred inflows of resources of an equal amount is also reported on the respective governmental fund balance sheet. In governmental funds, in order to satisfy federal grant reporting requirements, land acquired is reported as expenditure in the amount of the acquisition cost and as federal revenue for the same amount. When the land is subsequently sold, miscellaneous program income is recognized for the sale amount. Future drawdowns from the federal government for reimbursement of expenditures incurred are adjusted by program income available at that date.

#### **5. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt.

### Note III. Summary of Significant Accounting Policies (continued)

#### 6. Capital Assets

##### Government-wide Financial Statements

Capital assets, which include land, buildings and structures, improvements, equipment and infrastructure (e.g., streets, bridges and sewers), are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$100,000 for infrastructure assets, and an estimated useful life of at least three years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value on the date received. Certain assets for which actual costs are not available have been valued on the basis of a professional valuation that determined their approximate historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to related capital asset accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital asset accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statements of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is spread over the assets' estimated useful lives using the straight line method of depreciation. The range of estimated useful lives and method of depreciation by type of asset is as follows:

Asset	Method	Years
Buildings and Structures	Straight-Line	15-100
Infrastructure	Straight-Line	15-100
Public Improvements	Straight-Line	15-50
Equipment	Straight-Line	3-20

##### Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

#### 7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The first is the unrealized loss on derivative instruments (interest swap derivative). The second is a deferred loss on debt refunding. The third is because contributions to pension plans subsequent to the measurement date of the net pension liability and before the fiscal year end are reported as deferred outflows of resources. In addition, amounts related to the increases in the net pension liability due to changes in assumptions, changes in the primary government's proportionate share of the net pension liability, differences between expected and actual experience, and differences between expected and actual investment

### Note III. Summary of Significant Accounting Policies (continued)

earnings are reported as deferred outflows of resources.

These amounts are amortized as pension expense over the average of the expected remaining service lives of all employees of the applicable pension plan, with the exception of the difference between projected and actual earnings, which is amortized over five years.

In addition to liabilities, the governmental funds report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes, operating grants and contributions, accounts receivable, accrued interest receivable, notes and loans receivable, land held for resale, special assessments, and capital grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the statement of net position, the City reports one deferred inflow of resources, pensions. Amounts related to the decreases in the net pension liability due to changes in assumptions, changes in the primary government's proportionate share of the net pension liability, differences between expected and actual experience, and differences between projected and actual investment earnings are reported as deferred inflows of resources. These amounts are amortized as pension expense over the average of the expected remaining service lives of all employees of the applicable pension plan, with the exception of the difference between projected and actual earnings, which is amortized over five years.

#### 8. Compensated Absences

The compensated absences liability includes earned but unpaid vacation and compensatory time, vested sick leave, an estimate of current vesting sick leave that will eventually vest, and salary-related payments (fringe benefits) associated with the payment of vacation and compensatory time balances.

Employees earn vacation based on years of service and their bargaining unit. Vacation must be used in the year it is earned, except for 120 hours, which may be carried over to the following year. Employees are paid 100% of their accumulated vacation pay when they terminate their employment. All amounts are paid to a Post-Employment Health Plan (PEHP).

Sick leave earning varies based on bargaining units and ranges from 13 to 15 days per year and may be accumulated indefinitely. Terminated employees receive severance pay based upon unused sick leave. All severance pay is paid to a PEHP in the year following termination. Eligibility requirements and maximum allowable amounts vary, depending upon an employee's bargaining unit.

All vested vacation is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

### Note III. Summary of Significant Accounting Policies (continued)

#### 9. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences. Notes and bonds payable are reported net of the applicable premium or discount.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt (plus any premiums) is reported as other financing sources in the year of issuance and payments of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures at the time of the debt issuance. The accounting in proprietary funds is the same as it is in the government-wide statements.

The HRA has issued Commercial/Industrial Development, Homeownership Mortgage and Rental Housing Revenue Bonds to assist developers, businesses and low- to moderate-income homeowners in projects which improve the economic and housing conditions of the City. The bonds are secured by the financed property and are payable solely from the revenues of the individual commercial/industrial or housing projects. The bonds do not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Conduit bonds issued subsequent to January 1, 1996, have an outstanding principal balance of \$1.7 billion at December 31, 2016. The aggregate principal amount payable for conduit bonds issued prior to January 1, 1996, could not be determined; however, their original issue amounts totaled \$2.9 billion. There were 185 conduit bonds issued prior to January 1, 1996, and 153 conduit bonds issued subsequent to January 1, 1996.

#### 10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements.

The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

#### 11. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows or resources, and pension expense, information about the fiduciary net position of PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The pension liability is liquidated through the General Fund and other governmental funds and proprietary funds that have personnel services.

## Note III. Summary of Significant Accounting Policies (continued)

### 12. Equity Classifications

#### Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including infrastructure, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

#### Fund Financial Statements

##### Classification of Fund Balances

Governmental fund equity is classified as fund balance. Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – the nonspendable fund balance category includes amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by the creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed – the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – the assigned fund balance classification includes amounts the City intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned fund balance represents intended uses established by the City Council or the Office of Financial Services Director who has been delegated that authority by the City Council.

### Note III. Summary of Significant Accounting Policies (continued)

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or committed.

The City has adopted an accounting policy that in determining the composition of its ending fund balance will consider restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts of the unrestricted fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

(The remainder of this page left blank intentionally)

## Note IV. Reconciliation of Government-wide and Fund Financial Statements

### A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Position

Statement 4 is a reconciliation between fund balance – total governmental funds as reported in governmental funds and net position – governmental activities as reported in the government-wide statement of net position. Details of most of the elements of that reconciliation are as follows:

One element of the reconciliation states that “Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.” These assets, which include land, buildings and structures, improvements other than buildings, equipment, infrastructure and construction in progress are reported in the statement of net position as shown below.

Historical Cost of Capital Assets	\$ 2,065,758,657
Accumulated Depreciation	<u>(776,858,077)</u>
Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities	<u>\$ 1,288,900,580</u>

Another element of the reconciliation states that “Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements, excluding the provision for an allowance for uncollectible taxes.” Below are details of that difference.

Unavailable Revenue	
General Government Revenues	\$ 21,146,799
Public Safety Revenues	1,984,876
Highways and Streets Revenues	28,061,314
Sanitation Revenues	6,097,691
Health Revenues	119,547
Housing and Economic Development Revenues	7,812,835
Property Taxes	2,704,529
Interest Earned on Investments	<u>538,579</u>
Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities	<u>\$ 68,466,170</u>

(The remainder of this page left blank intentionally)



**Note IV. Reconciliation of Government-wide and Fund Financial Statements (continued)**

Another element of the reconciliation states that “Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.” They are, however, reported in the government-wide statements. Long-term liabilities at the end of the year include the following:

Pollution Remediation Obligation	\$ (1,589,421)
Deferred Outflow - Unrealized Loss on Derivatives	8,087,690
Derivative Interest Swap	(8,087,690)
Deferred Pension Outflows	304,837,187
Deferred Pension Inflows	(55,996,132)
General Obligation Bonds	(237,765,000)
Revenue Bonds	(129,714,000)
Bond Discount and Premium	(17,761,966)
Revenue Notes	(73,999,028)
Capital Leases	(6,384,848)
Compensated Absences	(18,000,132)
Net Other Postemployment Benefits Obligation	(47,831,998)
Claims and Judgments	(55,776,702)
Net Pension Liability	(461,802,809)
Accrued Interest Payable	<u>(3,625,158)</u>
Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities	<u>\$ (805,410,007)</u>

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

Statement 6 is a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, the cost of those assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities.” The details of this difference are as follows:

Capital outlay is reported as an expenditure in the fund financial statements	\$ 58,725,559
Capital outlay expenditures not capitalized	(6,310,417)
Depreciation is reported in the government-wide statements	<u>(42,397,772)</u>
Net Excess (Deficit) of Capital Outlay Over Depreciation	<u>\$ 10,017,370</u>

Another element of that reconciliation states that “Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.” Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premium, discount and similar items, when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. The details of this difference are as follows:

**Note IV. Reconciliation of Government-wide and Fund Financial Statements (continued)**

Debt Issued or Incurred:		
General Obligations Bonds	<u>\$ (58,955,000)</u>	
Total Debt Issued		\$ (58,955,000)
Principal Payments		
General Obligations Bonds	\$ 17,770,000	
Revenue Bonds	34,635,000	
Revenue Notes	9,281,545	
Capital Lease	<u>1,985,137</u>	
Total Principal Payments		63,671,682
Debt forgiveness on State Loan		<u>4,750,000</u>
Net Adjustment to Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities		<u>\$ 9,466,682</u>

Another element of that reconciliation states that "Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this difference are as follows:

Compensated Absences	\$ 5,445,259
Net Other Postemployment Benefits Obligation	(5,415,904)
Claims and Judgments	(7,139,620)
Net Pension Liability	(292,206,968)
Deferred Pension Outflows	269,076,771
Deferred Pension Inflows	(30,694,904)
Interest on Debt	<u>(481,617)</u>
Net Adjustment to Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ (61,416,983)</u>

(The remainder of this page left blank intentionally)

## Note V. Stewardship, Compliance and Accountability

### A. Budgets and Budgetary Accounting

#### Budget Control

Appropriations are controlled administratively at the activity level within multi-year budgeted funds. Governmental funds with annually adopted budgets are controlled administratively at the activity level within the following major object levels of expenditure: salaries, fringes, debt service, other spending and transfers out. Proprietary funds with annually adopted budgets are controlled administratively at the fund level within the same major object levels of expenditure as in governmental funds. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund, which is at the department/office level.

#### 1. General Budget Procedure – City Funds

The City Council followed these procedures in establishing the 2016 budgets:

- a. On August 11, 2015, the Mayor presented a budget to the City Council for the following calendar year. The budget included proposed expenditures and advances and the means of financing them.
- b. The City Council held a public hearing on December 2, 2015, to obtain taxpayer comments.
- c. The budget was legally adopted through passage of council resolution #15-2201 during the City Council meeting on December 16, 2015.

City budget amendments that authorize an increase in total fund spending require the approval of the City Council. In addition, City Council approval is required for budget amendments transferring appropriations between departments within the General Fund.

#### 2. General Budget Procedure – HRA Funds

The Housing and Redevelopment Authority (HRA) followed these procedures in establishing the 2016 budgets:

- a. The Executive Director presented a proposed budget to the HRA Board of Commissioners for the fiscal year commencing January 1, 2016. This budget included proposed expenditures and other uses and the means of financing them.
- b. Upon approval by the HRA Board, the Executive Director submitted the HRA budget to the Mayor of the City of Saint Paul, who submitted this budget to the City Council for consideration, approval and certification.
- c. The budget was approved through passage of council resolution #15-2202 during the City Council meeting on December 16, 2015.

HRA budget amendments that authorize an increase in total fund spending require the approval of the HRA Board of Commissioners. Amendments transferring budgeted amounts between cost centers within the same fund require administrative approval by the HRA Executive Director and the City Office of Financial Services Director.

## Note V. Stewardship, Compliance and Accountability (continued)

### 3. General Budget Procedure – Library Agency Funds

The Library Agency followed these procedures in establishing the 2016 budgets:

- a. On August 12, 2015, the Mayor presented his proposed budget for the Saint Paul Public Library Agency to the Library Board of Commissioners for the fiscal year commencing the following January 1. The budget included proposed expenditures and other uses and the means of financing them.
- b. The City Council held a public hearing on December 2, 2015 to obtain taxpayer comments.
- c. The budget was legally adopted through passage of Saint Paul Library Agency resolution #15-2214 during the Library Board meeting on December 16, 2015.

Library Agency budget amendments that authorize an increase in total fund spending require the approval of the Library Board.

### 4. Annual and Multi-year Governmental Fund Budgets

Annual governmental fund budgets are reported in the following fund types and are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP):

*General Fund*

*Special Revenue Funds* (except: City Grants, City HUD Grants, City Sales Tax, and HRA Grants, which have multi-year budgets).

*Permanent Funds*

In addition, multi-year governmental fund budgets are utilized in the capital projects funds.

(The remainder of this page left blank intentionally)

**Note V. Stewardship, Compliance and Accountability (continued)**

The following provides a summary reconciliation of the actual results for annually budgeted special revenue funds and multi-year budgeted special revenue funds.

	Fund Balances 1/1/16	Revenues	Expenditures	Net Other Financing Sources (Uses)	Fund Balances 12/31/16
<b>SPECIAL REVENUE FUNDS</b>					
Assessment Financing	\$ 5,891,584	\$ 7,751,592	\$ (1,993,912)	\$ (6,473,157)	\$ 5,176,107
Public Library General Fund	2,041,565	17,109,036	(16,906,209)	30,224	2,274,616
HRA General Fund	12,465,721	5,677,854	(6,877,836)	(179,892)	11,085,847
Annually Budgeted Nonmajor Funds	15,629,091	78,563,055	(80,974,418)	1,644,713	14,862,441
<b>Total Annually Budgeted Funds</b>	<b>\$ 36,027,961</b>	<b>\$ 109,101,537</b>	<b>\$ (106,752,375)</b>	<b>\$ (4,978,112)</b>	<b>\$ 33,399,011</b>

**5. Appropriation Revisions**

Budgeted amounts are as originally adopted or as amended by the City Council. During 2016, increases and decreases to annual expenditures, other financing uses and transfers out appropriations were as follows:

	Original Budgeted Amounts	Net Amendments	Final Budgeted Amounts
General Fund	\$ 244,878,232	\$ 240,532	\$ 245,118,764
Special Revenue Funds	130,117,324	3,094,270	133,211,594
Permanent Funds	2,000	-	2,000

**6. Appropriation Year-end Balances**

Unexpended appropriation balances lapse at the end of the fiscal year in the annual governmental fund budgets. However, upon City Council approval, the appropriations for the subsequent year are increased in the amount necessary to satisfy the outstanding encumbrances at the end of the fiscal year.

Unexpended appropriation balances do not lapse at the end of the fiscal year in the multi-year governmental fund budgets.

(The remainder of this page left blank intentionally)

**Note V. Stewardship, Compliance and Accountability (continued)**

**B. Federal Audit Requirements**

As a recipient of federal, state and local financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Uniform Guidance sets forth the audit requirements for local governments receiving federal awards. It provides for a single independent audit of the financial operations, including compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organization-wide basis rather than a grant-by-grant basis. This audit requirement was complied with for 2016. An auditor's report on consideration of the City's internal control over financial reporting and on tests of the City's compliance will be issued at a later date.

On August 2, 2016, the U.S. Department of Housing and Urban Development (HUD) issued to the City of Saint Paul a finding of noncompliance with Community Development Block Grant (CDBG) Program regulations. HUD's letter stated that the City of Saint Paul did not demonstrate that its disposition activities associated with the grant had met a national objective and therefore had unsupported draws. The City has disputed the HUD finding, and is currently in the process of working with HUD to provide documentation necessary to demonstrate the City's uses of the audited CDBG funds. As of this date, it is premature to speculate as to what, if any, reimbursement will be necessary.

**C. Deficit Balances**

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances or net position at year end. The following funds had deficit fund balances or net position at December 31, 2016:

	<u>Fund Balance/ Net Position</u>
Special Revenue Funds:	
Fire Responsive Services	\$ (748,016)
Public Health	(66,050)
Como Campus	(3,243,555)
Enterprise Funds:	
Parks Special Services	(5,731,272)
Impound Lot	(3,405,835)
Internal Service Funds:	
Equipment Services Fire-Police	(1,627,205)
Public Works Administration	(367,377)
Public Works Engineering	(2,458,116)
Parks Supply and Maintenance	(473,256)
Planning and Economic Development Administration	(4,266,362)

(The remainder of this page left blank intentionally)

**Note V. Stewardship, Compliance and Accountability (continued)**

**D. Excess of Expenditures over Appropriations in Individual Funds**

Total expenditures exceeded total appropriations in the following funds:

	Final Budgeted Amounts	Actual	Variance with Final Budgets
Special Revenue Funds:			
Fire Responsive Services	\$ 5,347,503	\$ 5,914,725	\$ (567,222)
Como Campus	4,048,774	4,108,336	(59,562)
Lowertown Ballpark	619,350	620,807	(1,457)

The fund managers have been directed that in the future, funds must have an appropriation budget to cover all obligations incurred.

The General Fund did not exceed total appropriations at the fund level; however, total expenditures exceeded appropriations in the following departments:

	Final Budgeted Amounts	Actual	Variance with Final Budgets
General Fund:			
City Council	\$ 3,165,312	\$ 3,226,770	\$ (61,458)
Human Rights	2,002,832	2,183,358	(180,526)
Police	87,716,137	89,230,321	(1,514,184)
Emergency Management	392,983	418,277	(25,294)

(The remainder of this page left blank intentionally)

## Note VI. Detailed Notes on All Funds

### A. Deposits, Investments and Securities Lending

#### *Deposits*

In accordance with Minn. Stat. §118A.02 and 118A.04, the City maintains deposits at financial institutions authorized by the City Council.

Minn. Stat. §118A.03 further requires that all City deposits be protected by insurance, surety bond, collateral or an irrevocable letter of credit issued by Federal Home Loan Banks. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned to it. The City's policy for custodial credit risk for deposits is to maintain compliance with Minnesota Statutes that require the City's deposits be protected by insurance, surety bond or pledged collateral.

As of December 31, 2016, the City's bank balance of checking and interest-bearing accounts and certificates of deposit totaled \$146,925,971 which is also the City's carrying amount of these balances. As of December 31, 2016, the City's deposits were not exposed to custodial credit risk.

#### Imprest Funds on Hand

At December 31, 2016, the total imprest funds were \$95,667. Of this amount, the City had \$94,167 on hand. The remaining \$1,500 was in various bank accounts and is included with the collateralized deposits.

#### *Investments*

##### General

The City's Investment Policy Statement governs the investment portfolio of the City of Saint Paul. The goals of the City for the Portfolio are to preserve financial assets for future operating expenses, maintain reserves to fund unplanned shortfalls and generate income to support the activities of the City. The portfolio is managed in three components as follows:

1. Daily Portfolio: The daily component represents current operating funds on which draws are made frequently, requiring daily liquidity and preservation of principal. The time horizon on the Daily Portfolio is within a 12-month period.
2. Short Term Portfolio: A short-term component serves as a cushion to provide liquidity for possible shortfalls in the Daily Portfolio. Draws against the short-term portfolio are expected to be infrequent.



## Note VI. Detailed Notes on All Funds (continued)

3. The time horizon on the Short Term Portfolio is between one and three years.
4. Intermediate Term Portfolio: The balance of the Portfolio represents the intermediate term component, which serves as a reserve for unplanned shortfalls. In general, the Intermediate Term Portfolio is not expected to experience withdrawals and the time horizon on the Intermediate Portfolio is longer than three years. A portion of the Intermediate Term Portfolio is managed internally and the balance is managed by external managers.

Minnesota Statutes §§ 118A.04 and 118A.05 authorize the following types of investments for local governments:

- a. securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes Section 118A.04, Subd. 6;
- b. in shares of an investment company registered under the Federal Investment Company Act of 1940, provided the mutual fund receives certain ratings depending on its investments.
- c. general obligations of the State of Minnesota and its municipalities and in any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service.
- d. in bankers acceptances of United States Banks, or in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less.
- e. Repurchase agreements may be entered into with:
  1. a bank qualified as a depository;
  2. any national or state bank in the United States which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
  3. primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
  4. a securities broker-dealer, licensed pursuant to Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.
- f. Securities lending agreements, and Guaranteed investment contracts.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to invest only in securities that meet the ratings requirements set by state statute.

## Note VI. Detailed Notes on All Funds (continued)

The City's exposure to credit risk as of December 31, 2016, is as follows:

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
Moody's	Aaa	\$ 168,017,171
Moody's	Aa1	10,023,777
Moody's	Aa2	17,612,038
Moody's	A2	206,306
Fitch	AAA	134,426
Fitch	AA+	1,092,194
S&P	AAA	4,827,734
S&P	AA+	5,593,903
S&P	AA	1,962,241
S&P	A-	1,785,087
	N/R	1,029,176
	N/A	7,851,445
		<hr/>
Total		\$ 220,135,498

### Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. According to City policy, all securities purchased are held by a third-party safekeeping agent appointed as custodian (US Bank) who is also the lending agent/counterparty. Certificates of Deposit and select securities purchased from the City of St. Paul may be kept in the City's safe. The securities lending agreement, although the program is suspended, is still in place between the City and its custodian.

The City has no custodial credit risk for investments at December 31, 2016.

### Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. It is the City's policy that U.S. Treasury securities, U.S. Agency Securities, and obligations backed by U.S. Treasury and/or U.S. Agency securities, may be held without limit.

At December 31, 2016, the City does not have investments in any one issuer that represent 5% or more of the City's total investments portfolio and therefore, also not subject to concentration of credit risk.

## Note VI. Detailed Notes on All Funds (continued)

### Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City's internal portfolio has a shorter overall weighted duration than the benchmarks established for each component portfolio. All else being equal, this would be expected to reduce the risk to adverse effects from rising interest rates.

The External Managers, as part of their mandate, have to satisfy the parameters for liquidity and risk tolerance, a maximum duration of 125% of the benchmark duration. The performance benchmark for External Managers was 80% Barclay's Intermediate Government Index/20% 15-year MBS Index.

At December 31, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 2 years</u>	<u>2 - 4 Years</u>	<u>5 - 10 Years</u>	<u>More Than 10 Years</u>
U.S. Agencies	\$ 53,868,231	\$ 25,092,831	\$ -	\$ 9,707,250	\$ 19,068,150
Munis	31,176,262	1,525,295	14,271,555	12,828,371	2,551,041
Money market funds	6,015,719	6,015,719	-	-	-
<b>Internal Investment Total</b>	<b>\$ 91,060,212</b>	<b>\$ 32,633,845</b>	<b>\$ 14,271,555</b>	<b>\$ 22,535,621</b>	<b>\$ 21,619,191</b>
U.S. Agencies - Nuveen	21,227,289	3,890,422	2,413,156	6,482,509	8,441,202
U.S. Agencies - Galliard	23,626,417	2,757,745	1,331,378	5,675,568	13,861,726
U.S. Agencies - Advantus	3,628,849	551,291	524,240	1,039,713	1,513,605
U.S. Agencies - RBC	20,268,819	1,312,065	3,502,991	9,733,053	5,720,710
Munis - Nuveen	1,543,223	1,409,532	-	133,691	-
Munis - Galliard	6,996,969	992,577	2,561,959	2,953,352	489,081
Munis - Advantus	4,912,261	487,033	1,527,577	2,897,651	-
Munis - RBC	9,882,617	2,393,313	3,509,057	3,980,247	-
US Treasuries - Nuveen	5,806,499	524,036	2,353,761	2,928,702	-
US Treasuries - Galliard	11,306,204	3,441,884	4,592,738	3,271,582	-
US Treasuries - Advantus	5,831,669	1,427,882	2,215,194	2,188,593	-
US Treasuries - RBC	12,208,744	3,040,707	3,818,119	5,349,918	-
Investment in Mutual Funds - Nuveen	722,755	722,755	-	-	-
Investment in Mutual Funds - Galliard	1,021,340	1,021,340	-	-	-
Investment in Mutual Funds - Advantus	86,797	86,797	-	-	-
Investment in Mutual Funds - RBC	4,834	4,834	-	-	-
<b>External Managers Investment Total</b>	<b>\$ 129,075,286</b>	<b>\$ 24,064,213</b>	<b>\$ 28,350,170</b>	<b>\$ 46,634,579</b>	<b>\$ 30,026,324</b>
<b>Total Investments</b>	<b>\$ 220,135,498</b>	<b>\$ 56,698,058</b>	<b>\$ 42,621,725</b>	<b>\$ 69,170,200</b>	<b>\$ 51,645,515</b>

## Note VI. Detailed Notes on All Funds (continued)

Included in the total investment pool of \$220,135,498 is an equity investment of the RiverCentre Convention & Visitors Authority, a component unit of the City, in the amount of \$6,123,741. The remaining amount of \$214,011,757 belongs to the City.

### Duration

Duration is a measure of a fixed income investment's cash flows using present values, weighted for cash flows as a percentage of the investment's full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds, prepayments, and variable-rate debt.

As of December 31, 2016, the City had the following investments in its external investment pool:

	<u>Fair Value</u>	<u>Effective Duration</u>
Nuveen	\$ 29,299,766	3.89
Galliard	42,950,930	3.71
Advantus	14,459,576	3.59
RBC	42,365,014	3.89
	<hr/>	
Total External Investment Pool	<u>\$ 129,075,286</u>	
Benchmark (80% Barclay's Interim Gov't/20% 15 Year MBS)		3.80

### Fair Value Measurements

The City categorizes its fair value measurements within the fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 – Quoted prices for identical investments in active markets
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

(The remainder of this page left blank intentionally)

## Note VI. Detailed Notes on All Funds (continued)

At December 31, 2016, the City had the following recurring fair value measurements:

	12/31/2016	Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by Fair Value Level				
Debt Securities				
Munis	\$ 54,511,332	\$ -	\$ 54,511,332	\$ -
U.S. Agencies	122,619,605	-	122,619,605	-
U.S. Treasuries	35,153,116	34,264,533	888,583	-
Total Investments at Fair Value	\$ 212,284,053	\$ 34,264,533	\$ 178,019,520	\$ -
Investment at Net Asset Value				
Mutual Funds	\$ 1,835,726			
Money Market	6,015,719			
Total Investments at Net Asset Value	7,851,445			
Total Investments	\$ 220,135,498			

Debt securities classified in Level 1 are valued using a market approach quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using the following approaches:

- 1) U.S. Treasuries and U.S. Agencies: a market approach by utilizing quoted prices for identical securities in markets that are not active;
- 2) Municipal Bonds: a market approach using quoted prices for similar securities in active markets;

The city invests in mutual funds and money markets for the benefit of liquid investments that can be readily converted into cash. Mutual funds and money markets held by the City seek a constant net asset value (NAV) of \$1.00 per share. The mutual funds and the money markets reserve the right to require one or more day's prior notice before permitting withdrawals.

**Note VI. Detailed Notes on All Funds (continued)**

Recap

Deposits and investments as described above appear in the City's financial statements consistent with the following analysis:

Cash Deposits	\$ 146,925,971	Cash and Investments with Treasurer	\$ 299,073,113
Investments	214,011,757	Cash With Fiscal Agents	4,174,910
Imprest Funds on Hand	<u>94,167</u>	Cash and Investments with Trustees	32,099,618
		Imprest Funds	95,667
		Restricted Cash and Cash Equivalents	20,866,229
		Investment for Revenue Bond Future Debt Service	<u>4,722,358</u>
Total	<u>\$ 361,031,895</u>	Total	<u>\$ 361,031,895</u>

(The remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**B. Receivables**

**Summary of Receivables**

Receivables as of year-end for the City's individual major governmental and enterprise funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities	General	Assessment Financing	Public Library General Fund	HRA		City Capital Projects	Nonmajor Governmental Funds	Total	Internal Service Funds	
				General Fund	City Debt Service					
Receivables:										
Taxes	\$ 3,026,047	\$ -	\$ 682,476	\$105,728	\$ 489,418	\$ 137,719	\$ -	\$ 133,893	\$ 4,575,281	\$ -
Accounts	3,038,916	-	-	9,506	-	-	-	3,844,039	6,892,461	724,385
Assessments	-	20,660,492	-	-	13,647,728	-	-	20,938,701	55,246,921	-
Notes and Loans	-	-	-	10,609	-	-	-	8,909,401	8,920,010	-
Accrued Interest	642,579	-	-	75,654	104,415	68,731	158,193	285,356	1,334,928	-
Xcel Energy	1,034,033	-	-	-	-	-	111,150	-	1,145,183	-
Intergovernmental	2,078,079	-	-	-	-	-	14,702,364	12,976,334	29,756,777	354,251
<b>Gross Receivables</b>	<b>9,819,654</b>	<b>20,660,492</b>	<b>682,476</b>	<b>201,497</b>	<b>14,241,561</b>	<b>206,450</b>	<b>14,971,707</b>	<b>47,087,724</b>	<b>107,871,561</b>	<b>1,078,636</b>
Less: Allowance for Uncollectibles	(479,877)	-	-	-	-	-	-	(1,114,218)	(1,594,095)	(136,911)
<b>Net Total Receivables</b>	<b>\$ 9,339,777</b>	<b>\$ 20,660,492</b>	<b>\$ 682,476</b>	<b>\$ 201,497</b>	<b>\$ 14,241,561</b>	<b>\$ 206,450</b>	<b>\$ 14,971,707</b>	<b>\$ 45,973,506</b>	<b>\$ 106,277,466</b>	<b>\$ 941,725</b>
Amounts not expected to be collected within one year										
	\$ -	\$ 15,232,217	\$ -	\$ -	\$ 11,246,674	\$ -	\$ -	\$ -	\$ 26,478,891	\$ -

Business-Type Activities	Sewer Utility	HRA Loan	HRA Parking	Nonmajor Enterprise Funds	Total
Receivables:					
Taxes	\$ -	\$ -	\$ 41,486	\$ -	\$ 41,486
Accounts	97,495	-	544,844	535,277	1,177,616
Assessments	5,996,841	18,560	-	-	6,015,401
Accrued Interest	29,110	2,791	13,698	323	45,922
Intergovernmental	31,828	-	-	56,507	88,335
<b>Gross Receivables</b>	<b>6,155,274</b>	<b>21,351</b>	<b>600,028</b>	<b>592,107</b>	<b>7,368,760</b>
Less: Allowance for Uncollectibles	(17,479)	-	-	(7,850)	(25,329)
<b>Net Total Receivables</b>	<b>\$ 6,137,795</b>	<b>\$ 21,351</b>	<b>\$ 600,028</b>	<b>\$ 584,257</b>	<b>\$ 7,343,431</b>

## Note VI. Detailed Notes on All Funds (continued)

### Property Taxes

For property taxes collectible in 2016, Saint Paul's taxable net tax capacity (including Tax Increment Districts) was \$247,037,310; the estimated fair value was \$20,536,791,000; the net tax capacity was 1.20% of the estimated fair value. Estimated fair values are converted to tax capacities based on a statutory rate for each class of property.

Current property tax collections for the year ended December 31, 2016, were as follows:

	<u>City</u>	<u>HRA</u>
Dollar Amount	\$ 99,659,031	\$ 3,229,546
Percent of Levy Spread	96.02%	98.52%

### Notes and Loans Receivable

Notes and Loans Receivable are reported as assets in the following funds at December 31, 2016:

Special Revenue Funds:	
HRA General Fund	\$ 10,609
City HUD Grants	4,327,753
City Sales Tax	<u>3,629,810</u>
Total Special Revenue Funds	<u>7,968,172</u>
Capital Projects Funds:	
HRA Development	195,588
HRA Tax Increment	<u>756,250</u>
Total Capital Projects Funds	<u>951,838</u>
Total	<u><u>\$ 8,920,010</u></u>

In addition to the above amounts reported as "Notes and Loans Receivable" on Statement 3, other long-term loans receivable are included in "Other Long-Term Receivables" in the following funds:

Enterprise Fund:	
HRA Loan Enterprise	\$ 4,254,737
HRA Parking	<u>236,250</u>
Total Enterprise Funds	<u>4,490,987</u>
Internal Service Funds:	
Internal Borrowing	1,187,501
Public Works Engineering	<u>3,632,112</u>
Total Internal Service Funds	<u>4,819,613</u>
Total	<u><u>\$ 9,310,600</u></u>

The amount reported for loans receivable is net of allowances for uncollectible loans. Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable. At December 31, 2016, the allowance for uncollectible loans recorded was \$144,067,743.



## Note VI. Detailed Notes on All Funds (continued)

### C. Land Held for Resale

Land Held for Resale is reported in the following funds as an asset as of December 31, 2016:

Special Revenue Funds	
HRA General Fund	\$ 327,993
City HUD Grants	3,468,258
Total Special Revenue Funds	<u>3,796,251</u>
Capital Projects Funds	
HRA Development Capital Projects	832,533
HRA Tax Increment Capital Projects	982,328
Total Capital Projects Funds	<u>1,814,861</u>
Enterprise Fund	
HRA Loan	4,296,654
Total	<u><u>\$ 9,907,766</u></u>

### D. Restricted Assets

As of December 31, 2016, the following restricted assets were reported in the following funds:

	HRA Tax Increment Capital Projects	Sewer Utility	HRA Parking
Cash for General Obligation Bond Current Debt Service	\$ -	\$ -	\$ 2,009,875
Cash for Revenue Bond Debt Service	-	712,403	2,527,925
Cash for Revenue Bond Operations and Maintenance	-	4,867,090	255,443
Cash for Revenue Bond Construction	-	5,016,612	-
Cash for Note Debt Service	250,300	-	-
Cash for Budget and Rate Stabilization	-	5,226,581	-
Investment for Revenue Bond Future Debt Service	-	4,722,358	-
Total	<u><u>\$ 250,300</u></u>	<u><u>\$ 20,545,044</u></u>	<u><u>\$ 4,793,243</u></u>

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

Governmental Activities	Balance 1/1/16	Additions	Deductions	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	\$ 169,277,572	\$ -	\$ -	\$ 169,277,572
Construction in Progress	96,022,107	59,538,128	(49,090,662)	106,469,573
Total Capital Assets Not Being Depreciated	<u>265,299,679</u>	<u>59,538,128</u>	<u>(49,090,662)</u>	<u>275,747,145</u>
Capital Assets Being Depreciated:				
Buildings and Structures	710,937,366	9,041,141	-	719,978,507
Improvements Other than Buildings	148,982,700	3,514,966	-	152,497,666
Equipment	137,184,827	7,119,688	(2,509,380)	141,795,135
Infrastructure	792,815,650	31,111,678	-	823,927,328
Total Capital Assets Being Depreciated	<u>1,789,920,543</u>	<u>50,787,473</u>	<u>(2,509,380)</u>	<u>1,838,198,636</u>
Less: Accumulated Depreciation for:				
Buildings and Structures	(297,712,325)	(16,482,903)	-	(314,195,228)
Improvements Other than Buildings	(64,437,553)	(5,766,744)	-	(70,204,297)
Equipment	(91,908,065)	(8,136,672)	1,198,476	(98,846,261)
Infrastructure	(312,240,124)	(14,423,957)	-	(326,664,081)
Total Accumulated Depreciation	<u>(766,298,067)</u>	<u>(44,810,276)</u>	<u>1,198,476</u>	<u>(809,909,867)</u>
Total Capital Assets Being Depreciated, Net	<u>1,023,622,476</u>	<u>5,977,197</u>	<u>(1,310,904)</u>	<u>1,028,288,769</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,288,922,155</u>	<u>\$ 65,515,325</u>	<u>\$ (50,401,566)</u>	<u>\$ 1,304,035,914</u>

Depreciation expense was charged to the following governmental functions:

General Government	\$ 14,326,125
Public Safety	4,018,202
Highways and Streets	16,112,432
Culture and Recreation	9,586,854
Housing and Economic Development	766,663
Total Governmental Activities Depreciation Expense	<u>\$ 44,810,276</u>

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**Business-Type Activities**

	Balance 1/1/16	Additions	Deductions	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	\$ 35,099,972	\$ -	\$ (3,560,000)	\$ 31,539,972
Construction in Progress	1,763,940	9,663,008	(7,352,878)	4,074,070
Total Capital Assets Not Being Depreciated	<u>36,863,912</u>	<u>9,663,008</u>	<u>(10,912,878)</u>	<u>35,614,042</u>
Capital Assets Being Depreciated:				
Buildings and Structures	168,727,901	867,910	(54,331,218)	115,264,593
Public Improvements	414,416,129	7,601,235	(248,357)	421,769,007
Equipment	8,044,123	283,600	(188,807)	8,138,916
Total Capital Assets Being Depreciated	<u>591,188,153</u>	<u>8,752,745</u>	<u>(54,768,382)</u>	<u>545,172,516</u>
Less: Accumulated Depreciation for:				
Buildings and Structures	(56,782,566)	(3,878,505)	3,743,893	(56,917,178)
Public Improvements	(145,079,996)	(5,496,649)	116,272	(150,460,373)
Equipment	(5,932,297)	(424,198)	166,017	(6,190,478)
Total Accumulated Depreciation	<u>(207,794,859)</u>	<u>(9,799,352)</u>	<u>4,026,182</u>	<u>(213,568,029)</u>
Total Capital Assets Being Depreciated, Net	<u>383,393,294</u>	<u>(1,046,607)</u>	<u>(50,742,200)</u>	<u>331,604,487</u>
Business-Type Activities Capital Assets, Net	<u>\$ 420,257,206</u>	<u>\$ 8,616,401</u>	<u>\$ (61,655,078)</u>	<u>\$ 367,218,529</u>

Depreciation expense was charged to the following business-type functions:

Sewer	\$ 5,554,957
Parking	3,177,939
Development Loan Programs	902,916
Parks, Recreation and Athletics	161,091
Impound Lot	<u>2,449</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 9,799,352</u>

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**F. Interfund Receivables/Payables/Advances and Transfers**

The following is a schedule of interfund receivables and payables including loans made from the General Fund to other Funds as of December 31, 2016:

**Due to/from Other Funds**

Receivable Fund	Payable Fund				Total All Funds
	General	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General	\$ -	\$ 4,866,886	\$ 10,306,477	\$ 2,443,126	\$ 17,616,489
HRA General Fund	-	15,550	-	-	15,550
Internal Service Funds	47,680	16,923	-	86,124	150,727
<b>Total All Funds</b>	<b>\$ 47,680</b>	<b>\$ 4,899,359</b>	<b>\$ 10,306,477</b>	<b>\$ 2,529,250</b>	<b>\$ 17,782,766</b>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Advances to/from Other Funds**

The following is a schedule of interfund advances as of December 31, 2016:

Receivable Fund	Payable Fund						Total All Funds
	General Fund	Assessment Financing	City Capital Projects	Nonmajor Governmental Funds	HRA Loan	Internal Service Funds	
HRA General Fund	\$ -	\$ -	\$ -	\$ 746,347	\$ -	\$ -	\$ 746,347
Nonmajor Governmental Funds	-	515,496	-	13,225,962	250,000	-	13,991,458
HRA Loan	-	-	-	3,637,610	-	390,909	4,028,519
HRA Parking	-	-	-	-	564,744	-	564,744
Internal Service Funds	44,862	-	2,296,624	-	-	20,700	2,362,186
<b>Total All Funds</b>	<b>\$ 44,862</b>	<b>\$ 515,496</b>	<b>\$ 2,296,624</b>	<b>\$ 17,609,919</b>	<b>\$ 814,744</b>	<b>\$ 411,609</b>	<b>\$ 21,693,254</b>

The advances shown above are long-term amounts not due within one year. Short-term advances that are due within one year are reported as a due to/from other fund.

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**Transfers**

The following is a schedule of interfund transfers as of December 31, 2016:

Transfers Out	Transfers In							
	General	Assessment Financing	Public Library General Fund	HRA General Fund	City Debt Service	HRA General Debt Service	City Capital Projects	Nonmajor Governmental Funds
General	\$ -	\$ -	\$ -	\$ -	\$ 678,699	\$ -	\$ 105,846	\$ 1,049,552
Assesment Financing	2,335,180	-	-	-	-	-	4,190,591	173,652
Public Library General Fund	40,910	-	-	-	97,326	-	-	-
HRA General Fund	352,478	-	-	-	-	-	-	-
City Debt Service	-	-	-	-	-	513,430	4,750,000	11,007,154
HRA General Debt Service	-	-	-	-	12,667	-	-	1,572,855
City Capital Projects	-	-	-	-	1,854,548	5,343,925	-	9,452,508
Nonmajor Governmental Fund	2,491,869	226,266	175,000	-	26,507,995	-	1,583,103	2,487,326
Sewer Utility	425,054	-	-	-	1,500,000	-	-	1,247,177
HRA Loan	300,000	-	-	-	4,298,550	-	-	2,984,049
HRA Parking	745,000	-	-	-	-	-	79,000	462,665
HRA Penfield	-	-	-	300,000	-	-	-	12,460,925
Nonmajor Enterprise Funds	279,864	-	-	-	-	-	271,000	174,357
Internal Service Funds	703,784	-	-	-	2,636,000	-	-	140,000
<b>Total Transfers In</b>	<b>\$ 7,674,139</b>	<b>\$ 226,266</b>	<b>\$ 175,000</b>	<b>\$ 300,000</b>	<b>\$ 37,585,785</b>	<b>\$ 5,857,355</b>	<b>\$ 10,979,540</b>	<b>\$ 43,212,220</b>

The total governmental and proprietary fund transfers in is \$126,481,631 and the total governmental and proprietary funds transfers out is \$126,481,631.

Transfers Out	Transfers In							Total Transfers Out
	Sewer Utility	HRA Loan	HRA Parking	HRA Penfield	Nonmajor Enterprise Funds	Internal Service Funds		
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,288	\$ 1,890,385	
Assesment Financing	-	-	-	-	-	-	6,699,423	
Public Library General Fund	-	-	-	-	-	6,540	144,776	
HRA General Fund	-	-	-	-	-	127,414	479,892	
City Debt Service	-	-	-	-	4,298,550	-	20,569,134	
HRA General Debt Service	-	-	-	-	-	-	1,585,522	
City Capital Projects	-	-	-	-	-	-	16,650,981	
Nonmajor Governmental Fund	34,911	400,000	-	257,812	90,377	736,963	34,991,622	
Sewer Utility	-	-	-	-	-	-	3,172,231	
HRA Loan	-	-	-	-	-	-	7,582,599	
HRA Parking	-	-	-	-	-	-	1,286,665	
HRA Penfield	-	13,698,550	146,554	-	-	-	26,606,029	
Nonmajor Enterprise Funds	-	537,678	-	-	-	5,205	1,268,104	
Internal Service Funds	-	-	-	-	-	74,484	3,554,268	
<b>Total Transfers In</b>	<b>\$ 34,911</b>	<b>\$ 14,636,228</b>	<b>\$ 146,554</b>	<b>\$ 257,812</b>	<b>\$ 4,388,927</b>	<b>\$ 1,006,894</b>	<b>\$ 126,481,631</b>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to a debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note VI. Detailed Notes on All Funds (continued)**

**G. Long-Term Obligations**

**1. Changes in Long-Term Obligations**

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds Payable					
General Obligation Bonds					
Property Tax Supported	\$ 181,150,353	\$ 34,662,245	\$ (14,966,653)	\$ 200,845,945	\$ 16,810,640
Special Assessment Debt with Governmental Commitment	22,234,647	5,157,755	(1,463,347)	25,929,055	1,419,360
HRA Tax Increment	12,330,000	-	(1,340,000)	10,990,000	1,355,000
Total General Obligation Bonds	<u>215,715,000</u>	<u>39,820,000</u>	<u>(17,770,000)</u>	<u>237,765,000</u>	<u>19,585,000</u>
Revenue Bonds					
Sales Tax Revenue	105,945,000	20,290,000	(26,195,000)	100,040,000	5,490,000
HRA Tax Increment Revenue	28,669,000	-	(1,885,000)	26,784,000	2,173,000
HRA Lease Revenue	10,600,000	-	(6,555,000)	4,045,000	440,000
Total Revenue Bonds	<u>145,214,000</u>	<u>20,290,000</u>	<u>(34,635,000)</u>	<u>130,869,000</u>	<u>8,103,000</u>
Add/(Subtract) Unamortized Premiums/(Discounts)	<u>15,775,502</u>	<u>3,201,247</u>	<u>(1,417,315)</u>	<u>17,559,434</u>	<u>-</u>
Total Bonds Net of Amortization	<u>376,704,502</u>	<u>63,311,247</u>	<u>(53,822,315)</u>	<u>386,193,434</u>	<u>27,688,000</u>
Revenue Notes Payable					
General Obligation Notes	12,500,888	-	(2,434,876)	10,066,012	2,494,469
Revenue Notes	57,675,000	-	(6,100,000)	51,575,000	6,190,000
HRA Revenue Notes	13,104,685	-	(746,669)	12,358,016	508,140
Total Revenue Notes Payable	<u>83,280,573</u>	<u>-</u>	<u>(9,281,545)</u>	<u>73,999,028</u>	<u>9,192,609</u>
Add/(Subtract) Unamortized Premiums/(Discounts)	<u>299,684</u>	<u>-</u>	<u>(42,812)</u>	<u>256,872</u>	<u>-</u>
Total Revenue Notes Net of Amortization	<u>83,580,257</u>	<u>-</u>	<u>(9,324,357)</u>	<u>74,255,900</u>	<u>9,192,609</u>
Capital Leases Payable					
Capital Leases	15,751,161	-	(3,688,411)	12,062,750	3,428,573
Add/(Subtract) Unamortized Premiums/(Discounts)	<u>(89,906)</u>	<u>-</u>	<u>24,801</u>	<u>(65,105)</u>	<u>-</u>
Total Capital Leases Net of Amortization	<u>15,661,255</u>	<u>-</u>	<u>(3,663,610)</u>	<u>11,997,645</u>	<u>3,428,573</u>
Other Liabilities:					
Compensated Absences	25,532,099	8,174	(5,514,952)	20,025,321	880,000
Claims and Judgments Payable	48,637,082	16,878,659	(9,739,039)	55,776,702	9,839,010
Total Other Liabilities	<u>74,169,181</u>	<u>16,886,833</u>	<u>(15,253,991)</u>	<u>75,802,023</u>	<u>10,719,010</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 550,115,195</u>	<u>\$ 80,198,080</u>	<u>\$ (82,064,273)</u>	<u>\$ 548,249,002</u>	<u>\$ 51,028,192</u>

**Note VI. Detailed Notes on All Funds (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds Payable:					
HRA Parking Facilities General Obligation Limited Tax Bonds	\$ 19,875,000	\$ -	\$ (1,725,000)	\$ 18,150,000	\$ 1,800,000
	7,170,000	-	(7,170,000)	-	-
Revenue Bonds					
Sewer Revenue	75,005,000	28,940,000	(28,880,000)	75,065,000	5,095,000
Recreational Facilities Revenue	4,715,000	-	(4,715,000)	-	-
HRA Parking Facilities Revenue	34,070,000	-	(2,010,000)	32,060,000	2,105,000
Total Revenue Bonds	113,790,000	28,940,000	(35,605,000)	107,125,000	7,200,000
Add/(Subtract) Unamortized Premiums/(Discounts)	2,284,978	2,669,459	(682,143)	4,272,294	-
Total Bonds Net of Amortization	143,119,978	31,609,459	(45,182,143)	129,547,294	9,000,000
HRA Mortgage Payable	39,810,124	-	(39,810,124)	-	-
Revenue Notes Payable					
Sewer Revenue Notes	5,193,949	-	(1,167,899)	4,026,050	1,170,141
HRA Revenue Notes	1,580,000	2,300,000	-	3,880,000	-
Total Revenue Notes Payable	6,773,949	2,300,000	(1,167,899)	7,906,050	1,170,141
Other Liabilities:					
Compensated Absences	761,729	671,909	(761,730)	671,908	20,500
Total Other Liabilities	761,729	671,909	(761,730)	671,908	20,500
Total Business-Type Activities Long-Term Liabilities	\$ 190,465,780	\$ 34,581,368	\$ (86,921,896)	\$ 138,125,252	\$ 10,190,641
<b>TOTAL LONG-TERM OBLIGATIONS</b>	<b>\$ 740,580,975</b>	<b>\$ 114,779,448</b>	<b>\$ (168,986,169)</b>	<b>\$ 686,374,254</b>	<b>\$ 61,218,833</b>

Internal Service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the totals reported for governmental funds. At year end, \$1,938,689 of compensated absences, \$3,877,979 of capital leases, \$3,844,389 of net other postemployment benefits obligation and \$22,090,426 of net pension liability were included in the amounts reported for the governmental funds.

The government-wide statement of net position includes \$2,434,530 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of \$7,966,058 was displayed as "noncurrent liabilities due within one year" on the same statement.

**Note VI. Detailed Notes on All Funds (continued)**

**2. Annual Requirements – Principal and Interest on Long-Term Obligations**

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

Year Ended <u>December 31</u>	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 19,585,000	\$ 8,691,960	\$ 1,800,000	\$ 593,581	\$ 21,385,000	\$ 9,285,541
2018	17,910,000	8,259,352	1,850,000	520,581	19,760,000	8,779,933
2019	18,275,000	7,609,442	1,855,000	455,756	20,130,000	8,065,198
2020	17,860,000	6,898,766	1,920,000	397,931	19,780,000	7,296,697
2021	17,825,000	6,259,710	1,985,000	336,916	19,810,000	6,596,626
2022-2026	78,725,000	21,551,079	8,740,000	628,252	87,465,000	22,179,331
2027-2031	48,385,000	9,014,112	-	-	48,385,000	9,014,112
2032-2036	17,685,000	1,839,352	-	-	17,685,000	1,839,352
2037-2039	1,515,000	105,644	-	-	1,515,000	105,644
Total General Obligation Bonds Debt	<u>\$ 237,765,000</u>	<u>\$ 70,229,417</u>	<u>\$ 18,150,000</u>	<u>\$ 2,933,017</u>	<u>\$ 255,915,000</u>	<u>\$ 73,162,434</u>

(Remainder of this page left blank intentionally)



**Note VI. Detailed Notes on All Funds (continued)**

Revenue bond debt service requirements to maturity are as follows:

Year Ended <u>December 31</u>	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 8,103,000	\$ 5,813,670	\$ 7,200,000	\$ 4,012,288	\$ 15,303,000	\$ 9,825,958
2018	7,153,000	5,632,974	6,470,000	3,739,693	13,623,000	9,372,667
2019	7,413,000	5,392,954	6,240,000	3,532,882	13,653,000	8,925,836
2020	7,789,000	5,089,125	6,425,000	3,319,880	14,214,000	8,409,005
2021	8,215,000	4,734,221	6,090,000	3,086,532	14,305,000	7,820,753
2022-2026	50,202,000	16,969,242	32,585,000	11,864,612	82,787,000	28,833,854
2027-2031	36,369,000	5,586,847	27,900,000	6,000,060	64,269,000	11,586,907
2032-2035	5,625,000	316,000	14,215,000	1,467,665	19,840,000	1,783,665
Total Revenue						
Bonds Debt	<u>\$ 130,869,000</u>	<u>\$ 49,535,033</u>	<u>\$ 107,125,000</u>	<u>\$ 37,023,612</u>	<u>\$ 237,994,000</u>	<u>\$ 86,558,645</u>

Revenue notes debt service requirements to maturity are as follows:

Year Ended <u>December 31</u>	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 9,192,609	\$ 1,706,611	\$ 1,170,141	\$ 181,412	\$ 10,362,750	\$ 1,888,023
2018	9,344,573	1,572,545	2,833,457	140,337	12,178,030	1,712,882
2019	9,348,628	1,412,940	1,131,085	82,487	10,479,713	1,495,427
2020	7,379,866	1,242,781	758,619	47,036	8,138,485	1,289,817
2021	2,531,000	1,142,731	99,735	20,407	2,630,735	1,163,138
2022-2026	22,137,352	4,166,985	1,913,013	85,251	24,050,365	4,252,236
2027-2031	11,475,000	2,004,450	-	-	11,475,000	2,004,450
2032-2036	2,590,000	107,485	-	-	2,590,000	107,485
Total Revenue						
Notes Debt	<u>\$ 73,999,028</u>	<u>\$ 13,356,528</u>	<u>\$ 7,906,050</u>	<u>\$ 556,930</u>	<u>\$ 81,905,078</u>	<u>\$ 13,913,458</u>

(Remainder of this page left blank intentionally)

## Note VI. Detailed Notes on All Funds (continued)

### Compensated Absences

Included in the City's governmental long-term obligations is \$20,025,321 of accrued compensated absences relating to employees not accounted for in proprietary funds. Governmental funds that report salaries in their statement of revenues, expenditures and changes in fund balance are charged on a proportionate basis for the actual payments made by the General Fund of the severance pay portion of the compensated absences liability. Actual payments of the vacation and compensatory time portion of the compensated absences liability are made directly from the same governmental funds that incurred the salary expenditures.

Proprietary fund accrued liabilities for compensated absences are also included in the City's long-term obligations of \$671,908. Liabilities have been reported in the appropriate fund's financial statements.

### Net Other Postemployment Benefits Obligation

At December 31, 2016, the net other postemployment benefits liability was \$51,676,387 in the City's governmental long-term obligations. Other postemployment benefits are generally liquidated through the General Fund.

Proprietary fund accrued liabilities for net other postemployment benefits are also included in the City's long-term obligations of \$1,197,953. Liabilities have been reported in the appropriate fund's financial statements.

### Claims and Judgments Payable

Claim and judgment expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an estimate of claims that have been incurred but not reported (IBNR). Claim expenditures relating to tort liabilities are paid from the General Fund. Workers' Compensation claim expenditures are recorded in the General Fund and are allocated to other City funds based upon a fringe benefit rate applied to each fund's actual salaries. The liability for claims and judgments is reported in the government-wide financial statements. At December 31, 2016, the claims and judgments liability was \$55,776,702.

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

Capital Leases

The following is a schedule by years of future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments of December 31, 2016:

**Capital Leases – Governmental Activity**

Year Ended December 31	City Hall Annex Improvements	RiverCentre Pedestrian Link	2012 Public Works Vehicle Lease	2013 Public Works Vehicle Lease	2014 Public Safety Equipment Lease	2014 Public Works Equipment Lease	2015 Technology Equipment Lease	2015 Public Safety Equipment Lease	2015 Public Works Equipment Lease	Totals
2017	\$ 531,862	\$ 392,288	\$ 184,175	\$ 181,377	\$ 781,559	\$ 185,719	\$ 564,164	\$ 696,549	\$ 185,847	\$ 3,703,540
2018	531,863	393,672	184,175	181,377	-	185,719	564,164	696,549	185,847	2,923,366
2019	-	394,697	92,088	181,377	-	185,719	564,164	-	185,848	1,603,893
2020	-	390,363	-	90,688	-	185,719	-	-	185,847	852,617
2021	-	390,849	-	-	-	185,719	-	-	185,848	762,416
Thereafter	-	3,508,024	-	-	-	-	-	-	185,848	3,693,872
Total Minimum Lease Payments	1,063,725	5,469,893	460,438	634,819	781,559	928,595	1,692,492	1,393,098	1,115,085	13,539,704
Less Amount Representing Interest	(58,129)	(1,227,893)	(11,660)	(16,711)	(7,068)	(47,759)	(13,496)	(24,741)	(69,497)	(1,476,954)
Present Value of Future Capital Lease Payments	\$ 1,005,596	\$ 4,242,000	\$ 448,778	\$ 618,108	\$ 774,491	\$ 880,836	\$ 1,678,996	\$ 1,368,357	\$ 1,045,588	\$ 12,062,750

(Remainder of this page left blank intentionally)

## Note VI. Detailed Notes on All Funds (continued)

### HRA Revenue Notes

In November 2013, a loan agreement, with a revolving line of credit, was executed between the Saint Paul Foundation (Foundation) and the HRA whereby the Foundation has made available funds in the amount of \$2,500,000 to the HRA for use in its major housing initiative, the Housing 5000 Program. Any of the funds advanced under the loan agreement to the HRA by the Foundation are to be used solely for developer loans on approved housing projects. The agreement was amended in March 2016 to provide up to \$2,300,000 in loans for the Model Cities Brownstone project. The HRA is to repay the principal amount of the advances to the Foundation as the developer loans are repaid to the HRA. Simple interest of one percent on the outstanding Foundation advances is payable on each December 31 starting with 2016. December 1, 2026, is the final maturity date under the loan agreement.

Long term loans in the amount of \$1,580,000 were obtained from the LAAND Initiative Fund of the Metropolitan Council and the Family Housing Fund to purchase two parcels of land along the Central Corridor route. This land is to be developed for affordable housing use. Sales of the land parcels will be used to retire the loans. The total principal amount of the long-term portion of the loans at December 31, 2016, was \$1,580,000.

### Bond Issues

On April 14, 2016, the City issued General Obligation Capital Improvement Bonds, Series 2016A in the amount of \$10,255,000. The proceeds were used to fund various capital improvement projects identified in the City's approved Capital Improvement Budget for the years 2016 through 2020.

On April 14, 2016, the City issued Sewer Revenue Bonds, Series 2016B in the amount of \$7,715,000. The proceeds were used to finance capital improvements to the City's sewer system.

On July 21, 2016, the City issued General Obligation Variable Rate Street Improvement Special Assessment Bonds, Series 2016C in the amount of \$9,025,000. The proceeds were used to fund certain improvement and rehabilitation projects for 2016.

On December 1, 2016, the City issued Sewer Revenue Refunding Bonds, Series 2016D in the amount of \$21,225,000. The bonds will be used to current refund Sewer Revenue Bonds, Series 2006C in the amount of \$2,260,000, advance refund Sewer Revenue Bonds, Series 2008D in the amount of \$15,425,000, and advance refund Series 2009C in the amount of \$6,325,000. The difference between the reacquisition price and the net carrying amount of the old debt was \$848,181, resulting in a Loss on Debt Refunding Deferred Outflow of Resources. The cash flow savings of refunding the 2006C, 2008D, and 2009C Bonds was \$4,236,463. The refunding resulted in an economic gain of \$1,952,920.

On December 15, 2016, the City issued General Obligation Various Purpose Bonds, Series 2016E in the amount of \$8,580,000. The bonds will be used to finance the acquisition of public safety and public works vehicles and other capital equipment, acquire the portion of the Jimmy Lee Recreation Center that the City does not already own and the defeasance of the HRA's Recreational Facility Lease Revenue Bonds, Series 2008 in the amount of \$6,130,000. The difference between the reacquisition price and the net carrying amount of the old debt was zero. The cash flow savings of refunding the 2008 Bonds was \$1,156,234. The refunding resulted in an economic gain of \$974,095.

On December 15, 2016, the City issued General Obligation Street Improvement Special Assessment Refunding Bonds, Series 2016F in the amount of \$11,960,000. The bonds will be used to crossover advance refund the General Obligation Street Improvement Special Assessment Bonds, Series 2008B and 2009B. The cash flow savings of refunding the bonds was \$1,621,275. The refunding resulted in an economic gain of \$1,198,549.

## **Note VI. Detailed Notes on All Funds (continued)**

On December 15, 2016, the City issued Subordinate Sales Tax Revenue Refunding Bonds, Series 2016G in the amount of \$10,380,000. The bonds will be used to advance refund the Subordinate Sales Tax Revenue Bonds, Series 2007A in the amount of \$10,580,000. The cash flow savings of refunding the bonds was \$6,967,122. The refunding resulted in an economic gain of \$6,182,035.

On December 15, 2016, the City issued Taxable Subordinate Sales Tax Revenue Refunding Bonds, Series 2016H in the amount of \$9,910,000. The bonds will be used to advance refund the Taxable Subordinate Sales Tax Revenue Bonds, Series 2007B in the amount of \$11,635,000. The cash flow savings of refunding the bonds was \$2,905,397. The refunding resulted in an economic gain of \$2,649,133.

(Remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**3. Bonds Payable - by Issue**

Bonds payable at December 31, 2016, are composed of the following individual issues:

	Interest Rates	Interest Dates	Issue Date	Final Maturity Date	Authorized and Issued	Outstanding as of 12/31/2016
<b>GENERAL OBLIGATION BONDS</b>						
<u>Property Tax Supported</u>						
Capital Improvement						
Series 2008A	2.00 to 3.50%	(3/1; 9/1)	3/1/08	3/1/18	\$ 6,330,000	\$ 1,145,000
Series 2009A	2.00 to 3.25%	(3/1; 9/1)	6/1/09	3/1/19	4,500,000	1,280,000
Series 2010B	2.00 to 3.00%	(3/1; 9/1)	3/11/10	3/1/20	7,350,000	1,180,000
Series 2010E	2.00 to 3.00%	(4/1;10/1)	10/1/10	10/1/17	4,400,000	300,000
Series 2010F	3.224 to 5.096%	(4/1;10/1)	10/1/10	10/1/30	4,675,000	4,675,000
Series 2010G	2.583 to 5.096%	(4/1;10/1)	10/1/10	10/1/30	7,765,000	7,545,000
Series 2011A	2.00 to 3.25%	(3/1; 9/1)	9/1/11	3/1/21	15,040,000	5,410,000
Series 2012A	2.00 to 4.00%	(3/1; 9/1)	4/2/12	3/1/22	5,735,000	3,515,000
Series 2013B	2.00 to 3.00%	(3/1; 9/1)	4/8/13	3/1/23	6,325,000	4,555,000
Series 2013E	3.92%	(6/1;12/1)	12/17/13	12/1/39	8,500,000	8,180,000
Series 2014A	2.00 to 5.00%	(3/1; 9/1)	4/30/14	9/1/24	14,655,000	8,745,000
Series 2015A	2.00 to 5.00%	(3/1; 9/1)	5/5/15	3/1/25	11,475,000	9,855,000
Series 2016A	2.00 to 5.00%	(3/1; 9/1)	4/14/16	9/1/26	10,255,000	10,255,000
Series 2016E	.80 to 5.00%	(6/1;12/1)	12/15/16	12/1/31	8,580,000	8,580,000
					<u>115,585,000</u>	<u>75,220,000</u>
Taxable Library RZEDs						
Series 2010H	5.196%	(4/1;10/1)	10/1/10	10/1/35	3,700,000	3,700,000
Saint Paul Public Library						
Series 2014C	2.00 to 5.00%	(3/1; 9/1)	4/30/14	3/1/33	14,830,000	12,350,000
Public Safety						
Series 2008C	3.00 to 4.375%	(5/1;11/1)	3/1/08	5/1/33	10,510,000	8,110,000
Series 2009D	3.00 to 3.50%	(6/1;12/1)	6/2/09	12/1/21	5,575,000	2,575,000
Series 2009E	5.336 to 6.032%	(6/1;12/1)	6/2/09	12/1/34	9,275,000	9,275,000
Series 2011H	2.00 to 3.00%	(6/1;12/1)	12/13/11	12/1/23	14,605,000	6,750,000
					<u>39,965,000</u>	<u>26,710,000</u>
Street Improvement						
Series 2008B	5.00%	(5/1;11/1)	3/1/08	5/1/28	9,014,221	6,265,839
Series 2009B	3.00 to 5.00%	(5/1;11/1)	6/1/09	5/1/29	7,557,911	5,406,954
Series 2011B	2.00 to 4.25%	(5/1;11/1)	4/4/11	11/1/31	9,624,750	7,495,754
Series 2012B	2.00 to 4.50%	(5/1;11/1)	4/2/12	5/1/32	6,971,774	5,707,249
Series 2013C	2.00 to 3.125%	(5/1;11/1)	4/8/13	5/1/33	8,932,482	7,611,535
Series 2014B	3.00 to 5.00%	(5/1;11/1)	4/30/14	11/1/34	19,731,655	17,965,736
Series 2015C	.35 to 3.75%	Monthly	7/8/15	5/1/25	18,625,200	16,585,633
Series 2016C	.80 to 2.75%	Monthly	7/21/16	5/1/36	6,737,884	6,737,884
Series 2016F	4.00 to 5.00%	Monthly	12/15/16	5/1/29	9,089,361	9,089,361
					<u>96,285,238</u>	<u>82,865,945</u>
Total General Obligation Bonds - Property Tax Supported					<u>\$ 270,365,238</u>	<u>\$ 200,845,945</u>
<u>Special Assessment Debt with Governmental Commitment</u>						
Assessed Reconstruction Work						
Series 2008B	5.00%	(5/1;11/1)	3/1/08	5/1/28	\$ 2,530,779	\$ 1,759,161
Series 2009B	3.00 to 5.00%	(5/1;11/1)	6/1/09	5/1/29	2,667,089	1,908,046
Series 2011B	2.00 to 4.25%	(5/1;11/1)	4/4/11	11/1/31	2,875,250	2,239,246
Series 2012B	2.00 to 4.50%	(5/1;11/1)	4/2/12	5/1/32	2,318,226	1,897,751
Series 2013C	2.00 to 3.00%	(5/1;11/1)	4/8/13	5/1/33	2,867,518	2,443,465
Series 2014B	3.00 to 5.00%	(5/1;11/1)	4/30/14	11/1/34	8,643,345	5,929,264
Series 2015C	.35 to 3.75%	Monthly	7/8/15	5/1/25	4,199,800	4,594,367
Series 2016C	.80 to 2.75%	Monthly	7/21/16	5/1/36	2,287,116	2,287,116
Series 2016F	4.00 to 5.00%	Monthly	12/15/16	5/1/29	2,870,639	2,870,639
Total General Obligation Bonds - Special Assessment Debt with Governmental Commitment					<u>\$ 31,259,762</u>	<u>\$ 25,929,055</u>

**Note VI. Detailed Notes on All Funds (continued)**

	<u>Interest Rates</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding as of 12/31/2016</u>
<u>HRA Tax Increment Fund</u>						
Koch Mobil Tax Increment Series 2010A	2.00 to 4.00%	(3/1; 9/1)	2/25/10	3/1/31	\$ 2,670,000	\$ 2,020,000
US Bank Tax Increment Taxable Refunding Bonds Series 2011G	2.00 to 4.00%	(2/1; 8/1)	8/15/11	8/1/28	8,870,000	8,300,000
Tax Increment Taxable Refunding Bonds Series 2014D	1.00 to 1.25%	(3/1; 9/1)	7/24/14	3/1/17	<u>1,995,000</u>	<u>670,000</u>
Total General Obligation Bonds - HRA Tax Increment Bonds					<u>\$ 13,535,000</u>	<u>\$ 10,990,000</u>
<u>HRA Parking Facilities Enterprise Fund</u>						
Block 39 Tax Increment Series 2009G Tax Exempt Refunding	3.125 to 4.00%	(2/1; 8/1)	10/19/09	2/1/25	<u>\$ 20,695,000</u>	<u>\$ 18,150,000</u>
Total General Obligation Bonds - HRA Parking Facilities Enterprise Fund Bonds					<u>\$ 20,695,000</u>	<u>\$ 18,150,000</u>
TOTAL GENERAL OBLIGATION BONDS					<u>\$ 335,855,000</u>	<u>\$ 255,915,000</u>

(The remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

	Interest Rates	Interest Dates	Issue Date	Final Maturity Date	Authorized and Issued	Outstanding as of 12/31/2016
<b>REVENUE BONDS</b>						
<u>Sewer Utility Enterprise Fund</u>						
Series 2009I Refunding Sewer Revenue Bonds -	2.00 to 4.00%	(6/1; 12/1)	10/1/09	12/1/18	\$ 2,820,000	\$ 885,000
Series 2010D Sewer Revenue Bonds -	3.00 to 4.00%	(6/1; 12/1)	3/3/10	12/1/29	8,610,000	6,405,000
Series 2011C Sewer Revenue Bonds -	2.00 to 4.25%	(6/1; 12/1)	4/4/11	12/1/30	8,900,000	6,990,000
Series 2012C Sewer Revenue Bonds -	2.00 to 4.00%	(6/1; 12/1)	4/2/12	12/1/31	8,815,000	7,320,000
Series 2013D Sewer Revenue Bonds -	2.00 to 4.00%	(6/1; 12/1)	4/8/13	12/1/32	11,515,000	8,855,000
Series 2014E Sewer Revenue Bonds -	2.25 to 4.00%	(6/1; 12/1)	8/4/14	12/1/33	8,000,000	7,330,000
Series 2015B Sewer Revenue Bonds -	2.00 to 4.00%	(6/1; 12/1)	5/5/15	12/1/34	8,700,000	8,340,000
Series 2016B Sewer Revenue Bonds -	2.00 to 5.00%	(6/1; 12/1)	4/14/16	12/1/35	7,715,000	7,715,000
Series 2016D Sewer Revenue Bonds -	2.50 to 5.00%	(6/1; 12/1)	12/1/16	12/1/28	21,225,000	21,225,000
					<u>\$ 86,300,000</u>	<u>\$ 75,065,000</u>
<u>City Revenue Bonds and Other Long-Term Debt – Debt Service Fund</u>						
Taxable Sales Tax Revenue Bonds -						
Series 2009 Refunding Sales Tax Revenue Bonds -	5.23%	(11/1)	4/3/09	11/1/25	\$ 65,455,000	\$ 45,500,000
Taxable Series 2014F Sales Tax Revenue Bonds -	1.375 to 3.40%	(5/1; 11/1)	12/9/14	11/1/23	8,070,000	6,055,000
Tax-Exempt Series 2014G Subordinate Sales Tax Revenue Refunding Bonds -	3.75 to 5.00%	(5/1; 11/1)	12/9/14	11/1/33	28,195,000	28,195,000
Series 2016G	1.32 to 2.03%	(5/1; 11/1)	12/16/16	11/1/30	10,380,000	10,380,000
Taxable Subordinate Sales Tax Revenue Refunding Bonds -						
Series 2016H	1.71 to 2.65%	(5/1; 11/1)	12/16/16	11/1/25	9,910,000	9,910,000
					<u>\$ 122,010,000</u>	<u>\$ 100,040,000</u>



**Note VI. Detailed Notes on All Funds (continued)**

	Interest Rates	Interest Dates	Issue Date	Final Maturity Date	Authorized and Issued	Outstanding as of 12/31/2016
<u>HRA General Debt Service Fund</u>						
HRA Tax Increment Revenue Bonds -						
North Quadrant Tax Increment						
Refunding Bonds						
Series 2002	7.50%	(2/15; 8/15)	5/1/02	2/15/28	\$ 1,089,000	\$ 823,000
Phase II Bonds						
Series 2002	7.00%	(2/15; 8/15)	6/13/02	2/15/28	1,140,000	972,000
Upper Landing Tax Increment						
Bonds - Series 2012 HRA	5.00%	(3/1; 9/1)	12/20/12	3/1/29	15,790,000	13,755,000
Drake Marble Tax Increment						
Bonds - Series 2002A	6.75%	(3/1; 9/1)	11/15/02	3/1/28	1,800,000	984,000
9th St Lofts Tax Increment						
Bonds, Series 2004	6.375%	(2/15; 8/15)	4/14/04	2/15/28	1,335,000	1,013,000
JJ Hill Tax Increment Bonds						
Series 2004	6.25%	(3/1; 9/1)	11/30/04	3/1/29	3,660,000	2,792,000
Neighborhood Scattered Site						
TIF Bonds - Series 2005	4.24 to 5.45%	(3/1; 9/1)	4/28/05	3/1/17	7,515,000	1,110,000
Emerald Gardens Tax						
Increment Bonds - Series 2010	5.00 to 6.50%	(3/1)	7/15/10	3/1/29	<u>6,595,000</u>	<u>5,335,000</u>
Total HRA Tax Increment Revenue Bonds					<u>\$ 38,924,000</u>	<u>\$ 26,784,000</u>

(The remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

	<u>Interest Rates</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>and Issued</u>	<u>as of 12/31/2016</u>
<u>HRA Lease Revenue Bonds</u>						
RiverCentre Parking Ramp Improvement	3.00 to 4.50%	(5/1; 11/1)	5/5/09	5/1/24	\$ 6,790,000	\$ 4,045,000
Total HRA General Debt Service Fund					\$ 45,714,000	\$ 30,829,000
<u>HRA Parking System Revenue Bonds</u>						
World Trade Center Ramp Bonds						
Series 1997A	6.75%	(6/1; 12/1)	11/13/97	12/1/17	\$ 11,305,000	\$ 1,005,000
Refunding Bonds						
Series 2010A	3.00 to 5.00%	(2/1; 8/1)	7/20/10	8/1/35	24,135,000	20,295,000
Series 2010B	3.00 to 5.00%	(2/1; 8/1)	7/20/10	8/1/35	12,820,000	10,760,000
Total HRA Parking System Revenue Bonds					\$ 48,260,000	\$ 32,060,000
TOTAL REVENUE BONDS					\$ 302,284,000	\$ 237,994,000
TOTAL BONDS PAYABLE					\$ 638,139,000	\$ 493,909,000

(The remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**H. Operating Lease**

From 1998 through 2016, the City entered into noncancelable operating leases for personal computers. Total payments made for the leases during 2016 were \$1,247,751. The following schedule presents the future minimum rental payments for these operating leases:

<u>Year Ending December 31</u>	<u>Amount</u>
2017	\$ 1,039,253
2018	719,203
2019	400,827
2020	74,617
2021	20,093
Total Minimum Payments Required	<u>\$ 2,253,993</u>

**I. Deferred Inflows of Resources – Unavailable Revenue**

<u>Governmental Activities</u>	<u>General</u>	<u>Assessment Financing</u>	<u>Public Library General Fund</u>	<u>HRA General Fund</u>	<u>City Debt Service</u>	<u>HRA Debt Service</u>	<u>City Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Deferred Inflows of Resources:									
Property Taxes	\$ 1,822,753	\$ -	\$ 416,277	\$ 54,775	\$ 295,687	\$ 60,039	\$ -	\$ 54,998	\$ 2,704,529
Operating Grants & Contributions	-	-	-	-	-	-	-	4,633,546	4,633,546
Accounts Receivable	445,283	-	-	-	-	-	25,278	635,114	1,105,675
Accrued Interest Receivable	203,142	-	-	23,917	32,907	33,426	50,010	195,071	538,473
Notes and Loans Receivable	-	-	-	10,609	-	-	-	4,581,649	4,592,258
Land Held for Resale	-	-	-	327,993	-	-	-	1,814,861	2,142,854
Special Assessments	-	20,503,245	-	-	13,589,087	-	-	9,088,990	43,181,322
Capital Grants	-	-	-	-	-	-	9,567,513	-	9,567,513
Total Deferred Inflows of Resources	<u>\$ 2,471,178</u>	<u>\$ 20,503,245</u>	<u>\$ 416,277</u>	<u>\$ 417,294</u>	<u>\$ 13,917,681</u>	<u>\$ 93,465</u>	<u>\$ 9,642,801</u>	<u>\$ 21,004,229</u>	<u>\$ 68,466,170</u>

(The remainder of this page left blank intentionally)

**Note VI. Detailed Notes on All Funds (continued)**

**J. Fund Balance Classifications**

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The December 31, 2016, fund balances are as follows:

Fund Balances:	Major Special Revenue Funds				City Debt Service Fund	HRA Debt Service Fund	City Capital Projects	Nonmajor Governmental Funds	Total
	City General Fund	Assessment Financing Fund	SPPL General Fund	HRA General Fund					
Nonspendable:									
Corpus of Permanent Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Total	-	-	-	-	-	-	-	35,000	35,000
Restricted For:									
General Government	-	-	-	-	-	-	37,648,616	125,911	37,774,527
Public Safety	-	-	-	-	-	-	-	1,037,679	1,037,679
Highways and Streets	-	-	-	-	-	-	9,138,308	2,404,950	11,543,258
Sanitation	-	-	-	-	-	-	411,323	852,315	1,263,638
Culture and Recreation	-	-	-	-	-	-	9,023,018	2,629,339	11,652,357
Housing and Economic Development	-	-	-	-	-	-	-	33,095,860	33,095,860
Debt Service	-	-	-	-	62,078,179	11,533,266	-	-	73,611,445
Total	-	-	-	-	62,078,179	11,533,266	56,221,265	40,146,054	169,978,764
Committed To:									
General Government	268,433	-	-	-	-	-	-	351,974	620,407
Public Safety	-	-	-	-	-	-	-	90,220	90,220
Culture and Recreation	-	-	1,836,417	-	-	-	-	1,390,311	3,226,728
Housing and Economic Development	-	-	-	6,148,400	-	-	-	19,770,719	25,919,119
Total	268,433	-	1,836,417	6,148,400	-	-	-	21,603,224	29,856,474
Assigned:									
General Government	-	3,453,320	-	-	-	-	-	444,939	3,898,259
Public Safety	-	385,308	-	-	-	-	-	161,491	546,799
Highways and Streets	-	-	-	-	-	-	-	8,544,444	8,544,444
Sanitation	-	-	-	-	-	-	-	885,760	885,760
Culture and Recreation	-	1,337,479	438,199	-	-	-	-	1,871,754	3,647,432
Housing and Economic Development	-	-	-	4,937,447	-	-	-	4,054,597	8,992,044
Total	-	5,176,107	438,199	4,937,447	-	-	-	15,962,985	26,514,738
Unassigned	48,676,820	-	-	-	-	-	(14,371,600)	(4,534,213)	29,771,007
Total	\$ 48,945,253	\$ 5,176,107	\$ 2,274,616	\$ 11,085,847	\$ 62,078,179	\$ 11,533,266	\$ 41,849,665	\$ 73,213,050	\$ 256,155,983

**Note VI. Detailed Notes on All Funds (continued)**

**K. Tax Abatements – Pay-As-You-Go Tax Increment Notes**

The HRA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The notes are payable only after the HRA has received tax increment revenue from the above districts and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2016, since all scheduled note payments have been made from the available tax increment. All expenditures under the notes are reported in the City Tax Increment Capital Projects Fund.

The HRA has issued pay-as-you-go tax increment notes to finance development in the following tax increment financing districts as of December 31, 2016. The agreements are not a general obligation of the HRA and are payable solely from available tax increment revenues. Accordingly, these agreements are not reflected in the financial statements of the HRA.

Tax Increment Financing District - Project	No.	Date Issued	Note Amount	Note Principal Balance 12/31/2015	Note Principal Balance 12/31/2016	Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2016
Hubbard Site	193	7/31/1999	\$ 1,259,924	\$ -	\$ -	\$ -
1919 University	194	11/7/1997	1,357,000	1,357,000	1,357,000	149,948
Block 4-TIR Note, Series 2004	212	5/6/2004	17,800,000	15,476,143	14,663,002	1,693,495
Block 4-Taxable TIR Note, Srs 2004	212	5/6/2004	2,975,838	-	-	-
Superior Street Cottages Srs 1998	215	7/16/1998	311,341	178,460	-	15,574
Superior Street Cottages Srs 2016	215	5/6/2016	205,000	-	190,983	18,117
Emerald Park Owner Occ. Ph I	228	2/26/2003	3,067,000	-	-	-
Straus Building	232	12/26/2002	600,000	596,964	596,964	40,158
Phalen Village CUB Foods Proj.	234	3/1/2008	3,100,000	2,737,857	2,582,306	317,482
Osceola Park, Series 2002	237	11/4/2002	950,000	950,000	950,000	112,264
Bridgecreek Senior Place Project	240	6/30/2004	2,398,952	2,398,952	2,398,952	149,616
Lyons Court Rental Project	241	4/14/2004	682,000	682,000	682,000	39,189
Shepard-Davern Ownership Housing	243	11/1/2006	3,257,067	2,715,625	2,653,114	238,169
Shepard Davern Rental Housing	244	3/28/2006	4,820,000	3,362,250	3,032,052	497,780
Shepard-Davern Gateway Senior	245	12/2/2003	1,353,286	1,353,286	1,334,964	98,001
Phalen Senior Lofts Project	257	2/10/2005	925,000	908,750	908,750	32,678
North Quadrant Rental Phase I	260	2/1/2001	2,140,000	2,140,000	2,140,000	160,617
Emerald Park-Commerical/Metro	266	6/21/2005	1,225,000	-	-	-
Emerald Park Owner Occ. Ph II	267	4/12/2005	2,074,000	-	-	-
Emerald Park Rental	267	10/16/2002	3,110,000	2,899,121	2,679,800	433,379
North Quadrant Rental Phase II	268	2/28/2002	1,500,000	1,500,000	1,500,000	139,596
North Quadrant Shortfall TIR, Note II	268	6/20/2002	179,781	179,781	179,781	-
Phalen Village Ames Lake	269	8/1/2003	418,000	418,000	418,000	6,626
Carlton Lofts	271	10/1/2005	2,358,660	2,358,660	2,358,660	119,017
River Pointe Lofts Project	278	12/27/2007	1,829,000	1,533,531	1,433,981	178,960
Minnesota Building	279	6/9/2010	936,000	936,000	936,000	56,772
Carondelet Village	291	6/23/2010	3,104,000	3,104,000	3,104,000	236,645
Cosseta	299	11/4/2011	388,000	382,837	336,804	70,209
Penfield	301	6/22/2012	8,295,500	8,295,500	-	483,328
Pioneer-Endicott	302	10/31/2012	2,500,000	2,500,000	2,500,000	248,146
Schmidt Brewery	304	11/16/2012	3,770,000	3,770,000	3,770,000	151,234
West Side Flats	305	11/19/2012	3,800,000	3,800,000	3,800,000	151,756
Hamline Station East	313	12/12/2014	530,000	530,000	530,000	-
Hamline Station West	314	12/12/2014	1,559,000	1,559,000	1,559,000	-
Custom House/Post Office	317	11/12/2014	5,800,000	5,800,000	5,800,000	-
East 7th-Bates Sr Housing	318	6/2/2015	2,291,000	2,291,000	2,291,000	-
2700 Univ. at Westgate Station	319	6/29/2015	7,865,000	7,865,000	7,865,000	-
Wilson II Housing Project	324	10/31/2016	1,720,000	-	1,720,000	-
<b>Total</b>			<b>\$ 102,455,349</b>	<b>\$ 84,579,717</b>	<b>\$ 76,272,113</b>	<b>\$ 5,838,756</b>

## Note VII. Discretely Presented Component Units

### A. Basis of Presentation and Basis of Accounting

The RiverCentre Convention & Visitors Authority (RCVA), Saint Paul Regional Water Services (Regional Water Services) and the Port Authority of the City of Saint Paul (Port Authority) are accounted for as proprietary fund types. Proprietary fund types are reported on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred.

Financial information is presented as a discrete column in the statement of net position and statement of activities.

### B. Deposits and Investments

#### RiverCentre Convention & Visitors Authority:

Certain balances of the RiverCentre Convention & Visitors Authority's deposits are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to this portfolio of deposits and investments. Deposits are maintained in accordance with Minnesota §118A.02 and §118A.04. Investments are governed by the City's Investment Policy. (See Note VI.A Deposits, Investments and Securities Lending).

#### *Deposits*

The RCVA places its cash with several financial institutions. As of December 31, 2016, the RiverCentre Convention & Visitors Authority's deposits in checking and interest bearing accounts total \$4,491,279. The RCVA's policy in managing the custodial credit risk is by depositing their cash in large, stable banking institutions.

#### *Investments*

The RCVA reports investments at fair value, based on quoted market prices. Investment income and realized and unrealized gains and losses are reflected on the statement of activities as investment income. Certain balances are invested in the cash and investments pool managed and maintained by the City. Earnings from this pool are allocated to the RCVA based on averaged monthly cash balances. The City invests available cash in various securities in accordance with the requirements set forth in Minnesota Statutes.

At December 31, 2016, RCVA's investments include the following:

Type of Investment	Fair Value
Marketable Certificates of Deposit	\$ 225,470
Mutual Fund Equities	224,942
Investments with the City's Cash and Investments Pool	6,123,741
Total	\$ 6,574,153

(The remainder of this page left blank intentionally)

**Note VII. Discretely Presented Component Units (continued)**

Recap

Deposits	\$	4,491,279	Cash and Investments	\$	3,608,926
Investments		6,574,153	Investments		1,883,721
			Restricted Investments		5,572,785
Total	\$	<u>11,065,432</u>	Total	\$	<u>11,065,432</u>

**Regional Water Services:**

Regional Water Services deposit and investment functions are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to the Regional Water Services portfolio of deposits and investments. Deposits are maintained in accordance with Minnesota §118A.02 and §118A.04. Investments are governed by the City's Investment Policy. (See Note VI.A Deposits, Investments and Securities Lending).

***Deposits***

As of December 31, 2016, the Regional Water Services deposits in checking and interest bearing accounts and certificates of deposits total \$33,687,108. The deposits are covered with insurance or pledged collateral at 110% of deposits that is held in the City's name at a third-party institutions, and therefore are not exposed to custodial credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the Regional Water Services deposits may not be returned to it. As of December 31, 2016, the Regional Water Services deposits were not exposed to custodial credit risk. All pledged collateral is held in the City's name at third party institutions, pledged at 110% of deposits not covered by insurance or bonds.

***Investments***

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. It is the City's policy to invest only in securities that meet the ratings requirements set by state statute.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

The Regional Water Services exposure to credit risk as of December 31, 2016, is as follows:

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
Moody's	Aaa	\$ 8,793,060

### Custodial Credit Risk

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2016, all investment securities were in the City's name and were held in the custody of US Bank under the City's name and, therefore, are not subject to custodial credit risk.

### Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. It is the City's policy that U.S. Treasury Securities, U.S. Agency Securities and obligations backed by U.S. Treasury and/or U.S. Agency Securities, may be held without limit.

At December 31, 2016, the City does not have investments in any one issuer that represent 5% or more of the City's total investments portfolio and, therefore, also not subject to concentration of credit risk.

### Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City's internal portfolio has a shorter overall weighted duration than the benchmarks established for each component portfolio. All else being equal, this would be expected to reduce the risk to adverse effects from rising interest rates.

At December 31, 2016, Regional Water Services had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 2 years</u>	<u>2-4 Years</u>	<u>5-10 Years</u>	<u>Over 10 Years</u>
U.S. Agencies	<u>\$ 8,793,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,916,990</u>	<u>\$ 5,876,070</u>

(The remainder of this page left blank intentionally)



## Note VII. Discretely Presented Component Units (continued)

### Fair Value Measurements

Regional Water measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs

At December 31, 2016, Regional Water Services had a total fair value investments of \$8,793,060. These are all invested in U.S. Agencies and had a fair value measurements classification of Level 2 using a market approach by utilizing quoted prices for identical securities in market that are not active.

### Recap

Deposits	\$	33,687,108	Cash and Investments	\$	28,935,428
Investments		8,793,060	Investments		1,860,189
Departmental Cash		134,317	Departmental Cash		134,317
Imprest Funds on Hand		2,000	Imprest Funds		2,000
			Restricted Cash and Investments		11,684,551
Total	\$	<u>42,616,485</u>		\$	<u>42,616,485</u>

### **Port Authority:**

#### **Deposits**

In accordance with applicable Minnesota State Statutes, the Port Authority maintains deposits at financial institutions authorized by the Board of Commissioners. All such depositories are members of the Federal Reserve System. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Minnesota Statutes require securities pledged as collateral held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

#### Custodial Credit Risk

Minnesota statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance (140% if collateralized with notes secured by first mortgages). The Port Authority's accounts were maintained at depositories and consisted of checking, savings, certificates of deposit and money market accounts.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### Investments

Statutes authorize the Port Authority to invest in certain securities which are direct obligations, guaranteed, or insured issues of the United States, its agencies, its instrumentalities or organizations created by acts of Congress. Also authorized are investments in certain state and local securities, commercial paper with maturities of less than 270 days, guaranteed investment contracts, bankers' acceptances, time deposits, repurchase agreements, securities lending agreements and authorized mutual funds with final maturities no longer than 13 months. The investments for Capital City Properties (CCP), the Port Authority's component unit, are managed by the Port Authority. The Port Authority's investment policy is limited to those investments authorized by statute.

### Credit Risk

As a means of managing its exposure that an issuer of a debt security will not fulfill its obligation, it is the Port Authority's practice to follow state law, which limits investments in authorized securities to certain credit risk ratings and maturities. It is the Port Authority's policy that securities must carry an A- or higher long-term rating by one rating agency or the highest quality short term rating (without regard to modifiers) by two of the following rating agencies: Standard & Poor's, Fitch or Moody's. The Port Authority's investments at December 31, 2016, carried the following ratings:

<u>Rating</u>	<u>Fair Value</u>
AAA/Aaa	\$ 10,013,432
AA/Aa	7,090,370
A	77,584
Not Rated	776,267
	<u>\$ 17,957,653</u>

### Custodial Credit Risk

For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Port Authority will not be able to recover the value of its investments that are in the possession of another party. The Port Authority requires all securities purchased to be made in such a manner so that the securities are registered in the Port Authority's name or are in the possession of the Port Authority or a third-party custodian in the Port Authority's name.

### Concentration of Credit Risk

The Port Authority diversifies its portfolio in order to minimize the impact of losses from any one individual issuer. It is the Port Authority's policy to limit the amount invested in any one issuer at the time of the purchase, excluding securities of the U.S. Government and government sponsored enterprise securities. There were no violations of the policy during the year. It is the Port Authority's general practice to limit the amount the Port Authority may invest in any one issuer at the time of purchase to no more than 5% of the total investments managed by the Port Authority.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

At December 31, 2016, more than 5% of the Port Authority's and Capital City Properties (CCP)'s investments are in the following issuers:

Issuer	Percent of Investments
Federal National Mortgage Association (Fannie Mae)	25.9%

### Interest Rate Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, it is the Port Authority's practice to match maturities to its liquidity needs. The Port Authority establishes benchmarks that reflect its expected cash flow needs and minimize interest rates that are materially longer or shorter than those established by the benchmarks chosen. Maximum duration of the portfolio is 120% of the benchmark duration.

The schedule of the average maturities by investment type as of December 31, 2016, is as follows:

Investment Type	Fair Value	Less Than 1 year	1-5 Years	6-10 Years	Over 10 Years
Federal Home Loan Mortgage Corp (Freddie Mac)	\$ 1,656,381	\$ -	\$ 1,536,915	\$ 50,375	\$ 69,091
Federal National Mortgage Assoc. (Fannie Mae)	4,644,832	173,691	2,616,977	1,650,191	203,973
Federal Agri Mort Corp (Farmer Mac)	-	-	-	-	-
Governmental National Mortgage Assoc (Ginnie Mae)	11,756	-	-	11,756	-
Guaranteed Investment Contracts	-	-	-	-	-
Federal Home Loan Bank	2,540,953	-	2,540,953	-	-
Negotiable Certificates of Deposit	723,795	723,795	-	-	-
State & Local Obligations:					
Municipal Bonds	1,873,298	543,019	1,330,279	-	-
Tennessee Valley Authority	52,472	52,472	-	-	-
US Dept Agriculture Loan Certificates	37,188	-	-	-	37,188
US Treasury Notes	6,416,978	200,016	3,898,101	2,318,861	-
<b>Total</b>	<b>\$ 17,957,653</b>	<b>\$ 1,692,993</b>	<b>\$ 11,923,225</b>	<b>\$ 4,031,183</b>	<b>\$ 310,252</b>

(The remainder of this page left blank intentionally)

**Note VII. Discretely Presented Component Units (continued)**

Recap

Deposits	\$ 17,167,817	Cash and Investments	\$ 3,283,161
Investments	19,293,259	Investments	17,957,653
		Restricted Cash	15,220,262
Total	<u>\$ 36,461,076</u>	Total	<u>\$ 36,461,076</u>

**C. Capital Assets**

Summary of Changes in Capital Assets of RiverCentre Convention & Visitors Authority:

	Balance 01/01/16	Additions	Deductions	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	-	-	-	-
Capital Assets Being Depreciated:				
Buildings and Structures	-	-	-	-
Public Improvements	-	-	-	-
Equipment	417,820	-	-	417,820
Total Capital Assets Being Depreciated	417,820	-	-	417,820
Less: Accumulated Depreciation for:				
Buildings and Structures	-	-	-	-
Public Improvements	-	-	-	-
Equipment	(191,976)	(52,839)	-	(244,815)
Total Accumulated Depreciation	(191,976)	(52,839)	-	(244,815)
Total Capital Assets Being Depreciated, Net	225,844	(52,839)	-	173,005
Capital Assets, Net	\$ 225,844	\$ (52,839)	\$ -	\$ 173,005

(The remainder of this page left blank intentionally)

**Note VII. Discretely Presented Component Units (continued)**

Summary of Changes in Capital Assets of Regional Water Services:

	Balance 01/01/16	Additions	Deductions	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	\$ 3,909,692	\$ 152,074	\$ -	\$ 4,061,766
Construction in Progress	18,801,909	15,725,476	(20,649,245)	13,878,140
<b>Total Capital Assets Not Being Depreciated</b>	<b>22,711,601</b>	<b>15,877,550</b>	<b>(20,649,245)</b>	<b>17,939,906</b>
Capital Assets Being Depreciated:				
Buildings and Structures	57,566,696	19,782	-	57,586,478
Public Improvements	289,231,741	94,498,724	(1,405,649)	382,324,816
Equipment	56,504,597	1,460,177	(1,111,206)	56,853,568
<b>Total Capital Assets Being Depreciated</b>	<b>403,303,034</b>	<b>95,978,683</b>	<b>(2,516,855)</b>	<b>496,764,862</b>
Less: Accumulated Depreciation for:				
Buildings and Structures	(22,451,341)	(1,261,725)	-	(23,713,066)
Public Improvements	(86,519,975)	(48,761,152)	669,817	(134,611,310)
Equipment	(31,071,083)	(2,122,206)	958,421	(32,234,868)
<b>Total Accumulated Depreciation</b>	<b>(140,042,399)</b>	<b>(52,145,083)</b>	<b>1,628,238</b>	<b>(190,559,244)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>263,260,635</b>	<b>43,833,600</b>	<b>(888,617)</b>	<b>306,205,618</b>
<b>Capital Assets, Net</b>	<b>\$ 285,972,236</b>	<b>\$ 59,711,150</b>	<b>\$ (21,537,862)</b>	<b>\$ 324,145,524</b>

(Remainder of this page left blank intentionally)

**Note VII. Discretely Presented Component Units (continued)**

Summary of Changes in Capital Assets of Port Authority:

	Balance 01/01/16	Additions	Deductions	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	\$ 8,030,066	\$ -	\$ (600)	\$ 8,029,466
Construction in Progress	6,625,972	2,886,649	-	9,512,621
<b>Total Capital Assets Not Being Depreciated</b>	<b>14,656,038</b>	<b>2,886,649</b>	<b>(600)</b>	<b>17,542,087</b>
Capital Assets Being Depreciated:				
Buildings	58,858,498	238,500	-	59,096,998
Equipment	3,818,201	104,406	-	3,922,607
<b>Total Capital Assets Being Depreciated</b>	<b>62,676,699</b>	<b>342,906</b>	<b>-</b>	<b>63,019,605</b>
Less: Accumulated Depreciation for:				
Buildings	(33,895,893)	(1,160,357)	-	(35,056,250)
Equipment	(2,037,540)	(211,591)	-	(2,249,131)
<b>Total Accumulated Depreciation</b>	<b>(35,933,433)</b>	<b>(1,371,948)</b>	<b>-</b>	<b>(37,305,381)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>26,743,266</b>	<b>(1,029,042)</b>	<b>-</b>	<b>25,714,224</b>
<b>Capital Assets, Net</b>	<b>\$ 41,399,304</b>	<b>\$ 1,857,607</b>	<b>\$ (600)</b>	<b>\$ 43,256,311</b>

**D. Long-Term Obligations**

**RiverCentre Convention & Visitors Authority:**

At December 31, 2016, long-term obligations of the RiverCentre Convention & Visitors Authority are listed below.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Notes	\$ 120,000	\$ -	\$ 20,102	\$ 99,898	\$ 19,096

(The remainder of this page left blank intentionally)

**Note VII. Discretely Presented Component Units (continued)**

**Regional Water Services:**

At December 31, 2016, long-term obligations of Regional Water Services consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 16,398,957	\$ -	\$ 2,617,341	\$ 13,781,616	\$ 2,750,000
Revenue Notes	26,260,680	394,170	1,344,434	25,310,416	1,270,583
Net Other Postemployment Benefits Obligation	4,422,010	1,034,283	736,139	4,720,154	-
Net Pension Liability	12,451,952	9,762,745	2,871,034	19,343,663	-
Compensated Absences	1,795,410	798,685	880,940	1,713,155	47,250
Claims and Judgments	3,942,845	430,827	743,326	3,630,346	635,562
<b>Total</b>	<b>\$ 65,271,854</b>	<b>\$ 12,420,710</b>	<b>\$ 9,193,214</b>	<b>\$ 68,499,350</b>	<b>\$ 4,703,395</b>

Revenue bonds beginning balance includes premium of \$593,957 not previously disclosed.

**Port Authority:**

At December 31, 2016, long-term obligations of Port Authority consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General Obligation Bonds	\$ 31,847,943	\$ 12,172,152	\$ 7,276,014	\$ 36,744,081	\$ 2,765,000
Revenue Bonds	56,542,676	4,688,187	4,729,032	56,501,831	24,386,857
Revenue Notes	9,483,045	571,000	1,363,644	8,690,401	1,001,880
Net Pension Liability	1,300,812	862,421	238,911	1,924,322	-
Net Other Postemployment Benefits Obligation	83,950	45,114	40,143	88,921	-
<b>Total</b>	<b>\$ 99,258,426</b>	<b>\$ 18,338,874</b>	<b>\$ 13,647,744</b>	<b>\$ 103,949,556</b>	<b>\$ 28,153,737</b>

General obligation and revenue bonds beginning balances are reported net of premium and discount that were previously disclosed separately.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### E. Principal and Interest Requirements on Long Term Obligations - Bonds and Notes

#### Regional Water Services:

Total principal and interest requirements relating to outstanding revenue bonds and notes at December 31, 2016, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds	\$ 13,275,000	\$ 1,195,400	\$ 14,470,400
Revenue Notes	<u>25,310,416</u>	<u>3,658,886</u>	<u>28,969,302</u>
Total	<u>\$ 38,585,416</u>	<u>\$ 4,854,286</u>	<u>\$ 43,439,702</u>

#### Port Authority:

Total principal and interest requirements relating to outstanding revenue bonds and notes at December 31, 2016, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds	\$ 36,055,000	\$ 9,194,783	\$ 45,249,783
Revenue Bonds	56,393,724	22,783,599	79,177,323
Revenue Notes	<u>8,690,401</u>	<u>231,664</u>	<u>8,922,065</u>
Total	<u>\$ 101,139,125</u>	<u>\$ 32,210,046</u>	<u>\$ 133,349,171</u>

The Port Authority has issued debt obligations to finance numerous development projects. The debt is secured by the related amounts to be received under leases, loan agreements and ad valorem property taxes. These obligations are not secured by the credit of the Authority, and the Authority is not obligated in any manner for repayment of the debt. Accordingly, this no-commitment debt is not reported as a liability in the Port Authority's financial statements. At December 31, 2016, outstanding no-commitment debt totaled \$246 million.

### F. Net Position – Restricted

As of December 31, 2016, net position was restricted for the following purposes

	<u>RiverCentre Convention and Visitors Authority</u>	<u>Regional Water Services</u>	<u>Port Authority</u>	<u>Total</u>
For Economic Development	\$ -	\$ -	\$ 16,315,710	\$ 16,315,710
For Debt Service	<u>-</u>	<u>11,614,054</u>	<u>2,519,174</u>	<u>14,133,228</u>
Total	<u>\$ -</u>	<u>\$ 11,614,054</u>	<u>\$ 18,834,884</u>	<u>\$ 30,448,938</u>



## Note VII. Discretely Presented Component Units (continued)

### G. Condensed Financial Information

The following provides component unit condensed financial information for the year ended December 31, 2016:

#### CONDENSED STATEMENT OF NET POSITION

	RiverCentre Convention and Visitors Authority	Regional Water Services	Port Authority	Total
<b>ASSETS</b>				
Current Assets	\$ 7,576,297	\$ 46,508,735	\$ 39,336,017	\$ 93,421,049
Restricted Assets	5,179,259	6,932,871	-	12,112,130
Other Assets	-	145,655	92,146,625	92,292,280
Capital Assets, Net	173,005	324,145,524	43,256,311	367,574,840
<b>Total Assets</b>	<b>12,928,561</b>	<b>377,732,785</b>	<b>174,738,953</b>	<b>565,400,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding	-	-	354,545	354,545
Deferred Pension Outflows	-	8,113,186	795,629	8,908,815
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>8,113,186</b>	<b>1,150,174</b>	<b>9,263,360</b>
<b>LIABILITIES</b>				
Current Liabilities	2,134,378	16,420,148	75,061,361	93,615,887
Noncurrent Liabilities	80,802	63,795,955	75,795,819	139,672,576
<b>Total Liabilities</b>	<b>2,215,180</b>	<b>80,216,103</b>	<b>150,857,180</b>	<b>233,288,463</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Inflows	-	2,364,708	245,911	2,610,619
<b>NET POSITION</b>				
Net Investment in Capital Assets	173,005	285,053,492	5,951,152	291,177,649
Restricted	-	11,614,054	18,834,884	30,448,938
Unrestricted	10,540,376	6,597,614	-	17,137,990
<b>TOTAL NET POSITION</b>	<b>\$ 10,713,381</b>	<b>\$ 303,265,160</b>	<b>\$ 24,786,036</b>	<b>\$ 338,764,577</b>

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	RiverCentre Convention and Visitors Authority	Regional Water Services	Port Authority	Total
Operating Revenues	\$ 14,651,063	\$ 58,951,513	\$ 11,439,860	\$ 85,042,436
Operating Expenses	14,231,878	38,613,414	9,095,459	61,940,751
Depreciation	52,839	9,428,761	1,371,947	10,853,547
Operating Income (Loss)	366,346	10,909,338	972,454	12,248,138
Total Nonoperating Revenues (Expenses)	(2,874,079)	(1,175,603)	(5,452,175)	(9,501,857)
Capital Contributions	2,751,028	693,222	-	3,444,250
Special Item - Acquisition of Mendota Heights Water System	-	33,290,218	-	33,290,218
Changes in Net Position	243,295	43,717,175	(4,479,721)	39,480,749
Net Position, January 1	10,470,086	259,547,985	29,265,757	299,283,828
Net Position, December 31	\$ 10,713,381	\$ 303,265,160	\$ 24,786,036	\$ 338,764,577

## H. Pension Plans

### RiverCentre Convention & Visitors Authority:

The RiverCentre Convention & Visitors Authority (RCVA) has a defined contribution 401(k) retirement plan that covers substantially all employees meeting certain eligibility requirements. The RCVA has the option to contribute discretionary amounts to the plan. The RCVA makes matching contributions of up to 5% of compensation. During 2004, an additional discretionary contribution of 2% of each participant's salary was approved by the Board. No discretionary contributions have been made in 2016 or 2015. Retirement plan contribution expense was \$34,960 and \$31,436 for 2016 and 2015 respectively.

### Regional Water Services:

Regional Water Services employees are employees of the City of Saint Paul and are covered by defined benefit pension plans administered by the Public Employees Retirement Association (PERA). See Note VIII.A for information on PERA.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

Regional Water Services total contributions for the General Employees Retirement Plan accounted for in the General Employees Retirement Fund (GERF) for the year ended December 31, 2016, were \$1,145,685. The contributions are equal to the contractually required contributions as set by state statute PERA pension plan.

### Pension Costs

At December 31, 2016, Regional Water reported a liability of \$19,343,663 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Regional Water's proportion of the net pension liability was based on Regional Water's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, Regional Water's proportion was 0.2410%. It was 0.2403% measured as of June 30, 2015. For the year ended June 30, 2016, Regional Water recognized pension expense of \$2,506,630 for its proportionate share of the General Employees Retirement Fund's pension expense.

Regional Water also recognized \$76,217 as revenue, which results in a reduction of the net pension liability for its proportionate share of the State of Minnesota's contributions to the General Employees Retirement Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$6 million the General employee Retirement Plan each year, starting September 15, 2015, through September 15, 2031.

Regional Water's proportionate share of the net pension liability	\$19,343,663
State of Minnesota's proportionate share of the net pension liability Associated with Regional Water	<u>255,613</u>
Total	<u>\$19,599,276</u>

The Regional Water reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 1,596,224
Changes in actuarial assumptions	3,832,162	-
Difference between projected and actual investment earnings	3,696,477	-
Changes in proportion	-	768,484
Contributions paid to PERA subsequent to the measurement date	<u>584,547</u>	<u>-</u>
Total	<u>\$ 8,113,186</u>	<u>\$ 2,364,708</u>

## Note VII. Discretely Presented Component Units (continued)

The \$584,547 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2017	\$ 1,305,144
2018	1,305,144
2019	1,846,678
2020	706,965

### Pension Liability Sensitivity

The following presents the Regional Water's proportionate share of the net pension liability calculated using the discount return of 7.5%, as well as what its proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Proportionate share of the General Employees Retirement Plan net pension liability	\$ 27,439,053	\$ 19,343,663	\$ 12,675,540

### **Port Authority:**

All employees hired after June 30, 2003, as well as certain other employees, are participants in the General Employees Retirement Fund (GERF), which is a cost sharing, multiple employer retirement plan. All other full-time employees are required to participate in a Port Authority-sponsored Section 414(d) employee benefit plan. The following is a description of these plans.

Port Authority 414(d) Plan: The Port Authority sponsors a Section 414(d) employee benefit plan covering all full-time employees who were hired prior to June 30, 2003, and did not elect to participate in the GERF. Employee participation in the plan is mandatory, and employees are required to contribute 6.50% of their salary. The Port Authority provides a contribution of 7.5%. Total contributions were \$34,997 in 2016.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

General Employees Retirement Fund (GERF): All full-time employees of the Port Authority who were hired after June 30, 2003, as well as certain other employees who elected to participate in GERF, are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. See Note VIII.A for information on PERA.

The Port Authority contributed \$103,056 in 2016. The contributions are equal to the contractually required contributions as set by state statute PERA pension plan.

### Pension Costs

The Port Authority reported a liability of \$1,924,322 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Port Authority's proportion of the net pension liability was based on Port Authority's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the Port Authority's proportion was 0.0237%. It was 0.0251% measured as of June 30, 2015. For the year ended December 31, 2016, the Port Authority recognized pension expense of \$235,677 for its proportionate share of the General Employees Retirement Fund's pension expense.

At December 31, 2016, the Port Authority reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ -	\$ 156,323
Changes in actuarial assumptions	376,784	-
Difference between projected and actual investment earnings	365,245	-
Changes in proportion	-	89,588
Contributions paid to PERA subsequent to the measurement date	53,600	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 795,629</u>	<u>\$ 245,911</u>

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

The \$53,600 reported as deferred outflows of resources related to pensions resulting from Port Authority contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2017	\$ 129,059
2018	129,059
2019	168,490
2020	69,510

### Pension Liability Sensitivity

The following presents the Port Authority's proportionate share of the net pension liability calculated using the discount return of 7.9%, as well as what its proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase in Discount Rate <u>(8.5%)</u>
Proportionate share of the General Employees Retirement Plan net pension liability	\$ 2,733,108	\$ 1,924,322	\$ 1,258,103

### I. Postemployment Benefits Other than Pension

#### RiverCentre Convention & Visitors Authority:

The RiverCentre Convention & Visitors Authority does not provide other postemployment benefits.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### Regional Water Services:

#### Plan Description

In addition to providing the pension benefits described in Note VII.I, Regional Water Services, through the City of Saint Paul (City) provides other postemployment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The authority to provide these benefits is established in Minnesota Statutes §471.61, Subd. 2a. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

#### Benefits Provided

Eligibility requirements and contribution levels vary substantially between the 11 bargaining agreements. The typical eligibility requirements are 20 years of service and currently receiving a public employee pension. This coverage may also extend to the retiree's family. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through the City's collective bargaining agreements with employee groups. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; vision care; preventative dental; and prescriptions.

Retirees under the age of 65 (early retirees) are included in the pool with active employees. Each year during open enrollment, active employees and early retirees select from three options with the City's health insurance carrier. Retirees over 65 (regular retirees) have two plan options under a separate policy. Medicare becomes the primary insurer and the City's plan becomes secondary. Life insurance in the amount of \$5,000 to \$20,000 is provided to some early retirees, depending upon collective bargaining agreements.

The majority of employees benefit amounts have been capped. The benefit amount varies depending upon employment date and bargaining unit agreement as indicated in the following:

#### Health Care Benefit

	<u>Under Age 65 (early retiree)</u>	<u>Over Age 65 (regular retiree)</u>
Employees who retired before January 1, 1996	Not Applicable	100%
Employees hired before January 1, 1996 and retiring after January 1, 1996	\$350 per month	\$550 per month
Employees hired after January 1, 1996	\$300 per month	\$300 per month

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### Membership

As of the actuarial valuation date of September 30, 2014, the membership consisted of:

	Family Coverage	Single Coverage	Total
Retired Participants and Beneficiaries			
Under Age 65 (Early Retirees)	2	35	37
Over Age 65 (Regular Retirees)	38	116	154
Total Retired Participants	40	151	191
Active Participants			
Eligible to receive benefits	91	124	215
Total Active Participants			
Total Participants	131	275	406

### Funding Policy

Retiree health care benefits are currently funded based on the benefit disclosed above on a pay-as-you-go basis. Regional Water may change the funding policy at any time. The average monthly premium contributions for 2015 were as follows:

	Age	Average Monthly Regional Water Contribution	Average Monthly Retiree Contribution
Health Insurance	Less than 65	\$357	\$563
	65 and older	\$307	\$14
Life Insurance	Less than 65	\$1	Not applicable
	65 and older	Not applicable	Not applicable

These plans are fully insured.

The expenses for these post-employment benefits are recognized as premiums and are paid to the insurers. For Regional Water, the 2016 expense totaled \$596,161 for approximately 160 retirees. Retirees contributed \$106,466; active employees do not contribute to the plan until retirement.

(The remainder of this page left blank intentionally)



## Note VII. Discretely Presented Component Units (continued)

### Annual OPEB Costs and Net OPEB Obligation

Regional Water had an actuarial valuation performed for the plan as of September 30, 2014, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2016. Regional Water's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$ 1,006,466	\$ 678,923	67.46%	\$ 4,133,270
December 31, 2015	1,032,345	743,605	72.03%	4,422,010
December 31, 2016	1,034,283	736,139	71.17%	4,720,154

The net OPEB obligation (NOPEBO) as of December 31, 2016, was calculated as follows:

Annual Required Contribution (ARC)	\$ 1,106,767
Interest on Net OPEB Obligation	198,990
Adjustment to Annual Required Contribution	<u>(271,474)</u>
Annual OPEB cost	<u>1,034,283</u>
Contributions Made	
Direct	608,281
Indirect Implicit Subsidy	<u>127,858</u>
Total Contributions Made	<u>736,139</u>
Increase (Decrease) in Net OPEB Obligation	298,144
Net OPEB Obligation Beginning of Year	<u>4,422,010</u>
Net OPEB Obligation End of Year	<u><u>\$ 4,720,154</u></u>

### Funded Status and Funding Progress

The actuarial accrued liability (AAL) for benefits, as of September 30, 2014, the most recent actuarial valuation date, was \$14,098,002. This liability will be phased in over 30 years based on the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

## Note VII. Discretely Presented Component Units (continued)

As of the actuarial valuation date of September 30, 2014, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$	14,098,002
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	14,098,002
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Active Members Covered Payroll	\$	13,608,567
UAAL as a Percentage of Covered Payroll		103.6%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2014, actuarial valuation the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.5% discount rate and an annual healthcare cost trend rate of beginning at 7.5% for fiscal year 2015 and declining over 8 years by 0.5% per year to 5.0%. Both rates include a 2.75% inflation assumption. The actuarial value of assets was not determined as Regional Water has not advanced-funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 30-year open amortization period (30-year period restarted with each valuation).

### **Port Authority:**

#### Plan Description

The Port Authority employees hired prior to January 1, 2002, and retiring after 20 or more years of service are eligible for up to \$300 per month toward the cost of health insurance. Employees retiring prior to 1996 are reimbursed for 100 percent of the cost of health insurance for themselves and their spouse. At December 31, 2016, there were 11 beneficiaries receiving benefits. In addition, there are 6 current employees that may become eligible for benefits in the future. The plan does not issue a stand-alone financial report.

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### Funding Policy

Retiree health care benefits are currently funded based on the benefit disclosed above on a pay-as-you-go basis. The Board of Commissioners may change the funding policy at any time.

### Annual OPEB Cost and Net OPEB Obligation

The Port Authority's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC). The Port Authority has elected to calculate the ARC and related information using the alternative measurement permitted by GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a 30-year period. The following table shows the components of the annual OPEB cost, the amount actually contributed to the plan, and changes in the OPEB obligation to the Retiree Healthcare Benefit Program:

Annual Required Contribution (ARC)	\$	47,114
Interest on Net OPEB Obligation		1,000
Adjustment to Annual Required Contribution		<u>(3,000)</u>
Annual OPEB cost		45,114
Contributions Made		<u>40,143</u>
Increase (Decrease) in Net OPEB Obligation		4,971
Net OPEB Obligation Beginning of Year		<u>83,950</u>
Net OPEB Obligation End of Year	\$	<u><u>88,921</u></u>

The Port Authority's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligations for 2016:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2014	\$ 42,173	87.3%	\$ 77,274
December 31, 2015	43,900	84.8%	83,950
December 31, 2016	45,114	89.0%	88,921

(The remainder of this page left blank intentionally)

## Note VII. Discretely Presented Component Units (continued)

### Funded Status and Funding Progress

The actuarial accrued liability for benefits as of December 31, 2016, the most recent actuarial valuation date, was \$611,511. The annual payroll for active employees covered by the plan was \$1,846,321, for a ratio of UAAL to covered payroll of 33%. This liability will be phased in over 30 years based on the requirements of GASB Statement No. 45.

Actuarial Accrued Liability (AAL)	\$	611,511
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	611,511
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Active Members Covered Payroll	\$	1,846,321
UAAL as a Percentage of Covered Payroll		33.12%

### Actuarial Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Port Authority has estimated the liability associated with this benefit using an alternative valuation method which takes into account the existing age of the individuals, their years of service and life expectancy, probability of receiving a benefit, a health care cost trend factor of 6.2% and a 3% present value assumption. Alternative measurement calculations assume a level of percentage projected payroll 30-year open amortization period. The remaining amortization period at December 31, 2016, was 21 years.

### J. Component Unit Special Item

Regional Water entered into a sale and purchase agreement with the City of Mendota Heights on September 30, 2016, to purchase all of its water system assets for the sum of \$1. This was pursuant to an Omnibus Agreement effective December 30, 2015, which provided for conveyance title to all water mains, hydrants, service connections, tanks and appurtenances to Regional Water.

(The remainder of this page left blank intentionally)

## Note VIII. Other Information

### A. Defined Benefit Pension Plans

#### 1. Defined Benefit Plans: Public Employees Retirement Association

##### a. Plan Description

All full-time and certain part-time employees of the City of Saint Paul are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund and the Public Employees Police and Fire Fund, which are cost-sharing multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a graduated schedule starting with 50% after 5 years and increasing 10% for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years and increasing 5% for each year of service until fully vested after 20 years.

##### b. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.0% post-retirement benefit increase. If the funding ratio reaches 90% for two consecutive years, the benefit increase will revert to 2.5%. If, after reverting to a 2.5% benefit increase, the funding ratio declines to less than 80% for one year or less than 85% for two consecutive years, the benefit increase will decrease to 1.0%.

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

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Fund Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years of service

## Note VIII. Other Information (continued)

and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0% of average salary for each year of service.

For General Employees Retirement Fund members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Public Employees Police and Fire Fund members, normal age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

### c. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in 2016. Public Employees Police and Fire Fund members were required to contribute 10.80% of their annual covered salary in 2016.

In 2016, the City was required to contribute the following percentages of annual covered salary:

General Employees Retirement Fund	
Basic	11.78%
Coordinated	7.50%
Public Employees Police and Fire Fund	16.20%

The employee and employer contribution rates did not change from the previous year.

The City's contributions for the year ended December 31, 2016, to the pension plans were:

General Employees Retirement Fund	\$ 7,518,515
Public Employees Police and Fire Fund	14,421,492

The contributions are equal to the contractually required contributions as set by state statute.

### d. Pension Costs

#### General Employees Retirement Fund

At December 31, 2016, the City reported a liability of \$128,666,775 for its proportionate share of the General Employees Retirement Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer

**Note VIII. Other Information (continued)**

payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was 1.5819%. It was 1.6100% measured as of June 30, 2015. The City recognized pension expense of \$8,874,081 for its proportionate share of the General Employees Retirement Fund's pension expense.

The City also recognized \$500,172 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Retirement Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$6 million to the General Employees Retirement Plan each year, starting September 15, 2015, through September 15, 2031.

City of Saint Paul's proportionate share of the net pension liability	\$ 128,666,775
State of Minnesota's proportionate share of the net pension liability associated with the City of Saint Paul	<u>1,677,451</u>
<b>Total</b>	<b><u><u>\$ 130,344,226</u></u></b>

The City reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 10,475,159
Changes in actuarial assumptions	25,148,415	-
Difference between projected and actual investment earnings	24,497,359	-
Changes in proportion	-	5,264,130
Contributions paid to PERA subsequent to the measurement date	<u>3,836,069</u>	<u>-</u>
<b>Total</b>	<b><u><u>\$ 53,481,843</u></u></b>	<b><u><u>\$ 15,739,289</u></u></b>

The \$3,836,069 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2017	\$ 8,570,274
2018	8,570,274
2019	12,124,074
2020	<u>4,641,863</u>
<b>Total</b>	<b><u><u>\$ 33,906,485</u></u></b>

**Note VIII. Other Information (continued)**

Public Employees Police and Fire Fund

At December 31, 2016, the City reported a liability of \$363,513,301 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was 9.058%. It was 9.264% measured as of June 30, 2015. For the year ended December 31, 2016, the City recognized pension expense of \$48,446,943 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

The City also recognized \$815,220 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90% funded.

The City reported its proportionate share of the Public Employees Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 42,005,515
Changes in actuarial assumptions	200,057,253	-
Difference between projected and actual investment earnings	55,780,543	-
Changes in proportion	1,202,443	1,950,531
Contributions paid to PERA subsequent to the measurement date	7,342,319	-
Total	<u>\$ 264,382,558</u>	<u>\$ 43,956,046</u>

The \$7,342,319 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2017	\$ 45,929,440
2018	45,929,440
2019	45,929,440
2020	41,344,455
2021	33,951,418
Total	<u>\$ 213,084,193</u>



## Note VIII. Other Information (continued)

### Total Pension Expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2016, was \$57,321,024.

#### e. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 % per year
Active member payroll growth	3.25 % per year
Investment rate of return	7.50 %

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants in the General Employees Retirement Plan were based on RP-2014 tables, while mortality rates for Public Employees Police and Fire Plan were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Fund and the Public Employees Police and Fire Plan, cost of living benefit increases for retirees are assumed to be 1.0%.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Fund was for the period 2008 through 2015. The experience study for the Public Employees Police and Fire Fund was for the period 2004 through 2009.

(The remainder of this page is left blank intentionally)

## Note VIII. Other Information (continued)

On August 16, 2016, an updated experience study was done for PERA's Public Employees and Fire Plan for the period 2011 through 2015, which would result in a larger pension liability. However, PERA will implement the changes in assumptions for its June 30, 2017, estimate of pension liability.

The long-term expected rate of return on pension plan investments is 7.5%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15	6.00
Bonds	18	1.45
Alternative assets	20	6.40
Cash	2	0.50

### f. Discount Rate

The discount rate used to measure the total pension liability was 7.50% in 2016, a reduction of the 7.90% used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Retirement Plan was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In the Public Employees Police and Fire Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057, when projected benefit payments exceed the Plan's projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60% for the Public Employees Police and Fire Plan was determined that produced approximately the same present value of the projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion of 2.85% thereafter.

### g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2016:

1. General Employees Retirement Plan
  - A. The assumed post-retirement benefit increase was changed from 1.00% per year through 2035 and 2.50% per year thereafter, to 1.00% for all future years.
  - B. The assumed investment rate was changed from 7.90% to 7.50%. The single discount rate was also changed from 7.90% to 7.50%.
  - C. Other assumptions were changed pursuant to the experience study dated June 30, 2015.

## Note VIII. Other Information (continued)

The assumed payroll growth and inflation were decreased by 0.25%. Payroll growth was reduced from 3.50% to 3.25%. Inflation was reduced from 2.75% to 2.50%.

2. General Employees Retirement Plan
  - A. The assumed post-retirement benefit increase was changed from 1.00% per year through 2037 and 2.50% per year thereafter, to 1.00% for all future years.
  - B. The assumed investment rate was changed from 7.90% to 7.50%. The single discount rate was also changed from 7.90% to 5.60%.
  - C. The assumed payroll growth and inflation were decreased by 0.25%. Payroll growth was reduced from 3.50% to 3.25%. Inflation was reduced from 2.75% to 2.50%.

### h. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate share of the			
	General Employees Retirement Plan		Public Employees Police and Fire Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 182,421,050	4.60%	\$ 508,870,378
Current	7.50	128,666,775	5.60	363,513,301
1% Increase	8.50	83,971,976	6.60	244,745,530

### i. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

## B. Postemployment Benefits Other than Pension

### 1. Plan Description

In addition to the pension benefits described in Note VIII.A, the City provides other postemployment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The authority to provide these benefits is established in Minnesota Statutes Section 471.61, Subd. 2a. The benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through the City's collective bargaining agreements with employee groups. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is allocated as part of the City's fringe benefit charge.

## Note VIII. Other Information (continued)

### 2. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must be collecting a state retirement pension and have been employed by the City for a minimum of 20 years. This coverage may also extend to the retiree's family. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; vision care; preventative dental; and prescriptions.

Life insurance in the amount of \$5,000 to \$20,000 is provided to some under age 65 (early retirees), depending upon collective bargaining agreements. A few over age 65 retirees have varying amounts of life insurance that had been continued due to disability.

The majority of employees benefit amounts have been capped. The benefit amount varies depending upon employment date and bargaining unit agreement as indicated below:

#### Health Care Benefit

	<u>Under Age 65 (early retiree)</u>	<u>Over Age 65 (regular retiree)</u>
Employees who retired before January 1, 1996	\$250 per month	100%
Employees hired before January 1, 1996 and retiring after January 1, 1996	\$350 per month	\$550 per month
Employees hired after January 1, 1996	\$300 per month	\$300 per month

(Remainder of this page left blank intentionally)

## Note VIII. Other Information (continued)

This benefit has been discontinued for Police officers hired after July 1, 2005 and for Tri-Council employees hired after January 1, 1996.

### Life Insurance Benefit

Retirees are eligible to continue on the City's life insurance program until age 65 in amounts that range from \$5,000 - \$20,000.

### 3. Membership

As of December 31, 2016, the membership consisted of:

	Family Coverage	Single Coverage	Total
Retired Participants and Beneficiaries			
Under Age 65 (Early Retirees)	89	443	532
Over Age 65 (Regular Retirees)	485	1,158	1,643
Total Retired Participants	574	1,601	2,175
Total Active Participants	1,211	1,372	2,583
Total Participants	1,785	2,973	4,758

### 4. Funding Policy

The City negotiates the contribution between the City and employees through 16 employee group agreements. The City currently finances this plan on a pay as you go basis. Early retirees (under age 65) contribute to the health care plan at the same rate as active employees. This results in the early retirees receiving an implicit rate subsidy. For the fiscal year ending December 31, 2016, retirees contributed \$2,113,477 and the City contributed \$8,238,739. Active employees do not contribute to the plan until retirement.

The average monthly premium contributions for 2016 were as follows:

	Age	Average Monthly City Contribution <sup>1</sup>	Average Monthly Retiree Contribution <sup>2</sup>
Health Insurance	Less than 65	\$ 232,364	\$ 143,245
	65 and older	\$ 453,982	\$ 32,878
Life Insurance	Less than 65	\$ 211	Not applicable
	65 and older	\$ 4	Not applicable

(1) The average monthly City contribution for health insurance for retirees less than 65 is \$437 and \$276 for retirees 65 and older.

(2) The average monthly retiree contribution for health insurance for retirees less than 65 is \$269 and \$20 for retirees 65 and older.

(3) The average monthly City contribution for life insurance for retirees less than 65 is \$1.

## Note VIII. Other Information (continued)

### 5. Annual OPEB costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of September 30, 2014, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2016. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$ 12,190,478	\$ 7,845,228	64.36%	\$ 40,640,187
December 31, 2015	15,106,436	8,861,540	58.66%	46,885,083
December 31, 2016	15,226,226	9,236,969	60.66%	52,874,340

The net OPEB obligation (NOPEBO) as of December 31, 2016, was calculated as follows:

Annual Required Contribution (ARC)	\$ 15,994,745
Interest on Net OPEB Obligation	2,109,829
Adjustment to Annual Required Contribution	<u>(2,878,348)</u>
Annual OPEB cost	<u>15,226,226</u>
Contributions Made	
Direct	7,662,266
Indirect Implicit Subsidy	<u>1,574,703</u>
Total Contributions Made	<u>9,236,969</u>
Increase (Decrease) in Net OPEB Obligation	5,989,257
Net OPEB Obligation Beginning of Year	<u>46,885,083</u>
Net OPEB Obligation End of Year	<u><u>\$ 52,874,340</u></u>

### 6. Funded Status and Funding Progress

As of the actuarial valuation date of September 30, 2014, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$ 188,696,789
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 188,696,789</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Active Members Covered Payroll	\$ 198,247,110
UAAL as a Percentage of Covered Payroll	95.18%

## Note VIII. Other Information (continued)

### 7. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, following the notes to the financial statements, will present multi-year trend information as it becomes available. The schedule will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions, projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.50% discount rate and an annual healthcare cost trend rate of beginning at 7.50% for fiscal year 2015 and declining over 8 years by 0.5% per year to 5.0%. Both rates include a 2.75% inflation assumption. The actuarial value of assets was not determined as the City has not advance-funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 30-year open amortization period (30-year period restarted with each valuation).

(Remainder of this page left blank intentionally)

**Note VIII. Other Information (continued)**

**C. Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City accounts for and finances its risk management activities in the Central Services Internal Service Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claim expenditures relating to tort liabilities are paid from the General Fund and other funds responsible for losses as determined by the tort claim manager. Workers' compensation claim expenditures are directly charged to department funds responsible for the employee at time of injury. The following discloses the change in the balance of the claims liability during fiscal years 2015 and 2016.

	Year Ended December 31, 2016	Year Ended December 31, 2015
Beginning of Fiscal Year Liability	\$ 48,637,082	\$ 35,610,399
Current Year Claims and Changes in Estimates	16,878,659	23,295,306
Claim Payments	<u>(9,739,039)</u>	<u>(10,268,623)</u>
End of Fiscal Year Liability	<u>\$ 55,776,702</u>	<u>\$ 48,637,082</u>

Minnesota Statutes Section 466.04 limits the City's tort financial exposure for claims arising from general liability or vehicle liability exposures. The limits are \$300,000 per individual and \$750,000 per accident for any number of claims arising out of a single occurrence for claims arising on or after January 1, 1998, and before January 1, 2000. For claims arising on or after January 1, 2000, and before January 1, 2008, the limit per accident for any number of claims arising out of a single occurrence is \$1,000,000 and \$300,000 per individual. For claims arising on or after January 1, 2008 and before July 1, 2009, the limit per accident for any number of claims arising out of a single occurrence is \$1,200,000 and \$400,000 per individual. For claims arising on or after July 1, 2009, the limit per accident for any number of claims arising out of a single occurrence is \$1,500,000 and \$500,000 per individual. The limits double when the claim arises out of the release or threatened release of a hazardous substance. The City does not carry commercial liability and collision insurance for City-owned vehicles.

The HRA acquired in 2009 a site with existing pollution which will require remediation. To address its exposure to risk of loss related to pollution liability torts, the HRA has purchased a Premises Pollution Liability Insurance policy. The limit of this coverage is \$20,000,000.

The City has purchased all risk property insurance coverage of \$1.8 billion for its real and personal property throughout the City. The deductible for each occurrence of damage or loss of property is \$250,000. Each City department participating in the risk retention program is charged a yearly amount based upon pro rata shares of the property insurance coverage, and contributions are made to a risk retention pool to address potential losses not covered by insurance. The City department is responsible for the first \$10,000 of each loss. Losses that exceed \$10,000 are reimbursed by the risk retention pool. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City purchases coverage for employee health and life insurance benefits. These benefit plans are fully insured. The contributions required by employees to the health and life insurance programs are dependent upon an employee's bargaining unit. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.



## Note VIII. Other Information (continued)

The City self-insures its liability for unemployment compensation benefits and City funds are directly charged for the actual costs incurred.

The City's Risk Management Division provides direction, management, coordination and planning services for risk and insurance programs. Human Resources staff conducts an audit and actuarial analysis to ensure proper premium, retention and administrative charges related to employee benefit programs. Tort liability, workers' compensation and unemployment compensation programs are administered internally by risk management staff including a professional claim manager and adjusters. Litigated tort claims (both general liability and vehicle liability) are handled by the City Attorney's Office and its staff.

### D. Construction and Other Significant Commitments

At December 31, 2016, the City had commitments for the following major construction projects:

Project Title	Remaining Construction Committed
Kellogg Bridges	\$ 590,642
Jackson Street	538,006
Grand Rounds	2,087,730
Station 19 Remodel	899,713
SPPD Communication Service	1,411,791
Total	\$ 5,527,882

#### Major League Soccer Stadium

1. Ground Lease with Metropolitan Council
  - a. The City, St. Paul Port Authority (SPPA) and Metropolitan Council negotiated a ground lease for the property known as the Bus Barn Site. The lease has a term of approximately 52 years, depending on the date the team plays its first major league game at the stadium.
  - b. Rent payments are \$556,620 annually. The site will be subleased to the Minnesota United (hereafter, referred to as "Team"), meaning that rent be paid by the team, with the City as a pass through to the Metropolitan Council.
2. Environmental Impact Agreement
  - a. This is an agreement between the City, SPPA, Met Council and the Team that allocates cost of environmental remediation of the Stadium Site among all parties.
  - b. The City has agreed to pay the first \$1.5 million of remediation. The Met Council is responsible for the next \$4.5 million, plus more in the event of a shortfall. Team is responsible for up to \$1.5 million for environmental cleanup of acquired property adjacent to the Bus Barn Site to complete the stadium site, to the extent that such costs are not covered by grants or other sources.
3. Development Agreement
  - a. The Team is responsible for the design, construction and equipping of the stadium, including its full cost.
  - b. The City is responsible for the cost of standard grade Public Infrastructure in the amount of \$16.1 million, plus an additional \$800,000 for contingent costs.

**Note VIII. Other Information (continued)**

- 4. Stadium ownership
  - a. The Bus Barn Property is owned by the Metropolitan Council. The City shall own the Stadium, the Adjacent Areas, and the Stadium Site other than the Bus Barn Property, excluding however the Club Personal Property and the Transit Components, subject to the Net Ground Lease and any lease applicable to the Team-Acquired Property.

**E. Interest Rate Swap Agreements**

Summary of Notional Amounts and Fair Values

The City enters into contracts to hedge its exposure to fluctuating interest rates. These contracts are evaluated pursuant to GASB Statement No. 53 - *Accounting and Financial Reporting for Derivative Instruments*, to determine whether they meet the definition of derivative instruments, and, if so, whether they effectively hedge the expected cash flows associated with interest rate exposures.

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred outflow of resources (derivative instrument interest swap liability) in the statement of net position. For the reporting period, all of the City's derivatives meet the effectiveness tests.

For interest rate derivatives, the City contracted with Springsted Investment Advisors, Inc., an independent mark-to-market service, to estimate fair value based upon the market close rate data provided by Bloomberg Financial.

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of December 31, 2016 (gains shown as positive amounts, losses as negative).

Governmental Activities	2016 Change in Fair Value		Fair Value at December 31, 2016		Notional
	Classification	Amount	Classification	Amount	
Effective Cash Flow hedges					
Interest Rate Derivatives:					
Pay-fixed swaps, interest rate	Deferred Outflow	\$ 1,975,834	Derivative	\$ (8,087,690)	\$ 45,500,000

Objective and Terms of Hedging Derivative Instruments

In November 2007, the City entered into two interest rate swap agreements for \$32,727,500 each, for a total notional amount of \$65,455,000 with Piper Jaffray Financial Products, Inc., and Royal Bank of Canada relating to the 1999 Taxable Sales Tax Revenue Bonds. These interest rate swap agreements took place in November 2007 and will end on November 1, 2025. On May 1, 2009, the 1999 Taxable Sales Tax Revenue Bonds were refunded through the issuance of taxable variable rate bonds. The objective of this agreement is to be able to refund the bonds at a lower estimated total synthetic interest rate of 5.58% compared to the present interest rates of 6.44% through 7.09% on the original bonds payable from 2009 through 2025.

(The remainder of this page left blank intentionally)

## Note VIII. Other Information (continued)

### Risks of Derivative Instruments

#### 1. Credit Risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The City seeks to minimize credit risk by transacting with creditworthy counterparties. Interest rate swap counterparties are evaluated at the time of transaction execution.

#### 2. Termination Risk

Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default, and mergers in which the successor entity does not meet credit criteria. One aspect of termination risk is that the City would lose the hedging benefit of a derivative that becomes subject to a termination event. Another aspect of termination risk is that, if at the time of termination the mark-to-fair value of the derivative was a liability to the City, the City could be required to pay that amount to the counterparty. Termination risk is associated with the City's derivative up to the fair value amount.

#### 3. Hedged Debt

Net cash flows for the City's synthetic fixed-rate debt are shown on the following table. These amounts assume that the interest rates of the bonds and the reference rates of the hedging derivative instruments remain at December 31, 2016 levels. These rates will vary and, as they do, interest payments on the variable-rate bonds and net receipts/payments on the interest rate swaps will vary. The table shows only the City's effectively hedged synthetic fixed-rate debt, which is a subset of the City's total debt. As of December 31, 2016, all of the City's variable-rate debt is effectively hedged.

Year Ending	Principal	Interest	Net Payment on Derivatives	Total
December 31, 2016				
2017	\$ 3,215,000	\$ 346,224	\$ 2,005,402	\$ 5,566,626
2018	3,395,000	321,238	1,860,675	5,576,913
2019	3,580,000	294,859	1,707,883	5,582,742
2020	3,780,000	267,036	1,546,728	5,593,764
2021	3,990,000	237,661	1,376,579	5,604,240
2022-2026	27,540,000	576,499	3,339,203	31,455,702
Totals	\$ 45,500,000	\$ 2,043,517	\$ 11,836,470	\$ 59,379,987

## F. Contingent Liabilities

### Litigation

The City, in connection with the normal conduct of its affairs, is involved in various disputes, claims and lawsuits; it is expected that the final resolution of these matters will not materially affect the financial statements of the City.

## Note VIII. Other Information (continued)

### University Enterprise Laboratory Project

The City of Saint Paul entered into a \$6 million guaranty of principal and interest with Wells Fargo on January 21, 2005, to help secure financing for the \$24.2 million University Enterprise Laboratory (UEL) Project at 1000 Westgate Drive in St. Paul, Minnesota.

In January 2012, the original 2005 debt was refinanced through various funds, including the proceeds of a loan from US Bank for \$9.4 million. The effect of the refunding was to reduce the City's guaranty to \$4 million. Going forward, the City's contingent liability will drop further, as the City's guaranty automatically declines as the mortgage is paid down. The current guaranty encumbrance is against the General Fund.

### Cleanup of Hazardous Materials

Properties owned by the HRA and the City may have certain contingent liabilities associated with them due to potential contamination from hazardous materials or difficulty in securing vacant structures located on them. It is not expected that these contingencies will have a material effect on the financial statements of the City.

The following properties have been identified as possible sites of pollution or contamination:

1. Capp Road (Catholic Charities) - Possible pollution or contamination
2. Koch/Mobil - Remediation has already been completed
3. Rivoli Street Properties - Remediation has already been completed by the original polluter
4. Bruce Vento Interpretive Center - Possible pollution or contamination

In 2009, the Exxon-Mobil property site was purchased which is polluted and required pollution remediation. This site was a former petroleum storage tank farm, built in the 1950's which had suffered some leakage of petroleum. The purchase agreement requires the HRA to remediate the pollution and restricts the future use of the land to specific uses. The land was purchased for \$1, and in addition, the seller donated \$5,000,000 to the HRA for pollution remediation and park features. This donation is identified as unearned revenue in the Governmental Balance Sheet, in the HRA Development Capital Projects Fund. Because the land has no fair value before remediation, it is valued at its purchase price in the Governmental Activities Capital Assets. In recognition of the existing pollution, the probability-weighted average of minimum to maximum remediation cost of \$3,900,000 less \$279,117 paid out in 2010, \$581,274 paid out in 2011, \$533,515 paid out in 2012, \$375,950 paid out in 2013, \$213,963 paid out in 2014, \$179,925 paid out in 2015, and \$142,045 paid out in 2016, and adjusted to reflect estimated actual costs remaining on December 31, 2016 of \$89,421.

## G. Subsequent Events

### Police Tort Settlement

A citizen initiated a lawsuit alleging Saint Paul Police Officers violated his constitutional rights when they deployed a police canine and used other physical force to arrest him in response to a report of a man with a gun. The City paid \$2 million to settle his claims against the officers and the City of Saint Paul.

### Special Compensation Fund

The Minnesota Department of Labor and Industry has a Special Compensation Fund. The purpose of this fund is to reimburse Cities for long-term workers compensation claims that meet certain criteria. The City was

## Note VIII. Other Information (continued)

owed reimbursement for a large number of these claims, has submitted for reimbursement and is expecting a one-time payment in excess of \$2 million. The intention is to use this unanticipated revenue to pay for the Police Tort Settlement mentioned above.

### Bond Issues

On March, 15, 2017, the City issued General Obligation Capital Improvement Bonds, Series 2017A in the amount of \$9,960,000. The proceeds will be used to provide financing for capital improvement projects identified in the City's approved Capital Improvement Budget for the years 2017 through 2021.

On March, 15, 2017, the City issued General Obligation Public Safety Bonds, Series 2017B in the amount of \$23,405,000. The proceeds will be used to crossover advance refund the City's General Obligation Public Safety Bonds, Series 2008C and provide financing for the Public Safety Project.

On March, 15, 2017, the City issued Sewer Revenue Bonds, Series 2017C (Green Bonds) in the amount of \$7,975,000. The proceeds will be used to finance environmentally friendly "Green Projects."

(The remainder of this page left blank intentionally)

**This page left blank intentionally**



## REQUIRED SUPPLEMENTARY INFORMATION

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2016

Schedule 1  
 (Page 1 of 1)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 74,750,649	\$ 74,750,649	\$ 75,659,347	\$ 908,698
Gross Earnings Franchise Fees	25,656,218	25,656,218	25,324,225	(331,993)
Hotel-Motel Tax	1,624,010	1,624,010	1,874,686	250,676
Other Taxes	-	-	140,343	140,343
Total Taxes	102,030,877	102,030,877	102,998,601	967,724
Licenses and Permits	11,477,649	11,477,649	10,591,250	(886,399)
Intergovernmental Revenue	74,040,440	73,841,788	74,907,287	1,065,499
Fees, Sales and Services	41,712,090	42,049,996	42,435,162	385,166
Assessments	-	-	239,022	239,022
Investment Income				
Interest Earned On Investments	2,365,034	2,365,034	2,264,481	(100,553)
Increase (Decrease) in Fair Value of Investments	-	-	(1,149,442)	(1,149,442)
Interest Earned - Other	750,000	750,000	336,556	(413,444)
Miscellaneous Revenue - Other	640,641	1,121,989	1,707,053	585,064
Total Revenues	233,016,731	233,637,333	234,329,970	692,637
<b>EXPENDITURES</b>				
Current				
General Government				
City Council	3,165,312	3,165,312	3,226,770	(61,458)
Mayor	1,948,878	1,948,878	1,933,737	15,141
City Attorney	8,083,500	8,083,500	7,784,230	299,270
Financial Services	3,932,722	3,932,722	3,258,494	674,228
Human Resources	4,203,262	4,203,262	4,199,813	3,449
Human Rights	2,399,140	2,002,832	2,183,358	(180,526)
Technology	12,234,775	12,234,775	11,404,277	830,498
Other	9,349,156	9,310,573	8,978,012	332,561
Total General Government	45,316,745	44,881,854	42,968,691	1,913,163
Public Safety				
Police	87,906,968	87,716,137	89,230,321	(1,514,184)
Fire and Safety Services	59,180,650	59,971,924	59,375,341	596,583
Safety and Inspection	18,475,378	18,475,378	17,892,689	582,689
Emergency Management	392,983	392,983	418,277	(25,294)
Total Public Safety	165,955,979	166,556,422	166,916,628	(360,206)
Highways and Streets	2,213,778	2,322,838	2,210,714	112,124
Culture and Recreation	28,992,988	28,711,836	28,355,355	356,481
Capital Outlay	778,636	926,970	229,496	697,474
Debt Service				
Principal - Other Debt	62,926	62,926	-	62,926
Interest - Other Debt	4,011	4,011	3,042	969
Total Expenditures	243,325,063	243,466,857	240,683,926	2,782,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,308,332)	(9,829,524)	(6,353,956)	3,475,568
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,953,696	8,651,196	7,674,139	(977,057)
Transfers Out	(1,553,169)	(1,651,907)	(1,890,385)	(238,478)
Sale of Capital Assets	49,000	49,000	34,794	(14,206)
Total Other Financing Sources (Uses)	7,449,527	7,048,289	5,818,548	(1,229,741)
Net Change in Fund Balance	(2,858,805)	(2,781,235)	(535,408)	2,245,827
FUND BALANCE, January 1	49,480,661	49,480,661	49,480,661	-
FUND BALANCE, December 31	\$ 46,621,856	\$ 46,699,426	\$ 48,945,253	\$ 2,245,827

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SAINT PAUL, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

	Assessment Financing			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes				
Current Taxpayer	\$ -	\$ -	\$ -	\$ -
Delinquent Taxpayer	-	-	-	-
Total Property Taxes	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Fees, Sales and Services	-	-	-	-
Assessment Financing	7,555,000	7,555,000	7,751,592	196,592
Investment Income				
Interest Earned on Investments	-	-	-	-
Increase (Decrease) in Fair Value of Investments	-	-	-	-
Miscellaneous - Other	-	-	-	-
Total Revenues	7,555,000	7,555,000	7,751,592	196,592
<b>EXPENDITURES</b>				
Current				
General Government	1,514,475	1,514,475	1,685,196	(170,721)
Public Safety	400,000	518,485	308,716	209,769
Culture and Recreation	-	-	-	-
Housing and Economic Development	-	-	-	-
Intergovernmental Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	1,914,475	2,032,960	1,993,912	39,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,640,525	5,522,040	5,757,680	235,640
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	400,000	400,000	226,266	(173,734)
Transfers Out	(10,478,470)	(10,478,470)	(6,699,423)	3,779,047
Total Other Financing Sources (Uses)	(10,078,470)	(10,078,470)	(6,473,157)	3,605,313
Net Change in Fund Balances	(4,437,945)	(4,556,430)	(715,477)	3,840,953
FUND BALANCES, January 1	5,891,584	5,891,584	5,891,584	-
FUND BALANCES, December 31	\$ 1,453,639	\$ 1,335,154	\$ 5,176,107	\$ 3,840,953

The notes to the required supplementary information are an integral part of this schedule.

Public Library General Fund				HRA General Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget	Budgeted Amounts		Actual Amounts	Variance With Final Budget
Original	Final			Original	Final		
\$ 16,622,130	\$ 16,622,130	\$ 16,632,334	\$ 10,204	\$ 3,212,585	\$ 3,212,585	\$ 3,246,045	\$ 33,460
19,412	19,412	146,825	127,413	-	-	-	-
16,641,542	16,641,542	16,779,159	137,617	3,212,585	3,212,585	3,246,045	33,460
112,044	310,696	326,979	16,283	-	-	-	-
-	-	-	-	1,145,115	1,145,115	2,247,356	1,102,241
-	-	-	-	-	-	-	-
-	-	-	-	280,000	280,000	321,640	41,640
-	-	-	-	-	-	(137,187)	(137,187)
275,000	275,000	2,898	(272,102)	-	-	-	-
17,028,586	17,227,238	17,109,036	(118,202)	4,637,700	4,637,700	5,677,854	1,040,154
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,062,490	17,158,803	16,887,840	270,963	-	-	-	-
-	-	-	-	5,186,636	7,249,874	6,877,836	372,038
-	-	-	-	2,678,172	868,172	-	868,172
-	7,603	18,369	(10,766)	-	-	-	-
17,062,490	17,166,406	16,906,209	260,197	7,864,808	8,118,046	6,877,836	1,240,210
(33,904)	60,832	202,827	141,995	(3,227,108)	(3,480,346)	(1,199,982)	2,280,364
-	2,500	175,000	172,500	-	253,238	300,000	46,762
(47,450)	(144,686)	(144,776)	(90)	-	-	(479,892)	(479,892)
(47,450)	(142,186)	30,224	172,410	-	253,238	(179,892)	(433,130)
(81,354)	(81,354)	233,051	314,405	(3,227,108)	(3,227,108)	(1,379,874)	1,847,234
2,041,565	2,041,565	2,041,565	-	12,465,721	12,465,721	12,465,721	-
\$ 1,960,211	\$ 1,960,211	\$ 2,274,616	\$ 314,405	\$ 9,238,613	\$ 9,238,613	\$ 11,085,847	\$ 1,847,234

CITY OF SAINT PAUL, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POSTEMPLOYMENT BENEFITS PLAN  
 YEAR ENDED DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Active Members Covered Payroll (c)	UAAL As a Percentage of Covered Payroll ((b-a)/c)
September 30, 2006	\$ -	\$ 165,012,188	0.00%	\$ 165,012,188	\$ 148,007,987	111.49%
September 30, 2008	-	167,566,226	0.00%	167,566,226	145,877,064	114.87%
September 30, 2010	-	188,664,971	0.00%	188,664,971	162,301,913	116.24%
September 30, 2012	-	156,415,280	0.00%	156,415,280	170,535,057	91.72%
September 30, 2014	-	188,696,789	0.00%	188,696,789	198,247,110	95.18%

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SAINT PAUL, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 OTHER POSTEMPLOYMENT BENEFITS PLAN  
 YEAR ENDED DECEMBER 31, 2016

---

Fiscal Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 9,559,747	\$ 14,436,251	66.22%
2010	8,951,951	14,749,946	60.69%
2011	9,299,062	16,045,762	57.95%
2012	8,807,003	16,446,256	53.55%
2013	8,602,504	12,646,139	68.02%
2014	7,845,228	12,785,408	61.36%
2015	8,861,540	15,772,592	56.18%
2016	9,236,969	15,994,745	57.75%

The notes to the required supplementary information are an integral part of this schedule.

**Schedule of Saint Paul's Contributions  
 Public Employees General Employees Retirement Plan  
 Required Supplementary Information (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in</b>		<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Covered Payroll** (d)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/d)</b>
		<b>Relation to the Statutorily Required Contributions (b)</b>				
December 31, 2015	\$7,169,220	\$7,169,220	\$ -	\$95,589,596	7.50%	
December 31, 2016	7,518,515	7,518,515	-	100,246,862	7.50%	

\* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

\*\*For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.

**Schedule of City of Saint Paul's Proportionate Share of Net Pension Liability  
 Public Employees General Employees Retirement Plan  
 Required Supplementary Information (Last Ten Years\*)**

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with the City of Saint Paul (Asset) (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll** (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	1.6100%	\$83,440,197	N/A	\$83,440,197	\$94,660,723	88.15%	78.19%
June 30, 2016	1.5819%	128,666,775	1,677,451	130,344,226	98,053,179	131.22%	68.91%

\* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

\*\*For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.

**Schedule of Saint Paul's Contributions  
 Public Employees Police and Fire Plan  
 Required Supplementary Information (Last Ten Years\*)**

Fiscal Year Ending	Actual Contributions in				
	Statutorily Required Contributions (a)	Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll** (d)	Actual Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$13,934,513	\$13,934,513	\$ -	\$86,015,512	16.20%
December 31, 2016	14,421,492	14,421,492	-	89,021,556	16.20%

\* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

\*\*For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.



CITY OF SAINT PAUL, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SAINT PAUL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
 YEAR ENDED DECEMBER 31, 2016

Schedule 8  
 (Page 1 of 1)

**Schedule of City of Saint Paul's Proportionate Share of Net Pension Liability  
 Public Employees Police and Fire Plan  
 Required Supplementary Information (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Employer's Covered Payroll** (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
June 30, 2015	9.264%	\$105,260,718	\$84,662,776	124.31%	86.61%
June 30, 2016	9.058%	363,513,301	87,109,086	417.31%	63.88%

\* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

\*\*For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended December 31, 2016**

**Budgetary Information**

A budgetary comparison for the City's General Fund and the annually budgeted Assessment Financing Fund, the Public Library General Fund and the HRA General Fund are required supplementary information.

All annually budgeted funds including the General Fund, the Assessment Financing Fund, the Public Library General Fund and the HRA General Fund are adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control for the General Fund is at the department/office level and at the fund level for the HRA General Fund.

The General Fund did not exceed total appropriations at the fund level, however total expenditures exceeded appropriations in City Council (\$61,458), Human Rights (\$180,526), Police (\$1,514,184) and Emergency Management (\$25,294).

The Assessment Financing Fund, the Public Library General Fund and the HRA General Fund did not exceed total appropriations at the fund level.

**Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2016:

General Employees Retirement Plan

The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter, to 1.00% for all future years.

The assumed investment rate was changed from 7.90% to 7.50%. The single discount rate was also changed from 7.90% to 7.50%.

Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25%. Payroll growth was reduced from 3.50% to 3.25%. Inflation was reduced from 2.75% to 2.50%.

Public Employees Police and Fire Plan

The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter, to 1.00% for all future years.

The assumed investment rate was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 5.60%.

The assumed payroll growth and inflation were decreased by 0.25%. Payroll growth was reduced from 3.50% to 3.25%. Inflation was reduced from 2.75% to 2.50%.

## Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenue funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

**City Grants** - to account for monies for energy conservation and improvement measures, city grants, contributions, and other sources received from federal, state, and other agencies to support specified general governmental functions or projects.

**General Government Special Projects** - to account for the hosting of special events, promotion of the city as a destination, building of capacity for targeted businesses, vendor outreach for the city and other governmental agencies, and replacement of cable equipment through the charging of fees, contributions and other sources.

**Fire Responsive Services** - to account for monies received by the Fire Department to perform various fire functions, to provide fire protection outside city limits, and to purchase fire equipment.

**Police Special Projects** - to account for monies received from various restricted contributions, and other sources with a restricted purpose to perform various miscellaneous police functions.

**Charitable Gambling** - to monitor, review, and administrate all lawful gambling activities and to ensure the integrity of operations as required by state law.

**Right of Way Maintenance** - to account for revenues received from right-of-way assessments, municipal state aid, county aid, and trunk highway funds for summer street repair and maintenance, winter street activities, sidewalk maintenance, traffic signs, signals, streetlight maintenance, and boulevard tree and vegetation maintenance and trimming.

**Street Lighting Districts** - to account for levied assessments used to operate above standard (ornamental) street lighting systems in various areas of the city, installed at the request of adjacent property owners.

**Recycling and Solid Waste** - to account for monies received for the city's recycling programs. The recycling programs include the coordinated efforts of the City of Saint Paul, Ramsey County, State of Minnesota, Eureka Recycling, and the citizens of Saint Paul.

**Public Health** - to account for expenses incurred in the operation of Public Health and billed to Ramsey County.

**Parks and Recreation Special Projects** - to account for monies received from various restricted contributions, and other sources with a restricted purpose to perform various special projects for parks and recreation centers.

**Como Campus** - to account for proceeds from education programs, commissions and donations from outside parties, to be appropriated for volunteer recruitment and training, purchase of animals, maintenance of zoo and conservatory and other related costs.

**Parkland Replacement** - to account for proceeds from the sale of city property for which there is no outstanding debt and use the remaining proceeds to finance projects in the capital improvement budget.

**Lowertown Ballpark** - to account for the use of revenue from facility rental, and other sources to be used in the operation and maintenance of the CHS Ballpark.

**Public Library Special Projects** - to account for Saint Paul Public Library Agency revenues from fees, fines, grants and donations. Revenues are from various federal and state agencies as well as monies received from the Friends of the Saint Paul Public Library to support expenses for special projects such as collection development, staff training and development, and community outreach opportunities.

**City HUD Grants** - to account for monies received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant program, the ESG program, the HOME program, the NSP programs and other miscellaneous revenues derived from projects operated under these programs.

**City Sales Tax** - To account for monies received from the one-half percent city sales tax which are used for the STAR program, major RiverCentre capital expenditures, other capital expenditures as determined by the City Council, and the transfer to the HRA General Debt Service Fund for financing the debt service on the HRA Sales Tax Revenue Bonds.

**HRA Grants** - to account for intergovernmental revenues provided to the HRA from federal, state and local governments for housing and development.

### **Capital Projects Funds**

Capital Projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**HRA Development Capital Projects** - to account for HRA multi-year development projects that are locally funded through transfers from other funds and bonds sold for development purposes.

**HRA Tax Increment Capital Projects** - to account for development and capital expenditures primarily in Saint Paul's Tax Increment Districts using financing from bond proceeds, tax increment revenues, and other sources.

**Permanent Fund**

Permanent funds account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs; that is, for the benefit of the government or its citizenry.

**Parks Memorial Permanent** - to account for donations from the Ordway Family for the construction of the Japanese Garden in Como Park and the principal of a trust fund and disbursement of interest derived from donation for perpetual maintenance of a memorial located at Como Park Conservatory.

**This page left blank intentionally**



	Special Revenue	Capital Projects	Parks Memorial Permanent	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 27,483,309	\$ 44,946,184	\$ 86,304	\$ 72,515,797
Cash and Investments with Trustees	1,307,169	-	-	1,307,169
Imprest Funds	60,045	-	-	60,045
Receivables				
Property Taxes - Due from Ramsey County	-	78,895	-	78,895
Property Taxes - Delinquent	-	54,998	-	54,998
Accounts (net of allowance for estimated uncollectible)	2,729,821	-	-	2,729,821
Assessments	20,938,701	-	-	20,938,701
Notes and Loans	7,957,563	951,838	-	8,909,401
Accrued Interest	148,402	136,635	319	285,356
Due from Component Units	376,179	-	-	376,179
Due from Other Governmental Units	12,067,076	909,258	-	12,976,334
Restricted Cash and Cash Equivalents	-	250,300	-	250,300
Advances to Other Funds	9,360,000	4,631,458	-	13,991,458
Land Held for Resale	3,468,258	1,814,861	-	5,283,119
<b>TOTAL ASSETS</b>	<b>\$ 85,896,523</b>	<b>\$ 53,774,427</b>	<b>\$ 86,623</b>	<b>\$ 139,757,573</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accrued Salaries Payable	\$ 1,948,053	\$ -	\$ -	\$ 1,948,053
Accounts Payable	6,386,672	1,809,366	-	8,196,038
Due to Other Funds	4,883,809	15,550	-	4,899,359
Due to Other Governmental Units	-	1,491,339	-	1,491,339
Assessments	1,383,853	-	-	1,383,853
Advance from Other Funds	1,750,000	15,859,919	-	17,609,919
Unearned Revenue	8,656,233	1,355,500	-	10,011,733
<b>Total Liabilities</b>	<b>25,008,620</b>	<b>20,531,674</b>	<b>-</b>	<b>45,540,294</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	18,065,514	2,938,614	101	21,004,229
<b>Fund Balance</b>				
Nonspendable	-	-	35,000	35,000
Restricted	9,790,393	30,304,139	51,522	40,146,054
Committed	21,603,224	-	-	21,603,224
Assigned	15,962,985	-	-	15,962,985
Unassigned	(4,534,213)	-	-	(4,534,213)
<b>Total Fund Balances</b>	<b>42,822,389</b>	<b>30,304,139</b>	<b>86,522</b>	<b>73,213,050</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 85,896,523</b>	<b>\$ 53,774,427</b>	<b>\$ 86,623</b>	<b>\$ 139,757,573</b>

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 14  
 (Page 1 of 1)

	Special Revenue	Capital Projects	Parks Memorial Permanent	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes				
Current Tax Increment	\$ -	\$ 14,793,149	\$ -	\$ 14,793,149
City Sales Tax	18,823,311	-	-	18,823,311
Hotel-Motel Tax	2,183,807	-	-	2,183,807
Other Taxes	186,540	-	-	186,540
Licenses and Permits	2,055,633	-	-	2,055,633
Intergovernmental Revenue	26,582,379	5,011,583	-	31,593,962
Fees, Sales and Services	21,599,027	335,272	-	21,934,299
Assessments	37,166,379	-	-	37,166,379
Investment Income				
Interest Earned on Investments	168,980	424,633	1,717	595,330
Increase (Decrease) in Fair Value of Investments	(108,109)	(252,882)	(627)	(361,618)
Interest Earned - Other	242,473	-	13	242,486
Miscellaneous Revenue				
Program Income	8,280	-	-	8,280
Other	7,239,266	403,888	-	7,643,154
<b>Total Revenues</b>	<b>116,147,966</b>	<b>20,715,643</b>	<b>1,103</b>	<b>136,864,712</b>
<b>EXPENDITURES</b>				
Current				
General Government	3,559,855	-	-	3,559,855
Public Safety	15,439,584	-	-	15,439,584
Highways and Streets	46,011,421	-	-	46,011,421
Sanitation	5,591,091	-	-	5,591,091
Health	2,914,508	-	-	2,914,508
Culture and Recreation	11,859,754	-	189	11,859,943
Housing and Economic Development	12,259,940	10,048,451	-	22,308,391
Capital Outlay	5,435,244	11,372,429	-	16,807,673
Debt Service				
Other Debt Principal	-	196,669	-	196,669
Interest - Other Debt	-	3,830,751	-	3,830,751
Bond Issuance Costs	30,610	-	-	30,610
<b>Total Expenditures</b>	<b>103,102,007</b>	<b>25,448,300</b>	<b>189</b>	<b>128,550,496</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,045,959	(4,732,657)	914	8,314,216
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	26,596,431	16,615,789	-	43,212,220
Transfers Out	(32,396,007)	(2,595,615)	-	(34,991,622)
Bonds Issued	1,930,000	-	-	1,930,000
Premium on Bonds Issued	120,176	-	-	120,176
Sale of Capital Assets	13,391	-	-	13,391
<b>Total Other Financing Sources (Uses)</b>	<b>(3,736,009)</b>	<b>14,020,174</b>	<b>-</b>	<b>10,284,165</b>
Net Change in Fund Balances	9,309,950	9,287,517	914	18,598,381
FUND BALANCES, January 1	33,512,439	21,016,622	85,608	54,614,669
FUND BALANCES, December 31	\$ 42,822,389	\$ 30,304,139	\$ 86,522	\$ 73,213,050

	City Grants	General Government Special Projects	Fire Responsive Services
<b>ASSETS</b>			
Cash and Investments with Treasurer	\$ 2,439,067	\$ 797,380	\$ -
Cash and Investments with Trustees	-	-	832,846
Imprest Funds	26,000	50	-
Receivables			
Accounts (net of allowance for estimated uncollectible)	547,779	393,995	15,880
Assessments	-	-	-
Notes and Loans	-	-	-
Accrued Interest	490	-	-
Due from Component Units	-	-	-
Due from Other Governmental Units	3,055,166	664,520	1,123,840
Advance to Other Funds	-	-	-
Land Held for Resale	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,068,502</b>	<b>\$ 1,855,945</b>	<b>\$ 1,972,566</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accrued Salaries Payable	\$ 82,533	\$ 29,254	\$ 16,136
Accounts Payable	3,278,921	946,641	409,304
Due to Other Funds	-	-	1,164,097
Due to Other Governmental Units	64,500	1,748	1,131,045
Advance from Other Funds	-	-	-
Unearned Revenue	616,142	-	-
<b>Total Liabilities</b>	<b>4,042,096</b>	<b>977,643</b>	<b>2,720,582</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	191,378	7,000	-
<b>Fund Balance</b>			
Restricted	1,835,028	74,389	-
Committed	-	351,974	90,220
Assigned	-	444,939	-
Unassigned	-	-	(838,236)
<b>Total Fund Balances</b>	<b>1,835,028</b>	<b>871,302</b>	<b>(748,016)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,068,502</b>	<b>\$ 1,855,945</b>	<b>\$ 1,972,566</b>

Police Special Projects	Charitable Gambling	Right of Way Maintenance	Street Lighting Districts	Recycling and Solid Waste	Public Health
\$ 625,712	\$ 279,102	\$ -	\$ 687,460	\$ 791,252	\$ -
474,323	-	-	-	-	-
30,000	1,500	325	-	-	-
681,435	-	606,040	-	-	357,653
-	-	14,715,273	-	6,223,428	-
-	-	-	-	-	-
1,134	1,161	46	-	-	-
-	-	376,179	-	-	-
1,303,440	-	1,535,118	-	-	190,135
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,116,044</u>	<u>\$ 281,763</u>	<u>\$ 17,232,981</u>	<u>\$ 687,460</u>	<u>\$ 7,014,680</u>	<u>\$ 547,788</u>
\$ 307,815	\$ 4,470	\$ 1,119,221	\$ -	\$ 9,116	\$ 148,878
117,709	-	626,364	4,443	21,490	-
-	-	248,500	-	-	336,634
55,749	319	93,069	-	623	8,779
-	-	-	-	-	-
-	-	-	-	-	-
<u>481,273</u>	<u>4,789</u>	<u>2,087,154</u>	<u>4,443</u>	<u>31,229</u>	<u>494,291</u>
1,985,234	367	4,879,450	-	6,097,691	119,547
1,035,909	-	1,721,933	683,017	-	-
-	4,504	-	-	-	-
-	272,103	8,544,444	-	885,760	-
(386,372)	-	-	-	-	(66,050)
<u>649,537</u>	<u>276,607</u>	<u>10,266,377</u>	<u>683,017</u>	<u>885,760</u>	<u>(66,050)</u>
<u>\$ 3,116,044</u>	<u>\$ 281,763</u>	<u>\$ 17,232,981</u>	<u>\$ 687,460</u>	<u>\$ 7,014,680</u>	<u>\$ 547,788</u>

	Parks and Recreation Special Projects	Como Campus	Parkland Replacement
<b>ASSETS</b>			
Cash and Investments with Treasurer	\$ 2,049,565	\$ -	\$ 1,222,774
Cash and Investments with Trustees	-	-	-
Imprest Funds	1,870	300	-
Receivables			
Accounts (net of allowance for estimated uncollectible)	39,072	87,967	-
Assessments	-	-	-
Notes and Loans	-	-	-
Accrued Interest	(151)	-	282
Due from Component Units	-	-	-
Due from Other Governmental Units	-	-	-
Advance to Other Funds	-	-	-
Land Held for Resale	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,090,356</b>	<b>\$ 88,267</b>	<b>\$ 1,223,056</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accrued Salaries Payable	\$ 68,312	\$ 160,138	\$ -
Accounts Payable	61,546	23,930	-
Due to Other Funds	-	3,134,578	-
Due to Other Governmental Units	3,921	13,176	-
Advance from Other Funds	-	-	-
Unearned Revenue	-	-	-
<b>Total Liabilities</b>	<b>133,779</b>	<b>3,331,822</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	-	-	89
<b>Fund Balance</b>			
Restricted	871,882	-	1,222,967
Committed	1,084,695	-	-
Assigned	-	-	-
Unassigned	-	(3,243,555)	-
<b>Total Fund Balances</b>	<b>1,956,577</b>	<b>(3,243,555)</b>	<b>1,222,967</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,090,356</b>	<b>\$ 88,267</b>	<b>\$ 1,223,056</b>

Lowertown Ballpark	Public Library Special Projects	City HUD Grants	City Sales Tax	HRA Grants	Total Nonmajor Special Revenue Funds
\$ 185,016	\$ 2,072,565	\$ 2,817,756	\$ 13,188,880	\$ 326,780	\$ 27,483,309
-	-	-	-	-	1,307,169
-	-	-	-	-	60,045
-	-	-	-	-	2,729,821
-	-	-	-	-	20,938,701
-	-	4,327,753	3,629,810	-	7,957,563
-	1,348	31,828	112,264	-	148,402
-	-	-	-	-	376,179
-	-	1,153,689	3,041,168	-	12,067,076
-	-	-	9,360,000	-	9,360,000
-	-	3,468,258	-	-	3,468,258
<u>\$ 185,016</u>	<u>\$ 2,073,913</u>	<u>\$ 11,799,284</u>	<u>\$ 29,332,122</u>	<u>\$ 326,780</u>	<u>\$ 85,896,523</u>
\$ -	\$ 2,180	\$ -	\$ -	\$ -	\$ 1,948,053
-	147,890	544,244	204,190	-	6,386,672
-	-	-	-	-	4,883,809
-	515	10,409	-	-	1,383,853
-	-	1,750,000	-	-	1,750,000
-	-	8,040,091	-	-	8,656,233
-	150,585	10,344,744	204,190	-	25,008,620
-	426	1,077,723	3,706,609	-	18,065,514
-	45,664	376,817	1,596,007	326,780	9,790,393
-	301,112	-	19,770,719	-	21,603,224
185,016	1,576,126	-	4,054,597	-	15,962,985
-	-	-	-	-	(4,534,213)
<u>185,016</u>	<u>1,922,902</u>	<u>376,817</u>	<u>25,421,323</u>	<u>326,780</u>	<u>42,822,389</u>
<u>\$ 185,016</u>	<u>\$ 2,073,913</u>	<u>\$ 11,799,284</u>	<u>\$ 29,332,122</u>	<u>\$ 326,780</u>	<u>\$ 85,896,523</u>

CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 16  
 (Page 1 of 4)

	City Grants	General Government Special Projects	Fire Responsive Services
<b>REVENUES</b>			
Taxes			
City Sales Tax	\$ -	\$ -	\$ -
Hotel-Motel Tax	-	2,183,807	-
Other Taxes	-	-	-
Total Taxes	-	2,183,807	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	10,266,642	90,925	2,268,985
Fees, Sales and Services	12,578	143,915	390,133
Assessments	-	-	-
Investment Income			
Interest Earned on Investments	1,531	-	-
Increase (Decrease) in Fair Value of Investments	(2,561)	-	-
Interest Earned - Other	(2,836)	-	1,644
Miscellaneous Revenue			
Program Income	-	-	-
Other	1,567,777	447,355	57,025
Total Revenues	11,843,131	2,866,002	2,717,787
<b>EXPENDITURES</b>			
Current			
General Government	485,011	3,074,844	-
Public Safety	3,758,770	-	2,896,775
Highways and Streets	2,163,262	-	-
Sanitation	-	-	-
Health	-	-	-
Culture and Recreation	2,481,588	-	-
Housing and Economic Development	2,679,175	-	-
Capital Outlay	979,018	140,365	2,998,725
Debt Service			
Bond Issuance Costs	-	-	19,225
Total Expenditures	12,546,824	3,215,209	5,914,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(703,693)	(349,207)	(3,196,938)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,842,025	1,084,048	56,516
Transfers Out	(134,241)	(56,516)	-
Bonds Issued	-	-	1,229,603
Premium on Bonds Issued	-	-	76,564
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	1,707,784	1,027,532	1,362,683
Net Change in Fund Balances	1,004,091	678,325	(1,834,255)
FUND BALANCES, January 1	830,937	192,977	1,086,239
FUND BALANCES, December 31	\$ 1,835,028	\$ 871,302	\$ (748,016)

Police Special Projects	Charitable Gambling	Right of Way Maintenance	Street Lighting Districts	Recycling and Solid Waste	Public Health
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	186,540	-	-	-	-
-	186,540	-	-	-	-
234,358	-	1,821,275	-	-	-
190,098	-	6,010,922	-	727,685	-
7,206,690	-	4,226,761	-	-	3,371,090
-	-	31,093,953	394,273	5,678,153	-
10,634	5,594	(88,638)	-	-	-
(3,307)	(2,183)	1,512	-	-	-
(523)	234	2,872	-	-	-
-	-	-	-	-	-
587,537	-	403,083	-	-	-
8,225,487	190,185	43,471,740	394,273	6,405,838	3,371,090
-	-	-	-	-	-
8,657,498	126,541	-	-	-	-
-	-	43,642,169	205,990	-	-
-	-	-	-	5,591,091	-
-	-	-	-	-	2,914,508
-	-	-	-	-	-
-	-	-	-	-	-
723,959	-	393,698	-	-	-
10,951	-	434	-	-	-
9,392,408	126,541	44,036,301	205,990	5,591,091	2,914,508
(1,166,921)	63,644	(564,561)	188,283	814,747	456,582
904,087	-	2,899,161	-	-	-
(370,804)	(11,678)	(2,648,423)	-	(1,578,356)	-
700,397	-	-	-	-	-
43,612	-	-	-	-	-
-	-	13,391	-	-	-
1,277,292	(11,678)	264,129	-	(1,578,356)	-
110,371	51,966	(300,432)	188,283	(763,609)	456,582
539,166	224,641	10,566,809	494,734	1,649,369	(522,632)
\$ 649,537	\$ 276,607	\$ 10,266,377	\$ 683,017	\$ 885,760	\$ (66,050)

CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 16  
 (Page 3 of 4)

	Parks and Recreation Special Projects	Como Campus	Parkland Replacement
<b>REVENUES</b>			
Taxes			
City Sales Tax	\$ -	\$ -	\$ -
Hotel-Motel Tax	-	-	-
Other Taxes	-	-	-
Total Taxes	-	-	-
Licenses and Permits			
Intergovernmental Revenue	1,467,112	-	-
Fees, Sales and Services	2,345,453	1,718,668	2,100
Assessments	-	-	-
Investment Income			
Interest Earned on Investments	937	-	1,926
Increase (Decrease) in Fair Value of Investments	62	-	(1,776)
Interest Earned - Other	(428)	-	(2,174)
Miscellaneous Revenue	-	-	-
Program Income	-	-	-
Other	163,297	2,183,522	223,790
Total Revenues	3,976,433	3,902,190	223,866
<b>EXPENDITURES</b>			
Current			
General Government	-	-	-
Public Safety	-	-	-
Highways and Streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Culture and Recreation	3,202,009	4,108,336	43
Housing and Economic Development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Bond Issuance Costs	-	-	-
Total Expenditures	3,202,009	4,108,336	43
Excess (Deficiency) of Revenues Over (Under) Expenditures	774,424	(206,146)	223,823
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	42,145	438,489	-
Transfers Out	(1,036,619)	(106,832)	-
Bonds Issued	-	-	-
Premium on Bonds Issued	-	-	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	(994,474)	331,657	-
Net Change in Fund Balances	(220,050)	125,511	223,823
FUND BALANCES, January 1	2,176,627	(3,369,066)	999,144
FUND BALANCES, December 31	\$ 1,956,577	\$ (3,243,555)	\$ 1,222,967



Lowertown Ballpark	Public Library Special Projects	City HUD Grants	City Sales Tax	HRA Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 18,823,311	\$ -	\$ 18,823,311
-	-	-	-	-	2,183,807
-	-	-	-	-	186,540
-	-	-	18,823,311	-	21,193,658
-	-	-	-	-	2,055,633
-	433,780	4,962,790	-	163,440	26,582,379
389,327	384,792	1,058,519	349,001	-	21,599,027
-	-	-	-	-	37,166,379
-	7,462	-	229,534	-	168,980
-	(2,698)	-	(97,158)	-	(108,109)
8	(19)	102,277	141,418	-	242,473
-	-	7,645	635	-	8,280
538,560	1,066,952	368	-	-	7,239,266
927,895	1,890,269	6,131,599	19,446,741	163,440	116,147,966
-	-	-	-	-	3,559,855
-	-	-	-	-	15,439,584
-	-	-	-	-	46,011,421
-	-	-	-	-	5,591,091
-	-	-	-	-	2,914,508
620,807	1,446,971	-	-	-	11,859,754
-	-	6,540,165	3,040,600	-	12,259,940
-	199,479	-	-	-	5,435,244
-	-	-	-	-	30,610
620,807	1,646,450	6,540,165	3,040,600	-	103,102,007
307,088	243,819	(408,566)	16,406,141	163,440	13,045,959
150,208	88,000	47,136	19,044,616	-	26,596,431
(272,280)	-	(868,455)	(25,274,708)	(37,095)	(32,396,007)
-	-	-	-	-	1,930,000
-	-	-	-	-	120,176
-	-	-	-	-	13,391
(122,072)	88,000	(821,319)	(6,230,092)	(37,095)	(3,736,009)
185,016	331,819	(1,229,885)	10,176,049	126,345	9,309,950
-	1,591,083	1,606,702	15,245,274	200,435	33,512,439
\$ 185,016	\$ 1,922,902	\$ 376,817	\$ 25,421,323	\$ 326,780	\$ 42,822,389

	General Government Special Projects				Fire Responsive Services			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes								
Hotel-Motel Tax	\$ 1,770,380	\$ 1,770,380	\$ 2,183,807	\$ 413,427	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Total Taxes	1,770,380	1,770,380	2,183,807	413,427	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	75,537	75,537	90,925	15,388	983,000	983,000	2,268,985	1,285,985
Fees, Sales and Services	73,113	73,113	143,915	70,802	527,846	527,846	390,133	(137,713)
Assessments	-	-	-	-	-	-	-	-
Investment Income								
Interest Earned on Investments	-	-	-	-	-	-	-	-
Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	-	-	-
Interest Earned - Other	-	-	-	-	-	-	1,644	1,644
Miscellaneous Revenue								
Other	123,500	123,500	447,355	323,855	90,488	90,488	57,025	(33,463)
Total Revenues	2,042,530	2,042,530	2,866,002	823,472	1,601,334	1,601,334	2,717,787	1,116,453
<b>EXPENDITURES</b>								
Current								
General Government	3,460,353	3,856,661	3,074,844	781,817	-	-	-	-
Public Safety	-	-	-	-	1,886,104	1,886,104	2,896,775	(1,010,671)
Highways and Streets	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Housing and Economic Development	-	-	-	-	-	-	-	-
Capital Outlay	90,956	90,956	140,365	(49,409)	3,461,399	3,461,399	2,998,725	462,674
Debt Service								
Interest - Other Debt	-	-	-	-	-	-	19,225	(19,225)
Total Expenditures	3,551,309	3,947,617	3,215,209	732,408	5,347,503	5,347,503	5,914,725	(567,222)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,508,779)	(1,905,087)	(349,207)	1,555,880	(3,746,169)	(3,746,169)	(3,196,938)	549,231
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	782,972	1,181,710	1,084,048	(97,662)	56,516	56,516	56,516	-
Transfers Out	-	-	(56,516)	(56,516)	-	-	-	-
Bonds Issued	-	-	-	-	-	-	1,229,603	1,229,603
Premium on Bonds Issued	-	-	-	-	-	-	76,564	76,564
Sale of Capital Assets	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	1,300,000	1,300,000	-	(1,300,000)
Total Other Financing Sources (Uses)	782,972	1,181,710	1,027,532	(154,178)	1,356,516	1,356,516	1,362,683	6,167
Net Change in Fund Balances	(725,807)	(723,377)	678,325	1,401,702	(2,389,653)	(2,389,653)	(1,834,255)	555,398
FUND BALANCES, January 1	192,977	192,977	192,977	-	1,086,239	1,086,239	1,086,239	-
FUND BALANCES, December 31	\$ (532,830)	\$ (530,400)	\$ 871,302	\$ 1,401,702	\$ (1,303,414)	\$ (1,303,414)	\$ (748,016)	\$ 555,398

Police Special Projects				Charitable Gambling				Right of Way Maintenance			
Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	165,515	165,515	186,540	21,025	-	-	-	-
-	-	-	-	165,515	165,515	186,540	21,025	-	-	-	-
183,804	183,804	234,358	50,554	-	-	-	-	1,466,500	1,466,500	1,821,275	354,775
190,000	190,000	190,098	98	-	-	-	-	6,154,135	6,162,620	6,010,922	(151,698)
7,943,792	7,943,792	7,206,690	(737,102)	-	-	-	-	5,244,238	5,244,238	4,226,761	(1,017,477)
-	-	-	-	-	-	-	-	30,138,837	30,138,837	31,093,953	955,116
10,000	10,000	10,634	634	-	-	5,594	5,594	-	-	(88,638)	(88,638)
-	-	(3,307)	(3,307)	-	-	(2,183)	(2,183)	-	-	1,512	1,512
-	-	(523)	(523)	-	-	234	234	-	-	2,872	2,872
513,456	513,456	587,537	74,081	-	-	-	-	180,000	180,000	403,083	223,083
8,841,052	8,841,052	8,225,487	(615,565)	165,515	165,515	190,185	24,670	43,183,710	43,192,195	43,471,740	279,545
-	-	-	-	-	-	-	-	-	-	-	-
13,568,455	13,585,932	8,657,498	4,928,434	158,837	158,838	126,541	32,297	-	-	-	-
-	-	-	-	-	-	-	-	43,458,946	43,437,235	43,642,169	(204,934)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,381,819	1,389,342	723,959	665,383	-	-	-	-	580,489	610,685	393,698	216,987
-	-	10,951	(10,951)	-	-	-	-	80,121	80,121	434	79,687
14,950,274	14,975,274	9,392,408	5,582,866	158,837	158,838	126,541	32,297	44,119,556	44,128,041	44,036,301	91,740
(6,109,222)	(6,134,222)	(1,166,921)	4,967,301	6,678	6,677	63,644	56,967	(935,846)	(935,846)	(564,561)	371,285
3,200,469	3,225,469	904,087	(2,321,382)	-	-	-	-	3,098,797	3,098,797	2,899,161	(199,636)
(670,804)	(670,804)	(370,804)	300,000	(11,678)	(11,678)	(11,678)	-	(2,676,108)	(2,676,108)	(2,648,423)	27,685
-	-	700,397	700,397	-	-	-	-	-	-	-	-
-	-	43,612	43,612	-	-	-	-	-	-	-	-
-	-	-	-	5,000	5,000	-	(5,000)	-	-	13,391	13,391
740,377	740,377	-	(740,377)	-	-	-	-	-	-	-	-
3,270,042	3,295,042	1,277,292	(2,017,750)	(6,678)	(6,678)	(11,678)	(5,000)	422,689	422,689	264,129	(158,560)
(2,839,180)	(2,839,180)	110,371	2,949,551	-	(1)	51,966	51,967	(513,157)	(513,157)	(300,432)	212,725
539,166	539,166	539,166	-	224,641	224,641	224,641	-	10,566,809	10,566,809	10,566,809	-
\$ (2,300,014)	\$ (2,300,014)	\$ 649,537	\$ 2,949,551	\$ 224,641	\$ 224,640	\$ 276,607	\$ 51,967	\$ 10,053,652	\$ 10,053,652	\$ 10,266,377	\$ 212,725

	Street Lighting Districts				Recycling and Solid Waste			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES								
Taxes								
Hotel-Motel Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Total Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	767,674	767,674	727,685	(39,989)
Fees, Sales and Services	-	-	-	-	-	-	-	-
Assessments	357,154	357,154	394,273	37,119	5,540,841	5,540,841	5,678,153	137,312
Investment Income								
Interest Earned on Investments	-	-	-	-	-	-	-	-
Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	-	-	-
Interest Earned - Other	-	-	-	-	-	-	-	-
Miscellaneous Revenue								
Other	-	-	-	-	-	-	-	-
Total Revenues	357,154	357,154	394,273	37,119	6,308,515	6,308,515	6,405,838	97,323
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Highways and Streets	357,154	357,154	205,990	151,164	-	-	-	-
Sanitation	-	-	-	-	6,381,329	6,381,329	5,591,091	790,238
Health	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Housing and Economic Development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Interest - Other Debt	-	-	-	-	-	-	-	-
Total Expenditures	357,154	357,154	205,990	151,164	6,381,329	6,381,329	5,591,091	790,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	188,283	188,283	(72,814)	(72,814)	814,747	887,561
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	1,800,000	-	(1,800,000)
Transfers Out	-	-	-	-	(275,000)	(2,075,000)	(1,578,356)	496,644
Bonds Issued	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(275,000)	(275,000)	(1,578,356)	(1,303,356)
Net Change in Fund Balances	-	-	188,283	188,283	(347,814)	(347,814)	(763,609)	(415,795)
FUND BALANCES, January 1	494,734	494,734	494,734	-	1,649,369	1,649,369	1,649,369	-
FUND BALANCES, December 31	\$ 494,734	\$ 494,734	\$ 683,017	\$ 188,283	\$ 1,301,555	\$ 1,301,555	\$ 885,760	\$ (415,795)

Public Health				Parks and Recreation Special Projects				Como Campus			
Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,534,533	1,534,533	1,467,112	(67,421)	-	-	-	-
3,129,688	3,129,688	3,371,090	241,402	2,629,324	2,629,324	2,345,453	(283,871)	1,629,195	1,629,195	1,718,668	89,473
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	937	937	-	-	-	-
-	-	-	-	-	-	62	62	-	-	-	-
-	-	-	-	-	-	(428)	(428)	-	-	-	-
-	-	-	-	262,594	262,594	163,297	(99,297)	2,084,911	2,084,911	2,183,522	98,611
3,129,688	3,129,688	3,371,090	241,402	4,426,451	4,426,451	3,976,433	(450,018)	3,714,106	3,714,106	3,902,190	188,084
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
3,129,688	3,129,688	2,914,508	215,180	-	-	-	-	-	-	-	-
-	-	-	-	3,604,522	3,604,522	3,202,009	402,513	4,048,414	4,048,774	4,108,336	(59,562)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	115,000	115,000	-	115,000	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
3,129,688	3,129,688	2,914,508	215,180	3,719,522	3,719,522	3,202,009	517,513	4,048,414	4,048,774	4,108,336	(59,562)
-	-	456,582	456,582	706,929	706,929	774,424	67,495	(334,308)	(334,668)	(206,146)	128,522
-	-	-	-	100,000	100,000	42,145	(57,855)	407,489	407,489	438,489	31,000
-	-	-	-	(929,087)	(929,087)	(1,036,619)	(107,532)	(106,832)	(106,832)	(106,832)	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,702	1,702	-	(1,702)	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(827,385)	(827,385)	(994,474)	(167,089)	300,657	300,657	331,657	31,000
-	-	456,582	456,582	(120,456)	(120,456)	(220,050)	(99,594)	(33,651)	(34,011)	125,511	159,522
(522,632)	(522,632)	(522,632)	-	2,176,627	2,176,627	2,176,627	-	(3,369,066)	(3,369,066)	(3,369,066)	-
\$ (522,632)	\$ (522,632)	\$ (66,050)	\$ 456,582	\$ 2,056,171	\$ 2,056,171	\$ 1,956,577	\$ (99,594)	\$ (3,402,717)	\$ (3,403,077)	\$ (3,243,555)	\$ 159,522

	Parkland Replacement				Lowertown Ballpark			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes								
Hotel-Motel Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Total Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	200,000	200,000	-	(200,000)	-	-	-	-
Fees, Sales and Services	-	-	2,100	2,100	387,870	387,870	389,327	1,457
Assessments	-	-	-	-	-	-	-	-
Investment Income								
Interest Earned on Investments	-	-	1,926	1,926	-	-	-	-
Increase (Decrease) in Fair Value of Investments	-	-	(1,776)	(1,776)	-	-	-	-
Interest Earned - Other	-	-	(2,174)	(2,174)	-	-	8	8
Miscellaneous Revenue								
Other	-	-	223,790	223,790	250,000	250,000	538,560	288,560
Total Revenues	200,000	200,000	223,866	23,866	637,870	637,870	927,895	290,025
<b>EXPENDITURES</b>								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	43	(43)	561,650	561,650	620,807	(59,157)
Housing and Economic Development	-	-	-	-	-	-	-	-
Capital Outlay	200,000	200,000	-	200,000	-	-	-	-
Debt Service								
Interest - Other Debt	-	-	-	-	57,700	57,700	-	57,700
Total Expenditures	200,000	200,000	43	199,957	619,350	619,350	620,807	(1,457)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	223,823	223,823	18,520	18,520	307,088	288,568
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	57,700	57,700	150,208	92,508
Transfers Out	-	-	-	-	(76,220)	(76,220)	(272,280)	(196,060)
Bonds Issued	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(18,520)	(18,520)	(122,072)	(103,552)
Net Change in Fund Balances	-	-	223,823	223,823	-	-	185,016	185,016
FUND BALANCES, January 1	999,144	999,144	999,144	-	-	-	-	-
FUND BALANCES, December 31	\$ 999,144	\$ 999,144	\$ 1,222,967	\$ 223,823	\$ -	\$ -	\$ 185,016	\$ 185,016

Public Library Special Projects			
Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
237,463	322,498	433,780	111,282
425,986	425,986	384,792	(41,194)
-	-	-	-
20,016	20,016	7,462	(12,554)
-	-	(2,698)	(2,698)
-	-	(19)	(19)
689,645	813,152	1,066,952	253,800
1,373,110	1,581,652	1,890,269	308,617
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,420,966	1,676,199	1,446,971	229,228
-	-	-	-
-	33,508	199,479	(165,971)
-	-	-	-
1,420,966	1,709,707	1,646,450	63,257
(47,856)	(128,055)	243,819	371,874
-	-	88,000	88,000
-	(2,500)	-	2,500
-	-	-	-
-	-	-	-
-	-	-	-
-	(2,500)	88,000	90,500
(47,856)	(130,555)	331,819	462,374
1,591,083	1,591,083	1,591,083	-
\$ 1,543,227	\$ 1,460,528	\$ 1,922,902	\$ 462,374

CITY OF SAINT PAUL, MINNESOTA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2016

Statement 18  
 (Page 1 of 1)

	HRA Development Capital Projects	HRA Tax Increment Capital Projects	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and Investments with Treasurer	\$ 8,717,261	\$ 36,228,923	\$ 44,946,184
Receivables			
Property Taxes - Due from Ramsey County	-	78,895	78,895
Property Taxes - Delinquent	-	54,998	54,998
Notes and Loans	195,588	756,250	951,838
Accrued Interest	-	136,635	136,635
Due from Other Governmental Units	835,535	73,723	909,258
Advance to Other Funds	4,631,458	-	4,631,458
Land Held for Resale	832,533	982,328	1,814,861
Restricted Cash and Cash Equivalents	-	250,300	250,300
<b>TOTAL ASSETS</b>	<b>\$ 15,212,375</b>	<b>\$ 38,562,052</b>	<b>\$ 53,774,427</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,289,171	\$ 520,195	\$ 1,809,366
Due to Other Funds	-	15,550	15,550
Due to Other Governmental Units	8,020	1,483,319	1,491,339
Advance from Other Funds	9,660,000	6,199,919	15,859,919
Unearned Revenue	1,355,500	-	1,355,500
<b>Total Liabilities</b>	<b>12,312,691</b>	<b>8,218,983</b>	<b>20,531,674</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	1,028,121	1,910,493	2,938,614
<b>Fund Balances</b>			
Restricted	1,871,563	28,432,576	30,304,139
<b>Total Fund Balances</b>	<b>1,871,563</b>	<b>28,432,576</b>	<b>30,304,139</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 15,212,375</b>	<b>\$ 38,562,052</b>	<b>\$ 53,774,427</b>



CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 19  
 (Page 1 of 1)

	HRA Development Capital Projects	HRA Tax Increment Capital Projects	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>			
Taxes			
Property Taxes			
Current Tax Increment	\$ -	\$ 14,793,149	\$ 14,793,149
Intergovernmental Revenue	5,011,583	-	5,011,583
Fees, Sales and Services	58,938	276,334	335,272
Investment Income			
Interest Earned on Investments	(2,677)	427,310	424,633
Increase (Decrease) in Fair Value of Investments	(4,624)	(248,258)	(252,882)
Miscellaneous Revenue - Other	403,888	-	403,888
<b>Total Revenues</b>	<b>5,467,108</b>	<b>15,248,535</b>	<b>20,715,643</b>
<b>EXPENDITURES</b>			
Current			
Housing and Economic Development	1,472,583	8,575,868	10,048,451
Capital Outlay	11,372,429	-	11,372,429
Debt Service			
Other Debt Principal	-	196,669	196,669
Interest - Other Debt	-	3,830,751	3,830,751
<b>Total Expenditures</b>	<b>12,845,012</b>	<b>12,603,288</b>	<b>25,448,300</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,377,904)	2,645,247	(4,732,657)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,582,010	14,033,779	16,615,789
Transfers Out	-	(2,595,615)	(2,595,615)
<b>Total Other Financing Sources (Uses)</b>	<b>2,582,010</b>	<b>11,438,164</b>	<b>14,020,174</b>
Net Change in Fund Balances	(4,795,894)	14,083,411	9,287,517
FUND BALANCES, January 1	6,667,457	14,349,165	21,016,622
FUND BALANCES, December 31	\$ 1,871,563	\$ 28,432,576	\$ 30,304,139

CITY OF SAINT PAUL, MINNESOTA  
 BALANCE SHEET  
 NONMAJOR PERMANENT FUND  
 DECEMBER 31, 2016

Statement 20  
 (Page 1 of 1)

---

	<u>Parks Memorial</u>
ASSETS	
Cash and Investments with Treasurer	\$ 86,304
Accrued Interest	319
	<u>                    </u>
TOTAL ASSETS	<u>\$ 86,623</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Deferred Inflows of Resources	
Unavailable Revenue	\$ 101
	<u>                    </u>
Fund Balances	
Nonspendable	35,000
Restricted	51,522
	<u>                    </u>
Total Fund Balances	<u>86,522</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 86,623</u>

CITY OF SAINT PAUL, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUND  
YEAR ENDED DECEMBER 31, 2016

Statement 21  
(Page 1 of 1)

	<u>Parks Memorial</u>
REVENUES	
Investment Income	
Interest Earned on Investments	\$ 1,717
Increase (Decrease) in Fair Value of Investments	(627)
Interest Earned - Other	<u>13</u>
Total Revenues	<u>1,103</u>
EXPENDITURES	
Culture and Recreation	<u>189</u>
Net Change in Fund Balances	914
FUND BALANCES, January 1	<u>85,608</u>
FUND BALANCES, December 31	<u><u>\$ 86,522</u></u>

CITY OF SAINT PAUL, MINNESOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - ANNUALLY BUDGETED  
 NONMAJOR PERMANANT FUNDS  
 YEAR ENDED DECEMBER 31, 2016

	Parks Memorial			Variance with Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Investment Income				
Interest Earned on Investments	\$ 2,000	\$ 2,000	\$ 1,717	\$ (283)
Increase (Decrease) in Fair Value of Investments	-	-	(627)	(627)
Interest Earned - Other	-	-	13	13
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,103</u>	<u>(897)</u>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	<u>2,000</u>	<u>2,000</u>	<u>189</u>	<u>1,811</u>
Net Change in Fund Balances	-	-	914	914
FUND BALANCES, January 1	<u>85,608</u>	<u>85,608</u>	<u>85,608</u>	<u>-</u>
FUND BALANCES, December 31	<u>\$ 85,608</u>	<u>\$ 85,608</u>	<u>\$ 86,522</u>	<u>\$ 914</u>

## **Nonmajor Enterprise Funds**

Enterprise funds 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 and 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.

**Parks Special Services** - to account for the operations of park pavilions, refreshment stands, golf courses, canoe and boat rentals, swimming pools and beaches, tennis instructions, ski instructions, ski facilities, and the Watergate Marina.

**Impound Lot** - to account for the city's vehicle impounding operations. Charges are made for the towing and storage of impounded vehicles and are collected when vehicles are claimed. Unclaimed vehicles are sold at public auction and proceeds retained. Funds are also received from the salvage of vehicles junked.

**River Print** - to account for printing services rendered to city departments, offices, and other governmental units.

**HRA Lofts at Farmers Market Fund** - to account for the operations and debt service for the Lofts at Farmers Market.

**This page left blank intentionally**



CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 DECEMBER 31, 2016

Statement 23  
 (Page 1 of 1)

	Parks Special Services	Impound Lot	River Print	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Imprest Funds	\$ 600	\$ 1,000	\$ -	\$ 1,600
Receivables				
Accounts - net	43,765	9,630	474,032	527,427
Accrued Interest	323	-	-	323
Due from Other Governmental Units	-	376	56,131	56,507
Inventories	16,421	204,481	60,862	281,764
<b>Total Current Assets</b>	<b>61,109</b>	<b>215,487</b>	<b>591,025</b>	<b>867,621</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Land	3,505,372	-	-	3,505,372
Buildings and Structures	2,670,040	13,395	-	2,683,435
Less: Accumulated Depreciation	(1,953,230)	(13,395)	-	(1,966,625)
Public Improvements	48,287	-	-	48,287
Less: Accumulated Depreciation	(25,902)	-	-	(25,902)
Equipment	2,171,477	74,097	506,410	2,751,984
Less: Accumulated Depreciation	(2,010,835)	(73,583)	(506,410)	(2,590,828)
<b>Total Noncurrent Assets</b>	<b>4,405,209</b>	<b>514</b>	<b>-</b>	<b>4,405,723</b>
<b>TOTAL ASSETS</b>	<b>4,466,318</b>	<b>216,001</b>	<b>591,025</b>	<b>5,273,344</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Outflows	\$ 562,057	\$ 1,384,767	\$ 97,904	\$ 2,044,728
<b>LIABILITIES</b>				
<b>Current Liabilities (Payable from Current Assets)</b>				
Accrued Salaries Payable	71,247	115,545	13,934	200,726
Accounts Payable	31,251	260,820	59,340	351,411
Due to Other Funds	8,516,739	1,703,900	85,838	10,306,477
Due to Other Governmental Units	4,587	8,448	920	13,955
Unearned Revenue	8,715	-	-	8,715
Compensated Absences Payable	12,500	8,000	-	20,500
<b>Total Current Liabilities</b>	<b>8,645,039</b>	<b>2,096,713</b>	<b>160,032</b>	<b>10,901,784</b>
<b>Noncurrent Liabilities</b>				
Compensated Absences Payable	213,603	125,637	41,599	380,839
Net Other Postemployment Benefits Obligation	311,712	230,529	86,507	628,748
Net Pension Liability	1,416,175	2,278,265	275,314	3,969,754
<b>Total Noncurrent Liabilities</b>	<b>1,941,490</b>	<b>2,634,431</b>	<b>403,420</b>	<b>4,979,341</b>
<b>TOTAL LIABILITIES</b>	<b>10,586,529</b>	<b>4,731,144</b>	<b>563,452</b>	<b>15,881,125</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Inflows	\$ 173,118	\$ 275,459	\$ 33,914	\$ 482,491
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,405,209	514	-	4,405,723
Unrestricted	(10,136,481)	(3,406,349)	91,563	(13,451,267)
<b>TOTAL NET POSITION</b>	<b>\$ (5,731,272)</b>	<b>\$ (3,405,835)</b>	<b>\$ 91,563</b>	<b>\$ (9,045,544)</b>

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 24  
 (Page 1 of 1)

	Parks Special Services	Impound Lot	River Print	HRA Lofts	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>					
Fees, Sales and Services	\$ 2,070,448	\$ 1,925,444	\$ 1,335,992	\$ 590	\$ 5,332,474
Rents and Leases	674,732	-	-	-	674,732
Miscellaneous	7,356	-	685	-	8,041
<b>Total Operating Revenues</b>	<b>2,752,536</b>	<b>1,925,444</b>	<b>1,336,677</b>	<b>590</b>	<b>6,015,247</b>
<b>OPERATING EXPENSES</b>					
Cost of Merchandise Sold	196,180	-	-	-	196,180
Salaries	1,160,311	1,107,363	177,521	-	2,445,195
Employee Fringe Benefits	535,926	653,089	83,259	-	1,272,274
Services	617,672	1,035,789	553,021	-	2,206,482
Materials and Supplies	231,690	34,764	318,348	-	584,802
Depreciation	161,091	2,449	-	-	163,540
Miscellaneous	139,735	-	-	2,769	142,504
<b>Total Operating Expenses</b>	<b>3,042,605</b>	<b>2,833,454</b>	<b>1,132,149</b>	<b>2,769</b>	<b>7,010,977</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(290,069)</b>	<b>(908,010)</b>	<b>204,528</b>	<b>(2,179)</b>	<b>(995,730)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Intergovernmental Revenue (Schedule 9)	155,000	-	-	-	155,000
Investment Income					
Interest Earned on Investments	12,858	-	-	2,769	15,627
Increase (Decrease) in Fair Value of Investments	(1,341)	-	-	1,103	(238)
Interest Expense on Revenue Bonds	(81,035)	-	-	-	(81,035)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>85,482</b>	<b>-</b>	<b>-</b>	<b>3,872</b>	<b>89,354</b>
<b>Income (Loss) Before Transfers</b>	<b>(204,587)</b>	<b>(908,010)</b>	<b>204,528</b>	<b>1,693</b>	<b>(906,376)</b>
Transfers In	4,388,927	-	-	-	4,388,927
Transfers Out	(291,441)	(2,985)	-	(973,678)	(1,268,104)
<b>Change in Net Position</b>	<b>3,892,899</b>	<b>(910,995)</b>	<b>204,528</b>	<b>(971,985)</b>	<b>2,214,447</b>
<b>NET POSITION, January 1</b>	<b>(9,624,171)</b>	<b>(2,494,840)</b>	<b>(112,965)</b>	<b>971,985</b>	<b>(11,259,991)</b>
<b>NET POSITION, December 31</b>	<b>\$ (5,731,272)</b>	<b>\$ (3,405,835)</b>	<b>\$ 91,563</b>	<b>\$ -</b>	<b>\$ (9,045,544)</b>

	Parks Special Services	Impound Lot	River Print	HRA Lofts	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 2,757,450	\$ 2,056,389	\$ 1,022,683	\$ 2,521	\$ 5,839,043
Receipts from Other Funds for Services Provided	-	-	201,515	-	201,515
Other Operating Receipts	7,356	-	-	-	7,356
Payment to Suppliers	(1,145,671)	(871,685)	(798,882)	(3,492)	(2,819,730)
Payment to Employees	(1,137,085)	(1,075,223)	(176,770)	-	(2,389,078)
Payment for Fringe Benefits and Payroll Taxes	(428,851)	(375,984)	(69,977)	-	(874,812)
Payment to Other Funds for Services Used	(111,827)	(173,940)	(49,927)	-	(335,694)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(58,628)</b>	<b>(440,443)</b>	<b>128,642</b>	<b>(971)</b>	<b>(371,400)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In from Other Funds	4,388,927	-	-	-	4,388,927
Transfers Out to Other Funds	(291,441)	(2,985)	-	(973,678)	(1,268,104)
Intergovernmental	155,000	-	-	-	155,000
Advance Received from Other Funds	90,001	443,428	-	-	533,429
Repayment of Advance Received from Other Funds	-	-	(128,642)	-	(128,642)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>4,342,487</b>	<b>440,443</b>	<b>(128,642)</b>	<b>(973,678)</b>	<b>3,680,610</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Paid on Revenue Bonds	(4,217,515)	-	-	-	(4,217,515)
Principal Paid on Limited Tax Bonds	-	-	-	(7,170,000)	(7,170,000)
Interest Paid on Revenue Bonds	(81,035)	-	-	-	(81,035)
Interest Paid on Limited Tax Bonds	-	-	-	(219,278)	(219,278)
<b>NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(4,298,550)</b>	<b>-</b>	<b>-</b>	<b>(7,389,278)</b>	<b>(11,687,828)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and Dividends Received	16,032	-	-	(1)	16,031
Increase in Fair Value of Investments	(1,341)	-	-	1,103	(238)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>14,691</b>	<b>-</b>	<b>-</b>	<b>1,102</b>	<b>15,793</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,362,825)</b>	<b>(8,362,825)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>600</b>	<b>1,000</b>	<b>-</b>	<b>8,362,825</b>	<b>8,364,425</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 600</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,600</b>

	Parks Special Services	Impound Lot	River Print	HRA Lofts	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (290,069)	\$ (908,010)	\$ 204,528	\$ (2,179)	\$ (995,730)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	161,091	2,449	-	-	163,540
Changes in Assets and Liabilities					
(Increase) Decrease in					
Accounts Receivable	10,614	130,968	(144,223)	1,931	(710)
Due from Other Governmental Units	-	(23)	31,744	-	31,721
Deferred Pension Outflows	(430,750)	(1,204,967)	(70,349)	-	(1,706,066)
Inventories	(2,375)	(35,521)	42,415	-	4,519
Increase (Decrease) in					
Accrued Salaries Payable	16,138	30,002	2,545	-	48,685
Accounts Payable	(70,395)	56,744	(19,734)	(723)	(34,108)
Due to Other Governmental Units	549	3,705	(121)	-	4,133
Unearned Revenue	1,656	-	-	-	1,656
Net Pension Liability	470,075	1,314,504	76,771	-	1,861,350
Deferred Pension Inflows	51,901	138,528	8,476	-	198,905
Compensated Absences Payable	(12,949)	5,095	(13,221)	-	(21,075)
Net Other Postemployment Benefits Obligation	35,886	26,083	9,811	-	71,780
Total Adjustments	231,441	467,567	(75,886)	1,208	624,330
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (58,628)</u>	<u>\$ (440,443)</u>	<u>\$ 128,642</u>	<u>\$ (971)</u>	<u>\$ (371,400)</u>
DETAILS OF CASH AND CASH EQUIVALENTS					
Imprest Funds	\$ 600	\$ 1,000	\$ -	\$ -	\$ 1,600
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 600</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,600</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Increase/(Decrease) in Fair Value of Investments	\$ -	\$ -	\$ -	\$ 1,103	\$ 1,103

**This page left blank intentionally**



## Internal Service Funds

Internal Service funds account for the financing of goods and services provided by one department to other departments or to other government units.

**Central Services** - to account for various general government service activities including financial, legal, risk management, special projects, real estate, new information system and energy conservation.

**Equipment Services Fire-Police** - to account for the operations of the Public Safety repair shop.

**Internal Borrowing** - to account for internal borrowing from the city's cash pool and assets secured to support repayment of loan principal with interest to the pool.

**Public Works Administration** - to account for the costs of administrative services provided for the divisions of the Department of Public Works.

**Public Works Equipment Service** - to account for the purchase and repair of most vehicles used by the Department of Public Works.

**Public Works Engineering** - to account for recoverable engineering and professional services rendered by the Department of Public Works.

**Asphalt Plant** - to account for the manufacturing of asphalt products.

**Traffic Warehouse** - to purchase, inventory, store and supply materials for traffic maintenance and capital projects.

**Parks Supply and Maintenance** - to account for materials purchased and design services performed by the Division of Parks and Recreation for other departments' capital funds and outside parties. All supplies, materials, repair parts, and equipment purchased for the use in City parks, maintenance of playgrounds and the repair and recovery of the costs thereof.

**Planning and Economic Development Administration** - to account for administrative operations within the Department of Planning and Economic Development.

	Central Services	Equipment Services Fire - Police	Internal Borrowing	Public Works Administration	Public Works Equipment Service
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Investments with Treasurer	\$ 9,993,119	\$ -	\$ -	\$ 1,617,999	\$ 4,276,721
Cash and Investments with Trustee	326,632	-	-	-	1,211,106
Imprest Funds	-	200	-	200	-
Receivables					
Accounts - net	-	15,797	2,764	-	-
Due from Other Funds	-	-	150,727	-	-
Due from Component Units	55,692	-	-	-	-
Due from Other Governmental Units	226,869	-	-	-	21,781
Inventory	-	393,718	-	-	888,920
Prepaid Items	-	-	-	-	3,723
<b>Total Current Assets</b>	<b>10,602,312</b>	<b>409,715</b>	<b>153,491</b>	<b>1,618,199</b>	<b>6,402,251</b>
<b>Non-Current Assets</b>					
Advance to Other Funds	-	-	2,362,186	-	-
Other Long-Term Receivable	-	-	1,187,501	-	-
<b>Capital Assets</b>					
Land	-	-	-	-	25,243
Buildings and Structures	10,680,428	1,166,048	-	-	2,108,781
Less: Accumulated Depreciation	(7,763,400)	(945,831)	-	-	(1,596,610)
Equipment	2,729,157	281,079	-	106,777	26,561,725
Less: Accumulated Depreciation	(847,932)	(225,357)	-	(93,542)	(18,276,507)
Construction in Progress	-	-	-	-	53,153
<b>Total Noncurrent Assets</b>	<b>4,798,253</b>	<b>275,939</b>	<b>3,549,687</b>	<b>13,235</b>	<b>8,875,785</b>
<b>TOTAL ASSETS</b>	<b>15,400,565</b>	<b>685,654</b>	<b>3,703,178</b>	<b>1,631,434</b>	<b>15,278,036</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pension Outflows	\$ 1,096,183	\$ 491,539	\$ -	\$ 803,159	\$ 749,750
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accrued Salaries Payable	163,690	74,945	-	112,572	129,216
Accounts Payable	292,533	121,973	8,743	17,564	786,911
Due to Other Funds	63,520	1,021,099	1,426,931	-	17,700
Due to Other Governmental Units	166,839	4,418	-	7,640	14,932
Unearned Revenue	-	247	209,962	-	-
Compensated Absences Payable	12,500	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	150,000
Capital Lease Payable	1,048,858	-	-	-	685,960
Accrued Interest Payable	15,708	-	-	-	6,885
<b>Total Current Liabilities</b>	<b>1,763,648</b>	<b>1,222,682</b>	<b>1,645,636</b>	<b>137,776</b>	<b>1,791,604</b>
<b>Noncurrent Liabilities</b>					
General Obligation Bonds Payable	-	-	-	-	1,059,340
Capital Lease Payable	1,570,628	-	-	-	2,307,351
Advance from Other Funds	-	20,700	390,909	-	-
Compensated Absences Payable	275,872	86,711	-	188,555	145,347
Net Other Postemployment Benefits Obligation	506,407	172,361	-	366,112	459,581
Net Pension Liability	2,638,127	1,160,753	-	1,880,891	1,823,443
<b>Total Noncurrent Liabilities</b>	<b>4,991,034</b>	<b>1,440,525</b>	<b>390,909</b>	<b>2,435,558</b>	<b>5,795,062</b>
<b>TOTAL LIABILITIES</b>	<b>6,754,682</b>	<b>2,663,207</b>	<b>2,036,545</b>	<b>2,573,334</b>	<b>7,586,666</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pension Inflows	\$ 321,374	\$ 141,191	\$ -	\$ 228,636	\$ 222,310
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,178,767	275,939	-	13,235	4,823,134
Unrestricted	7,241,925	(1,903,144)	1,666,633	(380,612)	3,395,676
<b>TOTAL NET POSITION</b>	<b>\$ 9,420,692</b>	<b>\$ (1,627,205)</b>	<b>\$ 1,666,633</b>	<b>\$ (367,377)</b>	<b>\$ 8,218,810</b>

Public Works Engineering	Asphalt Plant	Traffic Warehouse	Parks Supply and Maintenance	Planning and Economic Development Administration	Total Internal Service Funds
\$ 1,964,209	\$ 2,423,049	\$ 1,258,968	\$ 1,099,979	\$ 2,375,999	\$ 25,010,043
-	-	-	-	-	1,537,738
150	100	100	-	200	950
51,816	100,408	364,588	52,101	-	587,474
-	-	-	-	-	150,727
-	-	-	-	-	55,692
8,516	54,030	43,055	-	-	354,251
-	479,538	1,803,770	29,019	-	3,594,965
-	-	-	-	-	3,723
<u>2,024,691</u>	<u>3,057,125</u>	<u>3,470,481</u>	<u>1,181,099</u>	<u>2,376,199</u>	<u>31,295,563</u>
-	-	-	-	-	2,362,186
3,632,112	-	-	-	-	4,819,613
32,000	23,664	-	6,436	-	87,343
-	817,401	59,649	26,558	176,721	15,035,586
-	(702,396)	(56,068)	(23,610)	(35,344)	(11,123,259)
747,059	343,947	41,564	2,062,618	137,116	33,011,042
(721,642)	(343,947)	(41,564)	(1,242,616)	(135,424)	(21,928,531)
-	-	-	-	-	53,153
<u>3,689,529</u>	<u>138,669</u>	<u>3,581</u>	<u>829,386</u>	<u>143,069</u>	<u>22,317,133</u>
<u>5,714,220</u>	<u>3,195,794</u>	<u>3,474,062</u>	<u>2,010,485</u>	<u>2,519,268</u>	<u>53,612,696</u>
\$ 2,154,974	\$ 146,603	\$ 70,818	\$ 1,025,878	\$ 2,695,320	\$ 9,234,224
266,836	20,647	11,550	138,456	395,223	1,313,135
76,223	34,943	93,632	21,751	16,800	1,471,073
-	-	-	-	-	2,529,250
21,528	1,515	642	12,491	26,124	256,129
3,048,572	-	-	-	-	3,258,781
-	-	-	44,500	29,500	86,500
-	-	-	-	-	150,000
-	-	-	-	-	1,734,818
-	-	-	-	-	22,593
<u>3,413,159</u>	<u>57,105</u>	<u>105,824</u>	<u>217,198</u>	<u>467,647</u>	<u>10,822,279</u>
-	-	-	-	-	1,059,340
-	-	-	-	-	3,877,979
-	-	-	-	-	411,609
479,858	34,482	10,084	170,670	547,110	1,938,689
776,456	82,565	40,745	347,376	1,092,786	3,844,389
5,044,644	341,556	155,938	2,473,069	6,572,005	22,090,426
<u>6,300,958</u>	<u>458,603</u>	<u>206,767</u>	<u>2,991,115</u>	<u>8,211,901</u>	<u>33,222,432</u>
<u>9,714,117</u>	<u>515,708</u>	<u>312,591</u>	<u>3,208,313</u>	<u>8,679,548</u>	<u>44,044,711</u>
\$ 613,193	\$ 41,501	\$ 18,859	\$ 301,306	\$ 801,402	\$ 2,689,772
57,417	138,669	3,581	829,386	143,069	8,463,197
(2,515,533)	2,646,519	3,209,849	(1,302,642)	(4,409,431)	7,649,240
<u>\$ (2,458,116)</u>	<u>\$ 2,785,188</u>	<u>\$ 3,213,430</u>	<u>\$ (473,256)</u>	<u>\$ (4,266,362)</u>	<u>\$ 16,112,437</u>

CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

Statement 27  
 (Page 1 of 2)

	Central Services	Equipment Services Fire - Police	Internal Borrowing	Public Works Administration	Public Works Equipment Service
<b>OPERATING REVENUES</b>					
Fees, Sales and Services	\$ 12,346,750	\$ 3,146,790	\$ -	\$ 3,014,465	\$ 7,895,850
Rents and Leases	2,022,352	-	-	-	-
Interest Earned on Loans	-	-	216,791	-	-
Miscellaneous	882	-	-	-	33,518
<b>Total Operating Revenues</b>	<b>14,369,984</b>	<b>3,146,790</b>	<b>216,791</b>	<b>3,014,465</b>	<b>7,929,368</b>
<b>OPERATING EXPENSES</b>					
Cost of Merchandise Sold	-	-	-	-	-
Salaries	2,100,987	941,272	-	1,566,780	1,413,231
Employee Fringe Benefits	965,820	546,510	-	686,603	753,082
Services	6,272,725	281,106	-	444,440	1,110,887
Materials and Supplies	534,953	1,715,638	-	22,564	2,452,688
Depreciation	1,037,953	34,105	-	6,418	1,161,437
Miscellaneous	4,981	-	-	1,233	156
<b>Total Operating Expenses</b>	<b>10,917,419</b>	<b>3,518,631</b>	<b>-</b>	<b>2,728,038</b>	<b>6,891,481</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,452,565</b>	<b>(371,841)</b>	<b>216,791</b>	<b>286,427</b>	<b>1,037,887</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Gain on Sale of Capital Assets	-	-	-	-	44,507
Investment Income					
Interest Earned on Investments	-	-	(51,099)	-	-
Increase (Decrease) in Fair Value of Investments	-	-	17,697	-	-
Interest Earned - Other	-	-	-	-	1,766
Miscellaneous Other Revenue (Expense)	-	10	(127)	-	-
Interest Expense on Capital Lease	(90,161)	-	-	-	(62,610)
Interest Expense on Advance from Other Funds	(1,627)	-	(9,294)	-	(495)
Debt Issuance Costs	-	-	-	-	(19,340)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(91,788)</b>	<b>10</b>	<b>(42,823)</b>	<b>-</b>	<b>(36,172)</b>
<b>Income (Loss) Before Transfers</b>	<b>3,360,777</b>	<b>(371,831)</b>	<b>173,968</b>	<b>286,427</b>	<b>1,001,715</b>
Transfers In	142,517	-	-	-	736,963
Transfers Out	(2,709,944)	(19,605)	(162,525)	(237,412)	(140,000)
<b>Change in Net Position</b>	<b>793,350</b>	<b>(391,436)</b>	<b>11,443</b>	<b>49,015</b>	<b>1,598,678</b>
<b>NET POSITION, January 1</b>	<b>8,627,342</b>	<b>(1,235,769)</b>	<b>1,655,190</b>	<b>(416,392)</b>	<b>6,620,132</b>
<b>NET POSITION, December 31</b>	<b>\$ 9,420,692</b>	<b>\$ (1,627,205)</b>	<b>\$ 1,666,633</b>	<b>\$ (367,377)</b>	<b>\$ 8,218,810</b>



Public Works Engineering	Asphalt Plant	Traffic Warehouse	Parks Supply and Maintenance	Planning and Economic Development Administration	Total Internal Service Funds
\$ 8,957,395	\$ 2,732,712	\$ 3,516,956	\$ 3,894,420	\$ 8,948,392	\$ 54,453,730
-	-	-	-	-	2,022,352
-	-	-	-	-	216,791
-	84	443,093	12,448	-	490,025
8,957,395	2,732,796	3,960,049	3,906,868	8,948,392	57,182,898
-	-	-	244,963	-	244,963
4,450,586	285,174	141,748	1,988,177	5,384,859	18,272,814
1,999,736	160,160	68,356	1,035,439	2,383,276	8,598,982
2,229,636	161,052	329,230	704,715	1,500,582	13,034,373
115,879	1,642,526	2,739,519	214,400	40,635	9,478,802
20,623	13,813	5,861	116,124	16,170	2,412,504
1,053	-	-	-	13,666	21,089
8,817,513	2,262,725	3,284,714	4,303,818	9,339,188	52,063,527
139,882	470,071	675,335	(396,950)	(390,796)	5,119,371
-	-	-	-	-	44,507
-	-	-	-	-	(51,099)
-	-	-	-	-	17,697
-	-	-	-	-	1,766
40	-	-	6,000	60	5,983
-	-	-	-	-	(152,771)
-	-	-	-	-	(11,416)
-	-	-	-	-	(19,340)
40	-	-	6,000	60	(164,673)
139,922	470,071	675,335	(390,950)	(390,736)	4,954,698
-	-	-	-	127,414	1,006,894
(40,753)	-	-	(54,594)	(189,435)	(3,554,268)
99,169	470,071	675,335	(445,544)	(452,757)	2,407,324
(2,557,285)	2,315,117	2,538,095	(27,712)	(3,813,605)	13,705,113
\$ (2,458,116)	\$ 2,785,188	\$ 3,213,430	\$ (473,256)	\$ (4,266,362)	\$ 16,112,437

	Central Services	Equipment Services Fire - Police	Internal Borrowing	Public Works Administration	Public Works Equipment Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Loan Recipients and Other Customers	\$ 2,070,724	\$ 135,618	\$ 279,836	\$ -	\$ 169,024
Receipts from Other Funds for Services Provided	12,280,954	3,020,014	821,512	3,014,465	7,753,904
Other Operating Receipts	-	-	-	-	-
Payments to Suppliers	(6,363,558)	(1,869,396)	-	(113,647)	(2,559,299)
Payments to Employees	(2,094,615)	(924,327)	(78,182)	(1,559,946)	(1,381,334)
Payments for Fringe Benefits and Payroll Taxes	(724,683)	(438,535)	-	(531,142)	(596,693)
Payments to Other Funds for Services Used	(342,710)	(190,963)	-	(365,544)	(839,485)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>4,826,112</b>	<b>(267,589)</b>	<b>1,023,166</b>	<b>444,186</b>	<b>2,546,117</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In from Other Funds	142,517	-	-	-	736,963
Transfers Out to Other Funds	(2,709,944)	(19,605)	(162,525)	(237,412)	(140,000)
Advance Received from Other Funds	-	297,867	-	-	-
Repayment of Advance Received from Other Funds	(63,520)	-	(826,561)	-	(17,381)
Interest Paid on Advance Received from Other Funds	(1,627)	-	(9,294)	-	(495)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(2,632,574)</b>	<b>278,262</b>	<b>(998,380)</b>	<b>(237,412)</b>	<b>579,087</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Issuance of General Obligation Bonds	-	-	-	-	1,209,340
Proceeds from Sale of Capital Assets	-	-	-	-	44,507
Principal Paid on Capital Lease	(1,002,344)	-	-	-	(676,128)
Payments for Acquisition and Construction of Capital Assets					
Equipment	(932,186)	(10,673)	-	-	(2,118,192)
Payments of Bond Issue Costs	-	-	-	-	(19,340)
Interest Paid on Capital Lease	(94,683)	-	-	-	(60,834)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(2,029,213)</b>	<b>(10,673)</b>	<b>-</b>	<b>-</b>	<b>(1,620,647)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Service Fee	-	-	(127)	-	-
Interest and Dividends on Investments Received	-	-	(42,356)	-	1,766
Increase (Decrease) in Fair Value of Investments	-	-	17,697	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(24,786)</b>	<b>-</b>	<b>1,766</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>164,325</b>	<b>-</b>	<b>-</b>	<b>206,774</b>	<b>1,506,323</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>10,155,426</b>	<b>200</b>	<b>-</b>	<b>1,411,425</b>	<b>3,981,504</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 10,319,751</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 1,618,199</b>	<b>\$ 5,487,827</b>

Public Works Engineering	Asphalt Plant	Traffic Warehouse	Parks Supply and Maintenance	Planning and Economic Development Administration	Total Internal Service Funds
\$ 148,508	\$ 1,164,928	\$ 380,270	\$ 626,244	\$ 203,900	\$ 5,179,052
7,380,473	1,578,462	3,265,153	3,267,233	8,744,492	51,126,662
-	-	-	-	60	60
(596,581)	(1,799,625)	(2,970,644)	(407,599)	(768,401)	(17,448,750)
(3,911,858)	(283,348)	(139,644)	(2,224,676)	(5,330,789)	(17,928,719)
(1,677,618)	(114,530)	(49,919)	(809,488)	(1,837,261)	(6,779,869)
(1,582,522)	(139,686)	(268,620)	(534,191)	(779,071)	(5,042,792)
(239,598)	406,201	216,596	(82,477)	232,930	9,105,644
-	-	-	-	127,414	1,006,894
(40,753)	-	-	(54,594)	(189,435)	(3,554,268)
-	-	-	-	-	297,867
-	-	-	-	-	(907,462)
-	-	-	-	-	(11,416)
(40,753)	-	-	(54,594)	(62,021)	(3,168,385)
-	-	-	-	-	1,209,340
-	-	-	-	-	44,507
-	-	-	-	-	(1,678,472)
(14,958)	-	-	(118,070)	-	(3,194,079)
-	-	-	-	-	(19,340)
-	-	-	-	-	(155,517)
(14,958)	-	-	(118,070)	-	(3,793,561)
-	-	-	-	-	(127)
-	-	-	-	-	(40,590)
-	-	-	-	-	17,697
-	-	-	-	-	(23,020)
(295,309)	406,201	216,596	(255,141)	170,909	2,120,678
2,259,668	2,016,948	1,042,472	1,355,120	2,205,290	24,428,053
\$ 1,964,359	\$ 2,423,149	\$ 1,259,068	\$ 1,099,979	\$ 2,376,199	\$ 26,548,731

	Central Services	Equipment Services Fire Police	Internal Borrowing	Public Works Administration	Public Works Equipment Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 3,452,565	\$ (371,841)	\$ 216,791	\$ 286,427	\$ 1,037,887
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,037,953	34,105	-	6,418	1,161,437
Non-Operating Miscellaneous Revenue (Expense)	-	10	-	-	-
Changes in Assets and Liabilities					
(Increase) Decrease in					
Accounts Receivable	-	3,682	29,835	-	-
Notes and Loans Receivable	-	-	237,501	-	-
Due from Other Funds	-	-	764,039	-	-
Due from Component Units	(55,692)	-	-	-	-
Due from Other Governmental Units	37,386	-	-	-	(6,440)
Deferred Pension Outflows	(860,350)	(389,422)	-	(638,877)	(585,331)
Inventories	-	2,821	-	-	101,822
Prepaid Items	-	-	-	-	2,574
Increase (Decrease) in					
Accrued Salaries Payable	6,372	16,945	-	6,834	31,897
Accounts Payable	(49,587)	(67,450)	-	(9,848)	72,703
Due to Other Funds	1,051	4,903	(78,182)	-	-
Due to Other Component Unit	-	-	-	-	-
Due to Other Governmental Units	154,927	1,014	-	(882)	(6,628)
Net Pension Liability	938,896	424,974	-	697,204	638,769
Deferred Pension Inflows	103,663	46,921	-	76,978	70,526
Unearned Revenue	-	247	(146,818)	-	-
Compensated Absences Payable	1,324	6,476	-	(22,072)	(24,939)
Net Other Postemployment Benefits Obligation	57,604	19,026	-	42,004	51,840
Total Adjustments	1,373,547	104,252	806,375	157,759	1,508,230
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,826,112	\$ (267,589)	\$ 1,023,166	\$ 444,186	\$ 2,546,117
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Investments with Treasurer	\$ 9,993,119	\$ -	\$ -	\$ 1,617,999	\$ 4,276,721
Cash and Investments with Trustee	326,632	-	-	-	1,211,106
Imprest Funds	-	200	-	200	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 10,319,751	\$ 200	\$ -	\$ 1,618,199	\$ 5,487,827
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Capital Assets Purchased on Account:	\$ -	\$ -	\$ -	\$ -	\$ 535,583

Public Works Engineering	Asphalt Plant	Traffic Warehouse	Parks Supply and Maintenance	Planning and Economic Development Administration	Total Internal Service Funds
\$ 139,882	\$ 470,071	\$ 675,335	\$ (396,950)	\$ (390,796)	\$ 5,119,371
20,623	13,813	5,861	116,124	16,170	2,412,504
40	-	-	6,000	60	6,110
(22,962)	(15,044)	(273,226)	(19,391)	-	(297,106)
460,450	-	-	-	-	697,951
-	-	-	-	-	764,039
-	-	-	-	-	(55,692)
57,121	25,639	(41,399)	-	-	72,307
(1,714,516)	(116,905)	(57,953)	(804,493)	(2,101,494)	(7,269,341)
-	(110,299)	(218,372)	4,910	-	(219,118)
-	-	-	-	-	2,574
78,277	1,826	3,118	8,464	54,070	207,803
58,827	(25,482)	49,184	(28,119)	8,717	8,945
-	-	-	-	-	(72,228)
-	-	-	-	-	-
3,580	(165)	96	534	(1,306)	151,170
1,871,045	127,578	63,243	877,940	2,293,352	7,933,001
206,582	14,085	6,983	96,933	253,208	875,879
(1,462,614)	-	-	-	-	(1,609,185)
(24,590)	11,478	(948)	15,926	(24,174)	(61,519)
88,657	9,606	4,674	39,645	125,123	438,179
(379,480)	(63,870)	(458,739)	314,473	623,726	3,986,273
\$ (239,598)	\$ 406,201	\$ 216,596	\$ (82,477)	\$ 232,930	\$ 9,105,644
\$ 1,964,209	\$ 2,423,049	\$ 1,258,968	\$ 1,099,979	\$ 2,375,999	\$ 25,010,043
-	-	-	-	-	1,537,738
150	100	100	-	200	950
\$ 1,964,359	\$ 2,423,149	\$ 1,259,068	\$ 1,099,979	\$ 2,376,199	\$ 26,548,731
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535,583

**This page left blank intentionally**



## Agency Funds

Agency funds account for assets held in a custodial capacity for others and/or other funds.

**Employee Withholding** - to account for monies withheld from employees' salaries and remitted to governmental and outside agencies.

**Minnesota Sales and Use Tax** - to account for receipts and disbursements of sales tax as required by the Tax Reform and Relief Act.

**City Agency** - to account for the proceeds from Comcast for distribution relating to the city's Cable Access Program; property taxes levied and collected by Ramsey County and remitted to the Port Authority of the City of Saint Paul; outstanding checks which have been written off and remitted to the State of Minnesota under the Minnesota Uniform Disposition of Unclaimed Property Act; receipts and disbursements for which proper accounting cannot be made at the time of the transaction; collection of the State of Minnesota building permit surcharge; and cash received by the Police Department that is lost, unclaimed or contraband collected during the course of Police business.

**This page left blank intentionally**





CITY OF SAINT PAUL, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 DECEMBER 31, 2016

	Employee Withholding	Minnesota Sales and Use Tax	City Agency	Total Agency Funds
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 779,243	\$ 316,211	\$ 1,436,402	\$ 2,531,856
Receivables				
Property Taxes - Due from Ramsey County	-	-	45,052	45,052
<b>TOTAL ASSETS</b>	<b>\$ 779,243</b>	<b>\$ 316,211</b>	<b>\$ 1,481,454</b>	<b>\$ 2,576,908</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 138,050	\$ -	\$ 1,287,942	\$ 1,425,992
Due to Other Governmental Units	641,193	316,211	193,512	1,150,916
<b>TOTAL LIABILITIES</b>	<b>\$ 779,243</b>	<b>\$ 316,211</b>	<b>\$ 1,481,454</b>	<b>\$ 2,576,908</b>

CITY OF SAINT PAUL, MINNESOTA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2016

Statement 30  
(Page 1 of 2)

<b>Employee Withholding</b>	January 1, 2016	Additions	Deductions	December 31, 2016
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 668,002	\$ 83,300,469	\$ 83,189,228	\$ 779,243
Receivables				
Accounts (net of allowance for estimated uncollectibles)	-	390	390	-
<b>TOTAL ASSETS</b>	<b>\$ 668,002</b>	<b>\$ 83,300,859</b>	<b>\$ 83,189,618</b>	<b>\$ 779,243</b>
<b>LIABILITIES</b>				
Accrued Salaries Payable	\$ -	\$ 39,015,762	\$ 39,015,762	\$ -
Accounts Payable	26,544	27,320	138,826	138,050
Due to Other Governmental Units	641,458	46,434,710	46,434,445	641,193
<b>TOTAL LIABILITIES</b>	<b>\$ 668,002</b>	<b>\$ 85,477,792</b>	<b>\$ 85,589,033</b>	<b>\$ 779,243</b>
<b>Minnesota Sales and Use Tax</b>				
	January 1, 2016	Additions	Deductions	December 31, 2016
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 273,279	\$ 533,249	\$ 490,317	\$ 316,211
<b>TOTAL ASSETS</b>	<b>\$ 273,279</b>	<b>\$ 533,249</b>	<b>\$ 490,317</b>	<b>\$ 316,211</b>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 273,279	\$ 490,945	\$ 533,877	\$ 316,211
<b>TOTAL LIABILITIES</b>	<b>\$ 273,279</b>	<b>\$ 490,945</b>	<b>\$ 533,877</b>	<b>\$ 316,211</b>
<b>City Agency</b>				
	January 1, 2016	Additions	Deductions	December 31, 2016
<b>ASSETS</b>				
Cash and Investments with Treasurer	\$ 2,531,400	\$ 26,801,736	\$ 27,896,734	\$ 1,436,402
Receivables				
Property Taxes - Due from Ramsey County	18,251	26,801	-	45,052
<b>TOTAL ASSETS</b>	<b>\$ 2,549,651</b>	<b>\$ 26,828,537</b>	<b>\$ 27,896,734</b>	<b>\$ 1,481,454</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,881,156	\$ 25,003,541	\$ 24,410,327	\$ 1,287,942
Due to Other Governmental Units	668,495	3,071,273	2,596,290	193,512
<b>TOTAL LIABILITIES</b>	<b>\$ 2,549,651</b>	<b>\$ 28,074,814</b>	<b>\$ 27,006,617</b>	<b>\$ 1,481,454</b>

CITY OF SAINT PAUL, MINNESOTA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2016

Statement 30  
(Page 2 of 2)

Agency Funds Total	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Cash and Investments with Treasurer	\$ 3,472,681	\$ 110,635,454	\$ 111,576,279	\$ 2,531,856
Receivables				
Property Taxes - Due from Ramsey County	18,251	26,801	-	45,052
Accounts (net of allowance for estimated uncollectibles)	-	390	390	-
TOTAL ASSETS	<u>\$ 3,490,932</u>	<u>\$ 110,662,645</u>	<u>\$ 111,576,669</u>	<u>\$ 2,576,908</u>
LIABILITIES				
Accrued Salaries Payable	\$ -	\$ 39,015,762	\$ 39,015,762	\$ -
Accounts Payable	1,907,700	25,030,861	24,549,153	1,425,992
Due to Other Governmental Units	1,583,232	49,996,928	49,564,612	1,150,916
TOTAL LIABILITIES	<u>\$ 3,490,932</u>	<u>\$ 114,043,551</u>	<u>\$ 113,129,527</u>	<u>\$ 2,576,908</u>

**This page left blank intentionally**



## OTHER SUPPLEMENTARY INFORMATION

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 9  
(Page 1 of 4)

	Federal	State	County	Other	Total
GOVERNMENTAL FUNDS					
Major Governmental Funds					
General Fund					
City Share County Pilot	-	-	71,463	-	71,463
City Share of State Court Fines	-	2,071,296	-	-	2,071,296
Precourt Diversion	-	42,250	-	-	42,250
City Share of State Highway Rent	-	170,456	-	-	170,456
Fire Pension Amortization and Insurance Premium Aid	-	2,504,953	-	-	2,504,953
Local Government Aid	-	62,026,893	-	-	62,026,893
Market Value Homestead Credit	-	5,397	-	-	5,397
Paramedic Reimbursement for Services	-	2,268,985	-	-	2,268,985
Police Pension Amortization Aid	-	4,955,772	-	-	4,955,772
Police/Fire Disability Benefit Act	-	272,310	-	-	272,310
Public Employees Retirement Association - Pension Aid	-	517,512	-	-	517,512
<b>Total General Fund</b>	<b>-</b>	<b>74,835,824</b>	<b>71,463</b>	<b>-</b>	<b>74,907,287</b>
Public Library General Fund					
Local Government Aid	-	310,696	-	-	310,696
City Share County Pilot	-	-	16,283	-	16,283
<b>Total Public Library General Fund</b>	<b>-</b>	<b>310,696</b>	<b>16,283</b>	<b>-</b>	<b>326,979</b>
City Debt Service					
Build America Bonds Interest Subsidy	-	-	-	441,587	441,587
Minnesota Department of Management and Budget	-	2,700,000	-	-	2,700,000
<b>Total City Debt Service</b>	<b>-</b>	<b>2,700,000</b>	<b>-</b>	<b>441,587</b>	<b>3,141,587</b>
City Capital Projects					
Capital Region Watershed District	-	-	-	58,437	58,437
County Road Aid/County Share	-	-	-	1,227,291	1,227,291
Federal Highway Administration - State Administered	852,502	-	-	-	852,502
Metropolitan Council	-	6,180,610	-	-	6,180,610
Metropolitan Council	18,299	-	-	-	18,299
Minnesota Department of Natural Resources	-	15,957	-	-	15,957
Minnesota Department of Transportation Bridge Bonds	-	3,883,921	-	-	3,883,921
Minnesota Trunk Highway Funds	-	1,639	-	-	1,639
Municipal State Aid - Construction	-	3,640,483	-	-	3,640,483
<b>Total City Capital Projects</b>	<b>870,801</b>	<b>13,722,610</b>	<b>-</b>	<b>1,285,728</b>	<b>15,879,139</b>
<b>Total Major Governmental Funds</b>	<b>870,801</b>	<b>91,569,130</b>	<b>87,746</b>	<b>1,727,315</b>	<b>94,254,992</b>

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 9  
(Page 2 of 4)

	Federal	State	County	Other	Total
Nonmajor Governmental Funds					
Special Revenue Funds					
City Grants					
2014 Assistance to Firefighters Grant	1,389,223	-	-	-	1,389,223
2014 Emergency Management Performance Grant Program	30,000	-	-	-	30,000
2014 Urban Area Security Initiative (UASI) Grant	558,477	-	-	-	558,477
2015 Hazardous Materials Emergency Preparedness Grant	9,357	-	-	-	9,357
2015 Urban Area Security Initiative (UASI) Grant	306,954	-	-	-	306,954
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (State Administered)	234,506	-	-	-	234,506
AmeriCorps VISTA - CNCS	261,262	-	-	-	261,262
COPS Hiring - Justice	259,632	-	-	-	259,632
Environmental Protection Agency Coalition Assessment	91,198	-	-	-	91,198
Federal Emergency Management Agency - State Administered	125,565	-	-	-	125,565
Federal Transit Capital Investment Grants - Metropolitan Council	4,241	-	-	-	4,241
Homeland Security - State Administered	194,645	-	-	-	194,645
Justice Assistance - Justice	264,466	-	-	-	264,466
Metropolitan Council - Parks Projects	-	-	-	151,023	151,023
Metropolitan Council - Planning Economic Development Projects	-	-	-	2,362,646	2,362,646
Minnesota Auto Theft Prevention Program	-	265,587	-	-	265,587
Minnesota Department of Administration	-	584,839	-	-	584,839
Minnesota Department of Employment and Economic Development - Youth Job Corp	-	542,086	-	-	542,086
Minnesota Department of Natural Resources - Archery	-	10,000	-	-	10,000
Minnesota Department of Natural Resources - Environmental and Conservation	-	45,135	-	-	45,135
Minnesota Department of Public Safety - 2014 Flood Emergency	-	39,456	-	-	39,456
Minnesota Department of Public Safety - National Forensic Sciences Improvement	5,626	-	-	-	5,626
Minnesota Department of Public Safety - Sex Trafficking Investigations	-	28,512	-	-	28,512
Port Security - Homeland Security	602,075	-	-	-	602,075
Public Safety Partnership and Community Policing Grants - Justice State Administered	607	-	-	-	607
Ramsey County Public Entity Innovation Grant 2015	-	-	10,000	-	10,000
Ramsey County Public Entity Innovation Grant 2016	-	-	1,201,088	-	1,201,088
Real Time Officer, State and Community Highway Safety - Justice State Administered	771	-	-	-	771
State of Minnesota - Special Project	-	548,414	-	-	548,414
Violent Crime Enforcement	-	139,251	-	-	139,251
<b>Total City Grants</b>	<b>4,338,605</b>	<b>2,203,280</b>	<b>1,211,088</b>	<b>2,513,669</b>	<b>10,266,642</b>
General Government Special Projects					
HUD Fair Housing Funds Workshare Agreement	90,925	-	-	-	90,925
Police Special Projects					
Peace Officers Standards Board	-	190,098	-	-	190,098
Right Of Way Maintenance					
Minnesota Depart of Labor and Industry	-	7,899	-	-	7,899
Municipal State Aid	-	3,599,625	-	-	3,599,625
Ramsey County Aid	-	-	1,893,032	-	1,893,032
State Trunk Highway	-	510,366	-	-	510,366
<b>Total Right of Way Maintenance</b>	<b>-</b>	<b>4,117,890</b>	<b>1,893,032</b>	<b>-</b>	<b>6,010,922</b>

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 9  
(Page 3 of 4)

	Federal	State	County	Other	Total
Recycling And Solid Waste					
Ramsey County Recycling Program	-	-	727,685	-	727,685
Parks And Recreation Special Projects					
Regional Parks Maintenance	-	1,467,112	-	-	1,467,112
Public Library Special Projects					
Minnesota Historical Society Digitization	-	46,768	-	-	46,768
Metropolitan Library Service Agency (MELSA)	-	387,012	-	-	387,012
Total Public Library Special Projects	-	433,780	-	-	433,780
City HUD Grants					
Community Development Block Grant - HUD	4,305,901	-	-	-	4,305,901
Emergency Solutions Grant - HUD	553,464	-	-	-	553,464
Home Investment Partnerships Program - HUD	58,427	-	-	-	58,427
Neighborhood Stabilization Program - NSP1 State Administered (ARRA)	44,998	-	-	-	44,998
Total City HUD Grants	4,962,790	-	-	-	4,962,790
HRA Grants					
Community Homeownership Impact Funds	-	126,345	-	-	126,345
Metropolitan Council Grant - Special Projects	-	-	-	37,095	37,095
Total City HRA Grants	-	126,345	-	37,095	163,440
Total Special Revenue Funds	9,392,320	8,538,505	3,831,805	2,550,764	24,313,394
Capital Projects					
HRA Development Capital Projects					
Metropolitan Council Grant - Special Projects	-	-	-	18,832	18,832
Minnesota Department of Employment and Economic Development Palace Theatre	-	4,846,083	-	-	4,846,083
Minnesota Housing Agency Economic Development and Housing Challenge	-	146,668	-	-	146,668
Total Capital Projects	-	4,992,751	-	18,832	5,011,583
Total Nonmajor Governmental Funds *	9,392,320	13,531,256	3,831,805	2,569,596	29,324,977
Total Governmental Funds *	10,263,121	105,100,386	3,919,551	4,296,911	123,579,969



CITY OF SAINT PAUL, MINNESOTA  
 SCHEDULE OF INTERGOVERNMENTAL REVENUE  
 ALL FUNDS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 9  
 (Page 4 of 4)

	Federal	State	County	Other	Total
<b>PROPRIETARY FUNDS</b>					
Major Enterprise Funds					
Sewer Utility					
Metropolitan Council	-	-	-	78,663	78,663
Ramsey County Aid	-	-	73,160	-	73,160
Total Sewer Utility	-	-	73,160	78,663	151,823
HRA Loan Enterprise					
Mortgage Foreclosure Prevention Assistance Program - State Administered	-	354,043	-	-	354,043
Home Ownership Counseling and Training - Minnesota Home Ownership Center	-	-	-	3,140	3,140
Foreclosure Counseling Grant - Minnesota Home Ownership Center	21,835	-	-	-	21,835
Making Home Affordable	6,980	-	-	-	6,980
Total HRA Loan Enterprise	28,815	354,043	-	3,140	385,998
Total Major Enterprise Funds	28,815	354,043	73,160	81,803	537,821
Nonmajor Enterprise Funds					
Parks Special Services					
Metropolitan Council	-	-	-	155,000	155,000
Total Nonmajor Enterprise Funds	-	-	-	155,000	155,000
Total Proprietary Funds	28,815	354,043	73,160	236,803	692,821
TOTAL ALL FUNDS *	10,291,936	105,454,429	3,992,711	4,533,714	124,272,790

\* Total excludes \$2,268,985 use of fund balance from Fire Responsive Services Fund.

(Remainder of this page left blank intentionally)

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 10  
(Page 1 of 3)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Pass-Through Grant Agreement Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Grants				
Community Development Block Grants/Entitlement Grants	14.218		\$ 6,323,887	\$ 1,982,598
Emergency Solutions Grant Program	14.231		553,464	533,561
Home Investment Partnerships Program	14.239		261,694	-
Neighborhood Stabilization Program - ARRA	14.256		166,914	-
Fair Housing Assistance Program - State and Local	14.401		90,925	-
Passed Through Minnesota Home Ownership Center Housing Counseling Assistance Program	14.169	HC150011025-05	21,835	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	02-2009-14B-NSP	102,662	-
Total U.S. Department of Housing and Urban Development			<u>7,521,381</u>	<u>2,516,159</u>
U.S. Department of Justice				
Direct Grants				
Public Safety Partnership and Community Policing Grants (Total Public Safety Partnership and Community Policing Grants CFDA 16.710 \$260,239)	16.710		259,632	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		274,488	80,129
Passed Through Minnesota Department of Public Safety Public Safety Partnership and Community Policing Grants (Total Public Safety Partnership and Community Policing Grants CFDA 16.710 \$260,239)	16.710	62586	607	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	A-NFSIO-2016-SPPD-00006	5,626	-
Total U.S. Department of Justice			<u>540,353</u>	<u>80,129</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 10  
(Page 2 of 3)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Pass-Through Grant Agreement Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Passed Through Metropolitan Council Federal Transit-Capital Investment Grants	20.500	SG-2008-100	22,540	-
Passed Through Minnesota Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	A-HMEP-2015-STPFIRE-00031	9,357	-
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	99922	156,518	-
Highway Planning and Construction	20.205	04556	695,984	-
Total CFDA # 20.205			852,502	-
Passed Through Minnesota State Patrol Division Highway Safety Cluster National Priority Safety Programs (Total National Priority Safety Programs CFDA 20.616 \$144,051) (Total Highway Safety Cluster \$188,212)	20.616	17M07	771	-
Passed Through Ramsey County Highway Safety Cluster State and Community Highway Safety (Total Highway Safety Cluster \$188,212)	20.600	Not Provided	44,161	-
National Priority Safety Programs (Total National Priority Safety Programs CFDA 20.616 \$144,051) (Total Highway Safety Cluster \$188,212)	20.616	Not Provided	143,280	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	44,645	-
Total U.S. Department of Transportation			1,117,256	-
U.S. Department of Treasury				
Passed Through Minnesota Housing Finance Agency National Foreclosure Mitigation Counseling Program	21.000	PL113-235X1350	3,960	-
National Foreclosure Mitigation Counseling Program	21.000	PL114-113X1350	3,020	-
Total CFDA # 21.000			6,980	-
Total U.S. Department of Treasury			6,980	-

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF SAINT PAUL, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Schedule 10  
(Page 3 of 3)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Pass-Through Grant Agreement Number	Expenditures	Passed Through to Subrecipients
U.S. Environmental Protection Agency				
Direct Grants				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814		35,470	-
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		55,729	-
Passed Through Minnesota Public Facilities Authority				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	MPFA-DWRF-L-049-FY17	408,964	-
Total U.S. Environmental Protection Agency			500,163	-
Corporation for National and Community Service				
Direct Grants				
Volunteers in Service to America	94.013		261,262	-
U.S. Department of Homeland Security				
Direct Grants				
Assistance to Firefighters Grant - Regional	97.044		1,105,536	77,027
Assistance to Firefighters Grant	97.044		283,687	-
Total CFDA # 97.044			1,389,223	77,027
Port Security Grant Program	97.056		601,633	-
Passed through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4182	125,565	-
Emergency Management Performance Grants	97.042	A-EMPG-2014-STPAULEERMGT-0772	30,000	-
Homeland Security Grant Program	97.067	A-SHSP-2014-STPBOMB-00017	51,586	-
Homeland Security Grant Program	97.067	A-SHSP-2015-STPBOMB-0018	55,518	-
Homeland Security Grant Program	97.067	A-SHSP-2015-STPAULCI-0019	68,000	-
Homeland Security Grant Program	97.067	A-UASI-2014-STPAULCI-00013	558,477	-
Homeland Security Grant Program	97.067	A-UASI-2015-STPAULCI-0012	306,954	-
Total CFDA # 97.067			1,040,535	-
Total U.S. Department of Homeland Security			3,186,956	77,027
<b>Total Federal Awards</b>			<b>\$ 13,134,351</b>	<b>\$ 2,673,315</b>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF SAINT PAUL, MINNESOTA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

---

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the City of Saint Paul and the Saint Paul Regional Water Services, a component unit of the City. For the year ended December 31, 2016, the level of federal funding for the Saint Paul Regional Water Services did not require that a separate single audit be performed for the component unit. This schedule does not include \$6,609,240 in federal awards expended by the Port Authority of the City of Saint Paul, a component unit of the City, which had a separate single audit. The City's reporting entity is defined in Note II to the basic financial statements. Regional Water's reporting entity is defined in Note 2.A. to the financial statements in Regional Water's separately issued annual financial report.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Saint Paul and the Saint Paul Regional Water Services under programs of the federal government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Saint Paul and the Saint Paul Regional Water Services, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Saint Paul or the Saint Paul Regional Water Services.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the City of Saint Paul and the Saint Paul Regional Water Services. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Saint Paul and the Saint Paul Regional Water Services have elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(The remainder of this page left blank intentionally)

**CITY OF SAINT PAUL, MINNESOTA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

---

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 10,291,936
Expenditures of Program Income	
Community Development Block Grants/Entitlement Grants	969,299
Edward Byrne Memorial Justice Assistance Grant Program 2013	17,830
Home Investment Partnerships Program	176,521
Neighborhood Stabilization Program – ARRA	224,579
Expenditures occurring in 2015, but revenue recognized in 2016	
Edward Byrne Memorial Justice Assistance Grant Program 2012	(8,476)
Homeland Security - State Administered	(10,800)
Port Security - Homeland Security	(442)
Real Time Officer, State and Community Highway Safety - Justice State Administered	(2,421)
Expenditures occurring in 2016, but revenue deferred until 2017	
Community Development Block Grants/Entitlement Grants	1,048,687
Edward Byrne Memorial Justice Assistance Grant Program 2013	665
Home Investment Partnerships Program	26,746
Timing difference between expenditures and related reimbursements	
Homeland Security - State Administered	(8,737)
Expenditures for the Saint Paul Regional Water Services	
Capitalization Grants for Drinking Water State Revolving Funds	408,964
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 13,134,351</u>

5. Saint Paul Regional Water Services' Reconciliation of Schedule of Expenditures of Federal Awards to Actual Reimbursements

Saint Paul Regional Water had expenditures under one federal award in 2016. This was the Capitalization Grants for Drinking Water State Revolving Funds, which is passed through the Minnesota Public Facilities Authority (MNPFA), a component unit of the State of Minnesota. This award is in the form of a Drinking Water Note Payable secured by General Obligation Bonds. It will be repaid over a 20 year period.

Expenditures for the Capitalization Grants for Drinking Water State Revolving Funds during the year ended December 31, 2016, totaled \$408,964. Reimbursements during fiscal year 2016 totaled \$394,170; \$86,920 was for 2015 expenditures, the remaining \$307,250 was for 2016 expenditures.

(The remainder of this page left blank intentionally)

## STATISTICAL SECTION

This part of the City of Saint Paul's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Financial Trends

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

### Revenue Capacity

These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

### Debt Capacity

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

### Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

### Operating Information

These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 54 in 2011; beginning in 2011, information in the tables present the new fund classifications and new fund balance classifications.

**This page left blank intentionally**





City of Saint Paul, Minnesota  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Table 1  
(Page 1 of 1)  
Unaudited

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 876,864,683	\$ 830,322,656	\$ 845,478,082	\$ 870,207,402	\$ 897,144,181
Restricted	14,398,465	12,098,432	14,382,290	10,840,072	126,716,782
Unrestricted	28,472,609	61,063,557	79,548,174	65,908,623	(70,428,738)
Total Governmental Activities Net Position	<u>919,735,757</u>	<u>903,484,645</u>	<u>939,408,546</u>	<u>946,956,097</u>	<u>953,432,225</u>
<b>Business-Type Activities</b>					
Net Investment in Capital Assets	259,106,106	237,900,645	232,402,369	230,341,576	229,596,222
Restricted	17,066,554	9,894,269	11,941,383	17,257,081	13,808,890
Unrestricted	57,645,856	82,854,646	78,582,035	75,358,398	73,495,906
Total Business-Type Activities Net Position	<u>333,818,516</u>	<u>330,649,560</u>	<u>322,925,787</u>	<u>322,957,055</u>	<u>316,901,018</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	1,135,970,789	1,068,223,301	1,077,880,451	1,100,548,978	1,126,740,403
Restricted	31,465,019	21,992,701	26,323,673	28,097,153	140,525,672
Unrestricted	86,118,465	143,918,203	158,130,209	141,267,021	3,067,168
Total Primary Government Net Position	<u>\$ 1,253,554,273</u>	<u>\$ 1,234,134,205</u>	<u>\$ 1,262,334,333</u>	<u>\$ 1,269,913,152</u>	<u>\$ 1,270,333,243</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 914,831,518	\$ 927,971,657	\$ 884,350,146	\$ 927,886,682	\$ 924,717,220
Restricted	106,610,744	126,429,482	149,764,160	152,709,015	165,968,764
Unrestricted	(70,857,529)	(116,737,173)	(49,197,886)	(235,688,769)	(267,550,032)
Total Governmental Activities Net Position	<u>950,584,733</u>	<u>937,663,966</u>	<u>984,916,420</u>	<u>844,906,928</u>	<u>823,135,952</u>
<b>Business-Type Activities</b>					
Net Investment in Capital Assets	228,206,967	251,126,046	249,527,566	250,610,829	242,687,846
Restricted	14,927,767	14,870,191	16,703,820	16,779,825	14,223,605
Unrestricted	65,783,952	53,283,956	54,042,676	52,163,584	59,265,066
Total Business-Type Activities Net Position	<u>308,918,686</u>	<u>319,280,193</u>	<u>320,274,062</u>	<u>319,554,238</u>	<u>316,176,517</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	1,143,038,485	1,179,097,703	1,133,877,712	1,178,497,511	1,167,405,066
Restricted	121,538,511	141,299,673	166,467,980	169,488,840	180,192,369
Unrestricted	(5,073,577)	(63,453,217)	4,844,790	(183,525,185)	(208,284,966)
Total Primary Government Net Position	<u>\$ 1,259,503,419</u>	<u>\$ 1,256,944,159</u>	<u>\$ 1,305,190,482</u>	<u>\$ 1,164,461,166</u>	<u>\$ 1,139,312,469</u>

Source: Office of Financial Services, City of St. Paul

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 35,161,482	\$ 36,157,432	\$ 38,193,787	\$ 41,026,366	\$ 45,904,559
Public Safety	146,989,216	197,450,400	158,802,550	169,630,318	167,319,484
Highways and Streets	57,723,703	50,888,724	47,107,428	53,073,852	58,368,567
Sanitation	9,996,866	13,846,539	10,864,518	10,125,974	3,831,801
Health	3,985,174	3,961,737	3,504,354	3,596,107	3,847,123
Culture and Recreation	66,125,420	70,427,419	69,515,520	65,806,514	74,479,716
Housing and Economic Development	32,448,793	32,844,847	41,293,685	63,429,009	50,411,057
Interest and Fiscal Charges	28,779,314	25,792,065	22,431,008	22,796,044	23,901,340
Total Governmental Activities Expenses	<u>381,209,968</u>	<u>431,369,163</u>	<u>391,712,850</u>	<u>429,484,184</u>	<u>428,063,647</u>
Business-Type Activities:					
HRA Penfield & Lofts	-	-	-	-	-
Sewer	30,542,650	31,034,846	33,419,811	33,125,516	38,205,270
Development Loan Programs	14,297,712	6,538,769	5,275,603	1,211,512	4,071,255
Parking	11,256,264	12,593,446	11,822,002	11,550,265	11,566,905
Parks, Recreation and Athletics	4,645,706	4,688,262	4,653,217	4,448,793	4,731,832
Impound Lot	2,858,214	2,562,536	2,563,378	3,276,206	2,716,930
Printing	1,380,224	1,457,730	1,462,918	1,347,600	1,435,476
Total Business-Type Activities Expenses	<u>64,980,770</u>	<u>58,875,589</u>	<u>59,196,929</u>	<u>54,959,892</u>	<u>62,727,668</u>
Total Primary Government Expenses	<u>\$ 446,190,738</u>	<u>\$ 490,244,752</u>	<u>\$ 450,909,779</u>	<u>\$ 484,444,076</u>	<u>\$ 490,791,315</u>
<b>Program Revenues (See Table 3)</b>					
Governmental Activities:					
Charges for Services					
General Government	\$ 9,166,672	\$ 15,684,712	\$ 16,596,690	\$ 12,618,406	\$ 32,363,963
Public Safety	31,359,017	35,630,084	34,535,278	41,807,497	36,874,281
Highways and Streets	33,295,801	38,104,316	43,363,311	37,934,352	26,740,937
Sanitation	2,540,827	2,949,035	3,654,476	1,427,354	4,590,556
Health	3,789,730	3,664,531	3,424,173	3,386,748	3,464,551
Culture and Recreation	5,188,558	6,234,474	5,861,240	6,605,978	9,152,639
Housing and Economic Development	7,291,601	4,287,747	5,231,153	9,220,024	2,786,648
Operating Grants and Contributions	35,593,466	73,826,231	43,760,775	76,491,106	52,035,818
Capital Grants and Contributions	15,445,884	21,441,852	19,467,064	10,580,782	20,347,127
Total Governmental Activities Program Revenues	<u>143,671,556</u>	<u>201,822,982</u>	<u>175,894,160</u>	<u>200,072,247</u>	<u>188,356,520</u>
Business-Type Activities:					
Charges for Services					
HRA Penfield & Lofts	-	-	-	-	-
Sewer	42,180,934	43,337,781	46,480,240	46,972,750	45,856,581
Development Loan Programs	427,676	1,164,671	1,748,389	504,285	2,478,443
Parking	10,667,979	11,779,690	11,204,743	11,394,497	12,140,085
Parks, Recreation and Athletics	4,136,411	3,723,000	3,772,730	3,990,156	3,710,174
Impound Lot	3,212,873	2,541,781	3,062,620	3,305,857	2,668,342
Printing	1,176,609	1,312,867	1,314,185	1,286,696	1,392,178
Operating Grants and Contributions	299,973	3,843,369	427,828	294,329	519,025
Capital Grants and Contributions	11,412,775	-	74,666	-	1,592,481
Total Business-Type Activities Program Revenues	<u>73,515,230</u>	<u>67,703,159</u>	<u>68,085,401</u>	<u>67,748,570</u>	<u>70,357,309</u>
Total Primary Government Program Revenues	<u>\$ 217,186,786</u>	<u>\$ 269,526,141</u>	<u>\$ 243,979,561</u>	<u>\$ 267,820,817</u>	<u>\$ 258,713,829</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 36,960,488	\$ 45,897,421	\$ 69,578,614	\$ 64,463,362	\$ 70,544,027
Public Safety	168,819,155	180,335,655	179,068,144	206,496,430	248,226,223
Highways and Streets	72,375,018	73,112,752	95,671,488	93,282,628	97,130,188
Sanitation	4,136,543	4,418,516	5,435,630	5,660,400	5,766,000
Health	3,651,735	3,281,326	3,965,489	1,688,139	3,090,856
Culture and Recreation	76,468,821	78,240,164	69,348,669	67,959,225	71,749,233
Housing and Economic Development	55,918,173	54,376,822	42,338,140	43,674,221	39,460,130
Interest and Fiscal Charges	25,994,941	21,170,331	28,296,493	21,543,991	21,514,665
Total Governmental Activities Expenses	<u>444,324,874</u>	<u>460,832,987</u>	<u>493,702,667</u>	<u>504,768,396</u>	<u>557,481,322</u>
Business-Type Activities:					
HRA Penfield & Lofts	-	-	4,899,679	5,755,516	3,687,863
Sewer	50,450,819	41,534,100	43,802,699	45,645,402	47,796,953
Development Loan Programs	2,728,591	2,112,059	1,051,049	3,614,698	3,650,448
Parking	11,055,407	11,639,747	11,903,949	12,021,087	12,340,066
Parks, Recreation and Athletics	4,985,210	4,739,628	4,191,870	2,773,375	3,120,301
Impound Lot	2,519,161	3,241,403	3,150,863	2,501,746	2,833,098
Printing	1,394,357	1,404,767	1,434,043	1,346,592	1,132,149
Total Business-Type Activities Expenses	<u>73,133,545</u>	<u>64,671,704</u>	<u>70,434,152</u>	<u>73,658,416</u>	<u>74,560,878</u>
Total Primary Government Expenses	<u>\$ 517,458,419</u>	<u>\$ 525,504,691</u>	<u>\$ 564,136,819</u>	<u>\$ 578,426,812</u>	<u>\$ 632,042,200</u>
<b>Program Revenues (See Table 3)</b>					
Governmental Activities:					
Charges for Services					
General Government	\$ 7,900,534	\$ 4,468,536	\$ 51,972,789	\$ 39,340,223	\$ 32,068,901
Public Safety	42,997,003	48,557,047	34,658,084	39,434,149	40,835,147
Highways and Streets	40,924,292	57,350,782	56,098,206	65,113,129	73,265,083
Sanitation	5,381,382	2,030,145	9,339,524	5,551,335	6,093,628
Health	3,351,494	3,248,970	3,207,916	3,270,783	2,914,508
Culture and Recreation	10,956,097	11,095,412	10,134,984	10,159,326	10,237,135
Housing and Economic Development	9,745,681	552,943	9,884,795	10,117,094	9,907,531
Operating Grants and Contributions	51,948,542	65,382,318	60,142,195	57,404,503	44,135,137
Capital Grants and Contributions	31,947,548	18,553,919	20,042,432	25,635,971	19,189,003
Total Governmental Activities Program Revenues	<u>205,152,573</u>	<u>211,240,072</u>	<u>255,480,925</u>	<u>256,026,513</u>	<u>238,646,073</u>
Business-Type Activities:					
Charges for Services					
HRA Penfield & Lofts	-	-	3,758,574	5,888,720	3,820,703
Sewer	51,185,513	48,918,611	49,640,483	52,033,538	54,250,478
Development Loan Programs	919,137	1,469,932	606,581	3,820,711	174,557
Parking	12,186,953	13,485,208	13,669,640	14,856,306	15,828,064
Parks, Recreation and Athletics	4,179,835	4,162,394	2,333,934	2,598,576	2,752,536
Impound Lot	2,456,393	3,171,264	2,874,833	1,582,430	1,925,444
Printing	1,210,644	1,415,416	1,498,360	1,306,887	1,336,677
Operating Grants and Contributions	142,559	-	-	-	-
Capital Grants and Contributions	1,076,050	112,894	-	-	-
Total Business-Type Activities Program Revenues	<u>73,357,084</u>	<u>72,735,719</u>	<u>74,382,405</u>	<u>82,087,168</u>	<u>80,088,459</u>
Total Primary Government Program Revenues	<u>\$ 278,509,657</u>	<u>\$ 283,975,791</u>	<u>\$ 329,863,330</u>	<u>\$ 338,113,681</u>	<u>\$ 318,734,532</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (237,538,412)	\$ (229,546,181)	\$ (215,818,690)	\$ (229,411,937)	\$ (239,707,127)
Business-Type Activities	8,534,460	8,827,570	8,888,472	12,788,678	7,629,641
Total Primary Government Net Expense	<u>\$ (229,003,952)</u>	<u>\$ (220,718,611)</u>	<u>\$ (206,930,218)</u>	<u>\$ (216,623,259)</u>	<u>\$ (232,077,486)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes					
Property Taxes, Levied for General Purposes	\$ 62,817,701	\$ 76,684,086	\$ 87,071,342	\$ 91,851,462	\$ 99,580,962
Property Taxes, Levied for Debt Service	21,625,442	19,712,623	20,417,065	19,960,415	11,211,822
City Sales Tax	15,664,067	14,990,854	15,270,418	15,219,497	15,620,488
Gross Earnings Franchise Fee	23,094,436	24,224,292	24,184,936	24,716,144	25,184,336
Other Taxes	3,056,451	3,109,638	2,802,422	2,774,260	2,993,560
Revenues Not Restricted to Specific Programs					
Local Government Aid	59,961,201	51,092,991	57,666,283	50,423,110	54,474,965
Grants and Contributions	13,076,214	13,117,193	13,272,492	4,508,611	3,090,739
Investment Income					
Interest Earned on Investments	9,670,021	8,891,542	7,913,473	8,588,955	6,731,991
Increase (Decrease) in Fair Value of Investments	2,160,885	3,080,853	115,630	(1,307,705)	4,957,838
Other Investment Income	10,258,865	2,403,216	131	75,077	50,394
Noncapital Contributions	-	-	-	-	-
Gain on Sale of Capital Assets	46,145	18,967	-	41,519	120,589
Miscellaneous	13,777,578	1,732,985	4,351,022	4,755,056	7,358,546
Transfers	24,063,004	16,316,876	18,677,377	15,353,087	15,588,454
Special Item - Capital Lease Termination Costs	-	-	-	-	(781,429)
Total Governmental Activities	<u>259,272,010</u>	<u>235,376,116</u>	<u>251,742,591</u>	<u>236,959,488</u>	<u>246,183,255</u>
Business-Type Activities:					
Taxes					
Property Taxes, Levied for General Purposes	1,276,002	1,193,871	1,178,925	1,258,761	1,242,838
Other Taxes	-	-	-	-	-
Revenues Not Restricted to Specific Programs					
Grants and Contributions	-	-	176,193	73,200	73,100
Investment Income					
Interest Earned on Investments	2,018,152	1,311,738	561,255	883,999	1,026,125
Increase (Decrease) in Fair Value of Investments	530,935	334,985	(134,914)	(272,549)	981,947
Other Investment Income	-	-	-	-	-
Noncapital Contributions	-	-	-	-	-
Gain on Sale of Capital Assets	868	1,339,360	-	-	481
Miscellaneous	31,703	140,396	283,673	652,266	128,762
Transfers	(24,063,004)	(16,316,876)	(18,677,377)	(15,353,087)	(15,588,454)
Special Item - Sale of Lofts Apartments	-	-	-	-	-
Special Item - Sale of Penfield Apartments	-	-	-	-	-
Total Business-Type Activities	<u>(20,205,344)</u>	<u>(11,996,526)</u>	<u>(16,612,245)</u>	<u>(12,757,410)</u>	<u>(12,135,201)</u>
Total Primary Government	<u>\$ 239,066,666</u>	<u>\$ 223,379,590</u>	<u>\$ 235,130,346</u>	<u>\$ 224,202,078</u>	<u>\$ 234,048,054</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 21,733,598	\$ 5,829,935	\$ 35,923,901	\$ 7,547,551	\$ 6,476,128
Business-Type Activities	(11,670,884)	(3,168,956)	(7,723,773)	31,268	(4,505,560)
Total Primary Government	<u>\$ 10,062,714</u>	<u>\$ 2,660,979</u>	<u>\$ 28,200,128</u>	<u>\$ 7,578,819</u>	<u>\$ 1,970,568</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (239,172,301)	\$ (249,592,915)	\$ (238,221,742)	\$ (248,741,883)	\$ (318,835,249)
Business-Type Activities	223,539	8,064,015	3,948,253	8,428,752	5,527,581
Total Primary Government Net Expense	<u>\$ (238,948,762)</u>	<u>\$ (241,528,900)</u>	<u>\$ (234,273,489)</u>	<u>\$ (240,313,131)</u>	<u>\$ (313,307,668)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes					
Property Taxes, Levied for General Purposes	\$ 103,894,752	\$ 98,981,989	\$ 102,333,637	\$ 104,866,192	\$ 110,577,084
Property Taxes, Levied for Debt Service	13,938,044	21,361,771	22,474,817	18,775,067	19,448,709
City Sales Tax	15,940,712	17,034,422	18,314,992	18,022,671	18,823,311
Gross Earnings Franchise Fee	24,645,673	29,570,068	26,022,004	25,341,386	25,324,225
Other Taxes	3,389,255	2,962,513	3,794,188	3,990,771	4,385,376
Revenues Not Restricted to Specific Programs					
Local Government Aid	53,744,220	53,909,136	60,424,253	61,887,988	62,337,589
Grants and Contributions	511,381	1,067,620	2,172,748	5,593,771	6,745,610
Investment Income					
Interest Earned on Investments	6,815,021	5,284,518	4,795,857	4,691,136	5,015,342
Increase (Decrease) in Fair Value of Investments	(380,210)	(9,426,616)	3,897,685	(1,107,392)	(2,242,493)
Other Investment Income	483,885	160,732	385,371	524,720	711,069
Noncapital Contributions	168,272	96,719	16,153,683	20,003,877	20,027,594
Gain on Sale of Capital Assets	90,794	283,149	67,793	65,969	318,549
Miscellaneous	9,165,237	7,417,423	14,673,359	1,302,763	5,141,112
Transfers	3,917,773	10,331,230	8,197,576	10,901,599	20,451,196
Special Item - Capital Lease Termination Costs	-	-	-	-	-
Total Governmental Activities	<u>236,324,809</u>	<u>239,034,674</u>	<u>283,707,963</u>	<u>274,860,518</u>	<u>297,064,273</u>
Business-Type Activities:					
Taxes					
Property Taxes, Levied for General Purposes	1,438,609	1,738,167	1,753,095	1,780,580	\$ 1,099,375
Other Taxes	-	-	-	-	-
Revenues Not Restricted to Specific Programs					
Grants and Contributions	681,284	1,245,094	2,521,342	656,977	692,821
Investment Income					
Interest Earned on Investments	790,729	624,323	415,038	499,090	299,230
Increase (Decrease) in Fair Value of Investments	(308,744)	(986,276)	407,941	(91,078)	(190,122)
Other Investment Income	-	-	54,203	95,624	298,792
Noncapital Contributions	301,800	-	-	-	-
Gain on Sale of Capital Assets	4,229	1,777	-	-	300
Miscellaneous	-	6,322	25,858	20	-
Transfers	(3,917,773)	(10,331,230)	(8,197,576)	(10,901,599)	(20,451,196)
Special Item - Sale of Lofts Apartments	-	-	-	3,564,115	-
Special Item - Sale of Penfield Apartments	-	-	-	-	9,345,498
Total Business-Type Activities	<u>(1,009,866)</u>	<u>(7,701,823)</u>	<u>(3,020,099)</u>	<u>(4,396,271)</u>	<u>(8,905,302)</u>
Total Primary Government	<u>\$ 235,314,943</u>	<u>\$ 231,332,851</u>	<u>\$ 280,687,864</u>	<u>\$ 270,464,247</u>	<u>\$ 288,158,971</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ (2,847,492)	\$ (10,558,241)	\$ 45,486,221	\$ 26,118,635	\$ (21,770,976)
Business-Type Activities	(786,327)	362,192	928,154	4,032,481	(3,377,721)
Total Primary Government	<u>\$ (3,633,819)</u>	<u>\$ (10,196,049)</u>	<u>\$ 46,414,375</u>	<u>\$ 30,151,116</u>	<u>\$ (25,148,697)</u>

City of Saint Paul, Minnesota  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Table 3  
(Page 1 of 1)  
Unaudited

Function/Program	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>					
General Government	\$ 13,552,350	\$ 20,020,285	\$ 20,991,904	\$ 20,038,070	\$ 40,162,225
Public Safety	36,888,438	80,914,434	39,316,096	53,284,221	47,001,067
Highways and Streets	45,238,729	49,945,497	51,943,438	51,725,595	35,787,549
Sanitation	3,081,003	3,536,602	6,430,358	2,025,104	5,246,720
Health	4,464,730	3,664,531	3,424,173	3,386,748	3,464,551
Culture and Recreation	16,469,733	22,100,295	26,575,821	19,612,945	26,367,244
Housing and Economic Development	23,976,573	21,641,338	27,212,370	49,999,564	30,327,164
<b>Total Governmental Activities</b>	<b>143,671,556</b>	<b>201,822,982</b>	<b>175,894,160</b>	<b>200,072,247</b>	<b>188,356,520</b>
<b>Business-Type Activities:</b>					
HRA Penfield & Lofts	-	-	-	-	-
Sewer	42,252,361	43,415,342	46,480,240	46,972,750	45,856,581
Development Loan Programs	656,222	4,930,479	2,176,217	798,614	4,483,449
Parking	22,080,754	11,779,690	11,204,743	11,394,497	12,246,585
Parks, Recreation and Athletics	4,136,411	3,723,000	3,847,396	3,990,156	3,710,174
Impound Lot	3,212,873	2,541,781	3,062,620	3,305,857	2,668,342
Printing	1,176,609	1,312,867	1,314,185	1,286,696	1,392,178
<b>Total Business-Type Activities</b>	<b>73,515,230</b>	<b>67,703,159</b>	<b>68,085,401</b>	<b>67,748,570</b>	<b>70,357,309</b>
<b>Total Primary Government</b>	<b>\$ 217,186,786</b>	<b>\$ 269,526,141</b>	<b>\$ 243,979,561</b>	<b>\$ 267,820,817</b>	<b>\$ 258,713,829</b>

Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>					
General Government	\$ 8,337,985	\$ 5,024,416	\$ 89,661,722	\$ 65,919,815	\$ 46,510,400
Public Safety	57,491,668	62,528,797	38,684,379	45,677,270	47,757,722
Highways and Streets	55,701,661	72,297,353	70,915,454	92,097,985	92,187,165
Sanitation	5,981,765	2,720,237	9,390,004	5,551,335	6,093,628
Health	3,556,637	3,248,970	3,207,916	3,270,783	2,914,508
Culture and Recreation	31,493,135	27,304,739	19,366,799	15,945,959	19,703,111
Housing and Economic Development	42,589,722	38,115,560	24,254,651	27,563,366	23,479,539
<b>Total Governmental Activities</b>	<b>205,152,573</b>	<b>211,240,072</b>	<b>255,480,925</b>	<b>256,026,513</b>	<b>238,646,073</b>
<b>Business-Type Activities:</b>					
HRA Penfield & Lofts	-	-	3,758,574	5,888,720	3,820,703
Sewer	51,328,072	48,918,611	49,640,483	52,033,538	54,250,478
Development Loan Programs	1,995,187	1,469,932	606,581	3,820,711	174,557
Parking	12,186,953	13,503,179	13,669,640	14,856,306	15,828,064
Parks, Recreation and Athletics	4,179,835	4,257,317	2,333,934	2,598,576	2,752,536
Impound Lot	2,456,393	3,171,264	2,874,833	1,582,430	1,925,444
Printing	1,210,644	1,415,416	1,498,360	1,306,887	1,336,677
<b>Total Business-Type Activities</b>	<b>73,357,084</b>	<b>72,735,719</b>	<b>74,382,405</b>	<b>82,087,168</b>	<b>80,088,459</b>
<b>Total Primary Government</b>	<b>\$ 278,509,657</b>	<b>\$ 283,975,791</b>	<b>\$ 329,863,330</b>	<b>\$ 338,113,681</b>	<b>\$ 318,734,532</b>

Source: Office of Financial Services, City of St. Paul

	Fiscal Year				
	2007	2008	2009	2010	2011 (1)
<b>General Fund</b>					
Reserved	\$ 3,226,188	\$ 2,673,912	\$ 2,515,994	\$ 2,739,382	\$ -
Unreserved	31,753,404	29,328,210	33,079,546	33,453,451	-
Nonspendable	-	-	-	-	759,560
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,453,846
Unassigned	-	-	-	-	41,314,963
<b>Total General Fund</b>	<b>\$ 34,979,592</b>	<b>\$ 32,002,122</b>	<b>\$ 35,595,540</b>	<b>\$ 36,192,833</b>	<b>\$ 43,528,369</b>

<b>All Other Governmental Funds</b>					
Reserved	\$ 19,146,044	\$ 27,472,142	\$ 19,643,937	\$ 29,954,346	\$ -
Unreserved, reported in:					
Special Revenue Funds	34,695,621	32,828,181	31,555,241	31,311,035	-
Debt Service Funds	61,109,450	55,882,505	58,331,902	61,760,843	-
Capital Projects Funds	46,964,614	47,565,285	82,993,995	73,681,454	-
Permanent Funds	33,879	36,663	39,249	41,267	-
Nonspendable	-	-	-	-	35,000
Restricted	-	-	-	-	125,204,623
Committed	-	-	-	-	24,193,863
Assigned	-	-	-	-	29,867,351
Unassigned	-	-	-	-	(3,434,266)
<b>Total All Other Governmental Funds</b>	<b>\$ 161,949,608</b>	<b>\$ 163,784,776</b>	<b>\$ 192,564,324</b>	<b>\$ 196,748,945</b>	<b>\$ 175,866,571</b>

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	568,200	376,840	185,480	-	-
Restricted	-	-	-	-	-
Committed	-	-	251,841	67,362	268,433
Assigned	2,259,144	2,559,942	-	-	-
Unassigned	47,466,130	43,980,447	49,003,530	49,413,299	48,676,820
<b>Total General Fund</b>	<b>\$ 50,293,474</b>	<b>\$ 46,917,229</b>	<b>\$ 49,440,851</b>	<b>\$ 49,480,661</b>	<b>\$ 48,945,253</b>

<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Permanent Funds	-	-	-	-	-
Nonspendable	35,000	35,000	3,774,128	3,693,385	35,000
Restricted	106,007,546	125,300,043	178,473,653	152,674,015	169,978,764
Committed	25,860,714	19,259,312	19,689,301	20,067,323	29,588,041
Assigned	29,923,607	25,357,298	27,446,600	28,066,516	26,514,738
Unassigned	(3,572,604)	(13,452,569)	(20,116,141)	(12,333,221)	(18,905,813)
<b>Total All Other Governmental Funds</b>	<b>\$ 158,254,263</b>	<b>\$ 156,499,084</b>	<b>\$ 209,267,541</b>	<b>\$ 192,168,018</b>	<b>\$ 207,210,730</b>

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications.

Source: Office of Financial Services, City of St. Paul

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Revenues</b>					
Taxes	\$ 127,669,696	\$ 138,151,522	\$ 148,006,818	\$ 154,749,009	\$ 155,904,709
Licenses and Permits	9,788,334	9,432,700	9,820,436	10,690,706	11,630,697
Intergovernmental Revenue	111,488,320	154,481,148	121,877,844	126,986,093	121,972,894
Fees, Sales and Services	44,043,772	51,379,607	50,370,090	52,499,448	54,242,682
Assessments	27,552,914	31,813,576	35,393,640	36,951,903	33,955,433
Investment Income	22,251,695	14,512,236	8,088,868	7,270,592	12,763,669
Interest Earned - Other	1,088,037	697,780	744,872	503,822	332,235
Miscellaneous Revenue	17,779,110	14,800,180	19,584,028	20,859,269	15,730,330
<b>Total Revenues</b>	<b>361,661,878</b>	<b>415,268,749</b>	<b>393,886,596</b>	<b>410,510,842</b>	<b>406,532,649</b>
<b>Expenditures</b>					
General Government	27,579,527	31,536,943	32,724,318	33,322,425	35,359,739
Public Safety	141,968,273	194,237,619	153,510,163	161,774,703	159,037,189
Highways and Streets	28,972,157	25,381,589	27,495,408	29,774,560	36,912,967
Sanitation	9,983,275	13,835,451	10,869,636	10,144,564	3,728,012
Health	3,789,730	3,664,531	3,424,173	3,386,748	3,464,551
Culture and Recreation	49,818,226	53,969,320	53,031,415	52,589,177	55,670,636
Housing and Economic Development	30,027,891	32,476,088	39,619,296	65,867,835	51,503,460
Miscellaneous	4,148,543	5,922,691	5,788,930	6,250,287	6,873,589
Capital Outlay	39,640,194	50,080,872	45,564,338	40,466,027	53,848,689
Debt Service					
Principal	34,123,495	34,301,336	31,030,720	36,220,861	35,581,153
Interest	28,610,535	26,360,048	23,150,305	22,916,286	24,350,688
Bond Issuance Costs	572,452	596,800	3,162,165	886,344	645,714
<b>Total Expenditures</b>	<b>399,234,298</b>	<b>472,363,288</b>	<b>429,370,867</b>	<b>463,599,817</b>	<b>466,976,387</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(37,572,420)</b>	<b>(57,094,539)</b>	<b>(35,484,271)</b>	<b>(53,088,975)</b>	<b>(60,443,738)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	120,746,515	103,169,441	114,903,508	113,868,958	108,588,719
Transfers Out	(100,172,984)	(88,802,295)	(99,806,393)	(99,791,988)	(92,808,494)
Bonds Issued	49,925,000	36,070,000	101,820,000	49,655,000	54,075,000
Refunded Bonds	(3,895,000)	-	(68,030,000)	(8,285,000)	(18,655,000)
Capital Lease Refunded	-	-	-	-	(7,709,500)
Premium on Bonds Issued	503,955	1,176,969	1,379,176	298,900	1,511,657
Discount on Bonds Issued	(64,180)	(68,326)	-	-	-
Notes Issued	-	-	17,307,525	-	-
Premium on Notes Issued	-	-	236,322	-	-
Capital Lease	-	4,391,000	-	2,083,500	-
Capital Contribution	-	-	-	-	-
Sale of Capital Assets	33,887	15,448	47,100	41,519	515,944
<b>Total Other Financing Sources (Uses)</b>	<b>67,077,193</b>	<b>55,952,237</b>	<b>67,857,238</b>	<b>57,870,889</b>	<b>45,518,326</b>
<b>Special Items</b>					
Sale of Public Safety Building	-	-	-	-	2,160,000
Capital Lease Termination Costs	-	-	-	-	(781,429)
<b>Net Change in Fund Balance</b>	<b>\$ 29,504,773</b>	<b>\$ (1,142,302)</b>	<b>\$ 32,372,967</b>	<b>\$ 4,781,914</b>	<b>\$ (13,546,841)</b>
Debt Service as a percentage of noncapital expenditures:	17.4%	14.4%	14.1%	14.0%	14.5%

Notes: Investment income includes interest on investments, increase (decrease) in fair value of investments and interest earned on securities lending. Refunding Bonds Issued is reported as Bonds Issued

Source: Office of Financial Services, City of St. Paul



City of Saint Paul, Minnesota  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table 5  
 (Page 2 of 2)  
 Unaudited

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Revenues</b>					
Taxes	\$ 166,679,717	\$ 171,761,215	\$ 171,788,361	\$ 171,122,657	\$ 178,438,410
Licenses and Permits	10,945,603	11,226,879	11,171,898	14,381,813	12,646,883
Intergovernmental Revenue	128,192,020	131,773,775	130,227,939	147,159,299	125,848,954
Fees, Sales and Services	65,468,681	68,460,049	74,947,716	69,066,583	76,915,946
Assessments	34,839,487	37,148,634	44,945,207	45,937,589	49,388,104
Investment Income	6,652,759	(4,215,087)	8,489,511	3,482,832	-
Interest Earned - Other	417,351	227,468	270,884	529,624	3,471,687
Miscellaneous Revenue	19,361,393	25,972,217	31,006,485	19,492,768	16,772,220
<b>Total Revenues</b>	<b>432,557,011</b>	<b>442,355,150</b>	<b>472,848,001</b>	<b>471,173,165</b>	<b>463,482,204</b>
<b>Expenditures</b>					
General Government	33,829,113	40,279,958	50,668,606	50,262,400	52,067,778
Public Safety	161,201,134	165,727,089	169,075,431	174,918,933	182,908,673
Highways and Streets	43,528,634	43,456,783	52,602,415	54,560,202	56,402,461
Sanitation	4,139,070	4,369,645	5,438,602	5,650,985	5,591,091
Health	3,351,494	3,248,970	3,355,469	3,123,230	2,914,508
Culture and Recreation	58,722,984	59,597,651	58,780,083	56,291,423	57,509,987
Housing and Economic Development	54,721,178	53,487,498	32,616,371	34,651,722	29,498,524
Miscellaneous	7,059,195	6,319,286	-	-	-
Capital Outlay	47,772,365	59,357,927	93,896,664	81,275,491	65,035,976
Debt Service					
Principal	57,322,161	33,648,646	81,282,526	58,281,943	58,916,816
Interest	22,472,959	20,837,062	22,717,904	21,740,207	21,428,920
Bond Issuance Costs	584,985	412,747	3,031,029	538,524	1,848,828
<b>Total Expenditures</b>	<b>494,705,272</b>	<b>490,743,262</b>	<b>573,465,100</b>	<b>541,295,060</b>	<b>534,123,562</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(62,148,261)</b>	<b>(48,388,112)</b>	<b>(100,617,099)</b>	<b>(70,121,895)</b>	<b>(70,641,358)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	91,419,407	113,458,962	135,630,924	71,823,631	106,010,305
Transfers Out	(86,690,610)	(99,425,956)	(124,549,538)	(57,673,061)	(83,011,735)
Bonds Issued	30,815,000	26,625,000	96,120,000	34,300,000	58,955,000
Refunded Bonds	-	-	-	-	-
Capital Lease Refunded	-	-	-	-	-
Premium on Bonds Issued	2,253,341	-	-	1,030,594	3,146,907
Discount on Bonds Issued	-	-	-	-	-
Notes Issued	7,575,000	-	33,720,000	1,500,000	-
Premium on Notes Issued	428,119	669,673	10,111,266	-	-
Capital Lease	3,329,543	1,604,500	2,295,600	2,040,377	-
Capital Contribution	-	283,149	-	-	-
Sale of Capital Assets	2,171,258	41,359	447,238	40,641	48,185
<b>Total Other Financing Sources (Uses)</b>	<b>51,301,058</b>	<b>43,256,687</b>	<b>153,775,490</b>	<b>53,062,182</b>	<b>85,148,662</b>
<b>Special Items</b>					
Sale of Public Safety Building	-	-	-	-	-
Capital Lease Termination Costs	-	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>\$ (10,847,203)</b>	<b>\$ (5,131,425)</b>	<b>\$ 53,158,391</b>	<b>\$ (17,059,713)</b>	<b>\$ 14,507,304</b>

Debt Service as a percentage of noncapital expenditures: 17.9% 12.6% 21.7% 17.4% 17.1%

Notes: Investment income includes interest on investments, increase (decrease) in fair value of investments and interest earned on securities lending. Refunding Bonds Issued is reported as Bonds Issued

Source: Office of Financial Services, City of St. Paul

City of Saint Paul, Minnesota  
 GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE  
 Last Ten Fiscal Years

Table 6  
 (Page 1 of 1)  
 Unaudited

Fiscal Year	General Property Taxes (1)	Tax Increment Districts	Gross Earnings Franchise Fee	City Sales Tax	Hotel-Motel Tax	Other Taxes (2)	Total Taxes
2007	\$ 67,334,446	\$ 17,260,145	\$ 24,274,128	\$ 15,664,067	\$ 3,067,653	\$ 69,257	\$ 127,669,696
2008	77,412,447	18,333,348	24,305,235	14,990,854	3,037,560	72,078	138,151,522
2009	84,336,964	21,239,035	24,357,979	15,270,418	2,726,828	75,594	148,006,818
2010	90,901,327	21,382,775	24,455,961	15,219,497	2,701,776	87,673	154,749,009
2011	91,224,224	20,873,814	25,100,829	15,620,488	2,961,147	124,207	155,904,709
2012	98,903,779	23,754,307	24,988,045	15,940,712	2,979,032	113,842	166,679,717
2013	99,990,114	21,809,063	29,570,068	17,034,422	3,225,963	131,585	171,761,215
2014	101,409,232	22,212,851	26,022,004	18,314,992	3,527,558	301,724	171,788,361
2015	101,695,373	22,072,456	25,341,386	18,022,671	3,645,710	345,061	171,122,657
2016	106,147,351	23,758,147	25,324,225	18,823,311	4,058,493	326,883	178,438,410

(1) General Property Taxes excludes Market Value Homestead Credit.  
 General Property Taxes includes current and prior year collections.

(2) Other Taxes include penalties and interest on property taxes, contamination tax, drug store, and mortuary tax.

(3) Data includes both City and HRA revenues.

Source: Office of Financial Services, City of St. Paul

City of Saint Paul, Minnesota  
ESTIMATED MARKET VALUE, TAXABLE MARKET VALUE, AND NET TAX CAPACITY OF TAXABLE PROPERTY  
Last Ten Fiscal Years

Table 7  
(Page 1 of 1)  
Unaudited

Levy Year/Payable Year	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Estimated Market Value</b>										
Residential	\$16,156,594,900	\$16,201,368,400	\$15,154,428,866	\$14,009,965,414	\$12,485,045,818	\$11,994,675,600	\$11,111,959,900	\$11,036,508,500	\$12,052,824,300	\$12,524,802,900
Multiple Dwelling	3,120,269,200	3,213,988,500	3,120,576,047	2,963,483,753	3,400,646,842	3,330,026,500	3,267,040,600	3,396,142,300	3,669,146,000	3,929,149,200
Commercial & Industrial	3,712,446,900	4,174,883,400	4,349,570,287	4,303,920,433	3,950,373,208	3,803,442,800	3,659,076,500	3,635,076,700	3,619,245,800	3,728,843,400
Agricultural	3,414,200	4,036,400	1,937,700	740,000	4,028,148	5,042,500	5,333,000	4,251,400	4,363,200	1,046,400
Personal Property	292,727,800	355,157,100	347,851,300	348,817,500	354,522,183	306,810,900	345,717,700	353,472,300	363,783,400	352,949,100
Total Estimated Market Value	\$23,285,453,000	\$23,949,433,800	\$22,974,364,200	\$21,626,927,100	\$20,194,616,199	\$19,439,998,300	\$18,389,127,700	\$18,425,451,200	\$19,709,362,700	\$20,536,791,000
<b>Taxable Market Value</b>										
Residential	\$14,220,552,300	\$15,522,080,800	\$14,983,867,166	\$13,892,665,114	\$12,403,748,405	\$10,824,636,500	\$9,922,478,200	\$9,866,331,000	\$10,960,096,300	\$11,454,194,400
Multiple Dwelling	2,906,107,700	3,117,013,200	3,120,576,047	2,963,483,753	3,391,551,861	3,265,555,000	3,202,891,000	3,332,922,400	3,610,388,500	3,872,408,400
Commercial & Industrial	3,682,507,800	4,131,344,300	4,349,570,287	4,303,920,433	3,909,048,736	3,763,554,800	3,621,468,300	3,608,273,700	3,595,182,500	3,704,000,700
Agricultural	1,334,400	1,642,400	1,937,700	740,000	1,749,000	1,749,000	2,047,700	765,100	1,005,600	156,800
Personal Property	292,727,800	354,217,700	346,961,800	348,817,500	378,983,400	306,810,900	345,717,700	353,557,800	363,783,400	352,949,100
Total Taxable Market Value	\$21,103,230,000	\$23,126,298,400	\$22,802,913,000	\$21,509,626,800	\$20,090,060,201	\$18,162,106,200	\$17,094,602,900	\$17,161,850,000	\$18,530,456,300	\$19,383,709,400
<b>Net Tax Capacity</b>										
Residential	\$143,116,934	\$141,514,557	\$151,063,704	\$140,594,960	\$125,429,618	\$109,196,525	\$89,913,342	\$99,546,611	\$97,935,709	\$102,193,118
Multiple Dwelling	35,105,250	52,520,291	37,287,678	35,344,853	39,244,934	37,617,097	47,032,744	38,391,778	54,257,221	57,973,733
Commercial & Industrial	71,485,269	80,449,434	84,794,817	83,883,251	76,077,098	73,141,486	70,320,861	70,071,386	69,793,040	71,957,196
Agricultural	13,344	16,424	12,114	7,400	7,283	17,490	20,477	7,651	10,056	1,568
Personal Property	5,798,667	7,029,365	6,885,304	5,850,737	7,032,252	6,062,185	6,816,827	6,971,319	7,155,783	7,464,168
Less: Tax Increment District	255,519,464	281,530,071	280,043,617	265,681,201	247,791,185	226,034,783	214,104,251	214,988,745	229,151,809	239,589,783
Captured Net Tax Capacity	(22,973,298)	(27,910,887)	(25,975,787)	(25,429,982)	(22,828,278)	(22,376,701)	(20,826,315)	(20,796,378)	(20,745,465)	(22,093,778)
Fiscal Disparity										
Contribution from Saint Paul	(19,319,145)	(23,361,910)	(26,324,251)	(30,378,751)	(29,483,436)	(25,586,524)	(24,033,254)	(22,810,734)	(24,568,718)	(22,957,495)
Distribution to Saint Paul	39,773,037	45,318,589	51,562,722	56,480,186	55,940,464	51,142,890	47,184,140	47,390,891	50,525,266	52,498,800
Total Net Tax Capacity	\$253,000,058	\$275,575,863	\$279,306,301	\$266,352,654	\$251,419,935	\$229,214,448	\$216,428,822	\$218,772,524	\$234,362,892	\$247,037,310
<b>Direct Tax Rate</b>										
General Revenue	19.286%	21.111%	21.839%	25.361%	26.201%	34.068%	34.745%	33.261%	31.709%	30.133%
Bonded Debt	3.623%	3.006%	3.942%	3.762%	3.948%	4.366%	4.711%	5.439%	5.415%	5.017%
Library Revenue	4.681%	5.502%	5.834%	6.522%	7.059%	6.405%	7.978%	7.367%	7.311%	6.866%
Total Direct Tax Rate	27.590%	29.619%	31.615%	35.645%	37.208%	44.839%	47.434%	46.067%	44.436%	42.016%
Total Net Tax Capacity as a Percentage of Total Estimated Market Value	1.09%	1.15%	1.22%	1.23%	1.24%	1.18%	1.18%	1.19%	1.19%	1.20%

Notes: Net tax capacity is the amount to which the local tax rate is applied. Tax Capacity is calculated by applying a statutory formula to the taxable market value of the property.

Source: Ramsey County Department of Property Records and Revenue

Fiscal Year	City of Saint Paul	School District 625	Housing and Redevelopment Authority				Special Districts	Total
			Port Authority	Ramsey County				
<b>TAX CAPACITY RATES (PER \$100 OF ADJUSTED TAX CAPACITY VALUE)</b>								
2007	27.590	25.415	(1)	0.414	1.064	41.843	7.247	103.573
2008	29.619	23.413	(1)	0.447	1.097	41.043	6.687	102.306
2009	31.615	22.698	(1)	0.900	1.390	43.057	6.805	106.465
2010	35.642	28.507	(1)	1.272	1.692	46.474	7.232	120.819
2011	37.208	35.057	(1)	1.262	1.802	50.668	8.119	(2) 134.116
2012	44.157	40.109	(1)	1.418	1.723	56.801	11.914	(2) 156.122
2013	46.585	42.238	(1)	1.482	1.396	60.456	12.947	(2) 165.104
2014	45.242	46.665	(1)	1.445	1.278	58.920	9.037	(2) 162.587
2015	45.262	42.974	(1)	1.386	1.278	58.782	8.647	(2) 158.329
2016	41.845	42.562	(1)	1.311	1.178	53.860	8.989	(2) 149.745
<b>TAX LEVIES</b>								
2007	\$ 70,062,561	\$ 66,206,297	(1)	\$ 1,057,307	\$ 2,716,050	\$ 230,921,903	\$ 35,621,246	\$ 406,585,364
2008	80,530,837	65,646,331	(1)	1,215,903	3,025,000	242,063,050	35,974,130	428,455,251
2009	87,142,264	63,980,783	(1)	2,278,148	3,697,000	253,013,187	36,194,862	446,306,244
2010	92,497,521	72,824,376	(1)	3,178,148	4,299,700	259,971,049	36,442,998	469,213,792
2011	92,497,521	84,635,854	(1)	3,178,148	4,456,700	267,120,252	39,452,074	(2) 491,340,548
2012	97,809,058	89,686,469	(1)	3,178,148	3,855,700	271,794,856	40,305,075	(2) 506,629,306
2013	99,396,152	90,587,829	(1)	3,178,148	4,652,700	276,538,351	41,253,232	(2) 515,606,412
2014	99,396,152	100,175,041	(1)	3,178,148	4,646,700	276,538,351	41,604,411	(2) 525,538,803
2015	101,825,142	102,758,380	(1)	3,278,148	4,607,100	276,538,351	42,544,413	(2) 531,551,534
2016	103,794,243	105,508,330	(1)	3,278,148	5,070,000	284,416,350	44,534,603	(2) 546,601,674

- (1) Voters approved an excess operating levy for School District 625 adding a market value based levy in addition to the tax capacity levy beginning year 2004. The 2007 market based tax rate and levy were 0.13842% and \$32,947,644. The 2008 market based tax rate and levy were 0.13505% and \$37,281,068. The 2009 market based tax rate and levy were 0.15885% and \$42,998,853. The 2010 market based tax rate and levy were 0.13989% and \$38,867,680. The 2011 market based tax rate and levy were 0.14581% and \$37,108,684. The 2012 market based tax rate and levy were 0.14951% and \$36,386,107. The 2013 market based tax rate and levy were 0.19564% and \$43,131,511. The 2014 market based tax rate and levy were 0.13684% and \$34,881,492. The 2015 market based tax rate and levy were 0.13495% and \$33,648,734. The 2016 market based tax rate and levy were 0.13868% and \$35,700,301.

- (2) Starting in 2011 the Tax Capacity and Tax Levies for the Metropolitan Watershed District has been included in Special Districts.

Note: In addition to the above, the following tax rates and tax levies were applied against portions of Saint Paul.

Fiscal Year	Tax Increment Districts		Tax Levies
	Tax Rates		
	Without METRO W/S Dist	Including METRO W/S Dist	
2007	103.573	105.224	\$ 23,710,560
2008	102.306	103.630	28,448,139
2009	106.465	107.822	27,268,157
2010	120.819	122.407	28,809,530
2011	134.116	136.659	27,278,203
2012	156.122	159.165	27,580,222
2013	165.104	165.104	25,932,396
2014	162.587	167.086	25,973,141
2015	158.329	162.588	25,364,445
2016	149.745	153.959	27,075,750

City of Saint Paul, Minnesota  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year and Nine Years Ago

Table 9  
 (Page 1 of 1)  
 Unaudited

Taxpayer	2016			2007		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Xcel Energy	\$ 6,308,135	1	2.55%	\$ 5,181,673	1	2.05%
Minnesota Mutual Life Insurance	2,092,374	2	0.85%	2,082,664	2	0.82%
St. Paul Tower LP (World Trade Center)	1,486,468	3	0.60%	1,082,850	6	0.43%
St. Paul Traveler's Insurance <sup>1)</sup>	1,358,486	4	0.55%			
U.S. Bank Corp. Property & U.S. Bancorp	1,103,128	5	0.45%	1,512,023	3	0.60%
BNSF Railway Co.	1,098,804	6	0.44%			
Behringer Harvard L C LLC (Lawson Software)	968,146	7	0.39%	1,054,938	7	0.42%
Ford Motor Company <sup>2)</sup>	692,090	8	0.28%	1,270,572	4	0.50%
Court International LLC	685,194	9	0.28%			
BRE DDR Midway Marketplace LLC	619,128	10	0.25%			
St. Paul Fire & Marine Insurance Company				1,176,094	5	0.46%
3M				882,940	8	0.35%
CSM Corporation & Investors				803,236	9	0.32%
BNSF Railway Company				730,360	10	0.29%
	<u>\$ 16,411,953</u>		<u>6.64%</u>	<u>\$ 15,777,350</u>		<u>6.24%</u>

1) A portion of this office building complex was sold by St. Paul Traveler's Insurance to Ecolab in 2015.

2) Ford Motor Company closed its Highland Park plant in December 2011 and is in the process of completing the environmental cleanup of the site for future redevelopment.

Source: Ramsey County Auditor

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Taxes Levied for Current Fiscal Year	\$ 64,532,906	\$ 70,062,561	\$ 80,530,837	\$ 87,142,264	\$ 92,497,521	\$ 92,497,521	\$ 97,809,058	\$ 99,396,152	\$ 99,396,152	\$ 101,825,142	\$ 103,794,243
Collection of Current Year Tax Levy											
From Taxpayers	48,823,276	54,348,438	63,048,190	65,905,389	68,594,984	68,178,369	79,459,257	76,483,877	71,089,357	76,842,516	80,601,553
Fiscal Disparity Aid	10,796,022	11,089,710	12,210,172	14,853,646	17,461,680	18,432,472	19,418,426	20,563,859	27,582,052	22,772,013	21,177,737
State Credits and Aids	3,210,181	2,936,100	2,944,498	3,090,322	3,776	4,889	-	2,236	115	-	-
Total Collection of Current Levy	62,829,479	68,374,248	78,202,860	83,849,357	86,060,440	86,615,730	98,877,683	97,049,972	98,671,524	99,614,529	101,779,290
Unallotted MVHC	-	-	-	-	3,480,043	3,438,536	-	-	-	-	-
Percentage of Current Year Levy Collected in the Fiscal Year of Levy	97.36%	97.59%	97.11%	96.22%	96.80% (1)	97.36% (1)	101.09%	97.64%	99.27%	97.83%	98.06%
Delinquent Taxes Collected in subsequent years											
1st Year Delinquent	911,486	855,795	1,222,665	1,575,214	1,018,896	495,017	597,870	363,911	412,252	1,060,969	-
2nd Year Delinquent	55,961	139,867	22,832	198,907	(242,622)	(129,720)	(168,892)	(198,279)	(48,762)	-	-
3rd Year Delinquent	38,459	(10,193)	140,646	(23,436)	(49,370)	(108,274)	(131,644)	(23,285)	-	-	-
4th Year Delinquent	(27,907)	46,095	19,272	9,675	31,609	(84,167)	48,658	-	-	-	-
5th Year Delinquent	11,867	(2,062)	23,363	38,439	(53,344)	26,596	-	-	-	-	-
6th Year & Prior Delinquent	23,715	34,169	32,820	(408,859)	57,840	-	-	-	-	-	-
Total Delinquent Collections	1,013,581	1,063,671	1,461,598	1,389,940	763,009	199,452	345,992	142,347	363,490	1,060,969	-
Total Tax Collections as of 12/31/16	\$ 63,843,060	\$ 69,437,919	\$ 79,664,458	\$ 85,239,297	\$ 86,823,449	\$ 86,815,182	\$ 99,223,675	\$ 97,192,319	\$ 99,035,014	\$ 100,675,498	\$ 101,779,290
Percentage of Levy Collected as of 12/31/15	98.93%	99.11%	98.92%	97.82%	97.63%	97.57%	101.45%	97.78%	99.64%	98.87%	98.06%

Notes:

- Collections do not include Tax Increment Districts.
- Above data does not include Housing and Redevelopment Authority (HRA). Table 11 presents separately the HRA (Component Unit) data.
- (1) Market Value Homestead Credit was unallotted to the City in 2010 and 2011 due to State Legislature action. State Credits and Aids of \$3,776 for 2010 and \$4,889 for 2011 represent adjustments for prior years collection.

Source: Office of Financial Services, City of St. Paul

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Taxes Levied for Current Fiscal Year	\$ 1,057,307	\$ 1,215,903	\$ 2,278,148	\$ 3,178,148	\$ 3,178,148	\$ 3,178,148	\$ 3,178,148	\$ 3,178,148	\$ 3,278,148	\$ 3,278,148
Collection of Current Year Tax Levy										
From Taxpayers	\$ 819,668	\$ 953,678	\$ 1,874,829	\$ 2,259,765	\$ 2,470,269	\$ 2,476,585	\$ 2,464,092	\$ 2,432,640	\$ 2,481,531	\$ 2,505,951
Fiscal Disparity Aid	169,430	183,574	223,759	493,367	693,746	633,373	662,508	696,821	725,135	723,429
State Credits and Aids	44,056	44,437	87,974	115,779	108,652	-	70	-	-	166
Closed TIF District Adj.	-	-	-	194,065	-	-	-	-	-	-
Total Collection of Current Year Tax Levy	\$ 1,033,154	\$ 1,181,689	\$ 2,186,562	\$ 3,062,976 <sup>(1)</sup>	\$ 3,272,667	\$ 3,109,958	\$ 3,126,670	\$ 3,129,461	\$ 3,206,666	\$ 3,229,546
Collection Percent of Current Year Levy	97.72%	97.19%	95.98%	96.38%	102.97%	97.85%	98.38%	98.47%	97.82%	98.52%
Collection of Delinquent Taxes for Subsequent Years										
1st Year Delinquent	\$ 18,191	\$ 28,026	\$ 41,495	\$ 14,489	\$ 21,851	\$ (40,292)	\$ 75,700	\$ 18,489	\$ 17,114	\$ -
2nd Year Delinquent	2,101	2,991	9,941	(8,660)	(4,284)	(5,424)	(6,309)	3,895	-	-
3rd Year Delinquent	(157)	(4,334)	(654)	(1,867)	(3,642)	(4,229)	949	-	-	-
4th Year Delinquent	699	349	276	1,259	(2,854)	1,604	-	-	-	-
5th Year Delinquent	18	353	1,095	(1,904)	932	-	-	-	-	-
6th Year & Prior Delinquent	504	492	(8,768)	1,692	-	-	-	-	-	-
Total Collection of Delinquent Taxes	\$ 21,356	\$ 27,877	\$ 43,385	\$ 5,009	\$ 12,003	\$ (48,341)	\$ 70,340	\$ 22,384	\$ 17,114	\$ -
Total Tax Collections	\$ 1,054,510	\$ 1,209,566	\$ 2,229,947	\$ 3,067,985	\$ 3,284,670	\$ 3,061,617	\$ 3,197,010	\$ 3,151,845	\$ 3,223,780	\$ 3,229,546
Total Percent of Levy Collected	99.74%	99.48%	97.88%	96.53%	103.35%	96.33%	100.59%	99.17%	98.34%	98.52%

(1) Revaluation downward of property in a closed Tax Increment Finance District reduced net levy collected by HRA by 6.11%

Note: Collections do not include Tax Increment Districts.

Source: Housing and Redevelopment Authority of the City of St. Paul financial records

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 156,315,000	\$ 162,340,000	\$ 169,845,000	\$ 182,800,000	\$ 206,065,000
Revenue Bonds	190,793,740	189,451,560	187,729,669	187,446,305	170,311,657
Revenue Notes	52,859,580	51,124,864	77,427,232	71,896,669	67,740,670
Capital Leases	20,212,728	23,239,158	22,299,122	22,029,755	11,608,850
Total - Governmental Activities	420,181,048	426,155,582	457,301,023	464,172,729	455,726,177
<b>Business-Type Activities</b>					
General Obligation Bonds	36,320,000	34,530,000	29,350,000	28,055,000	26,480,000
Limited Tax Bonds	-	-	-	7,855,000.00	7,855,000
Revenue Bonds	82,995,000	96,825,000	100,595,000	99,840,000	104,310,000
Revenue Notes	15,122,621	14,071,786	14,558,630	12,701,769	11,424,620
Capital Leases	71,116	-	-	-	-
Total - Business-Type Activities	134,508,737	145,426,786	144,503,630	148,451,769	150,069,620
Total Primary Government	\$ 554,689,785	\$ 571,582,368	\$ 601,804,653	\$ 612,624,498	\$ 605,795,797
Per Capita (1)	\$ 1,928.22	\$ 1,984.28	\$ 2,092.94	\$ 2,149.05	\$ 2,125.09
Percentage of Personal Income (2)	8.36%	7.84%	8.66%	8.82%	8.48%

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 194,755,000	\$ 201,925,000	\$ 234,692,349	\$ 224,871,494	\$ 249,319,556
Revenue Bonds	161,298,862	153,890,000	159,550,555	151,833,008	136,873,878
Revenue Notes	71,130,920	67,164,715	90,629,942	83,580,257	74,255,900
Capital Leases	12,835,277	12,622,008	13,285,662	15,661,255	11,997,645
Total - Governmental Activities	440,020,059	435,601,723	498,158,508	475,946,014	472,446,979
<b>Business-Type Activities</b>					
General Obligation Bonds	24,875,000	23,235,000	21,600,438	19,946,059	18,584,271
Limited Tax Bonds	7,855,000	7,855,000	7,755,000	7,170,000	-
Revenue Bonds	108,115,000	109,725,000	114,010,281	116,003,919	110,963,023
Revenue Notes	10,302,158	9,142,769	7,946,082	6,773,949	7,906,050
Capital Leases	-	-	-	-	-
Total - Business-Type Activities	151,147,158	149,957,769	151,311,801	149,893,927	137,453,344
Total Primary Government	\$ 591,167,217	\$ 585,559,492	\$ 649,470,309	\$ 625,839,941	\$ 609,900,323
Per Capita (1)	\$ 2,064.37	\$ 2,024.27	\$ 2,182.07	\$ 2,083.68	\$ 2,027.25
Percentage of Personal Income (2)	8.32%	8.17%	8.31%	8.14%	7.69%

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Table 17 for population data.

(2) See Table 17 for personal income data.

Source: Office of Financial Services, City of St. Paul



City of Saint Paul, Minnesota  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years

Table 13  
(Page 1 of 1)  
Unaudited

	Fiscal Year				
	2007	2008	2009	2010	2011
Population (1)	287,669	288,055	287,501	285,068	285,068
Taxable Assessed Value/ Net Tax Capacity (2)	\$ 253,000,058	\$ 275,575,863	\$ 279,306,301	\$ 266,352,654	\$ 251,419,935
Governmental General Obligation Bonds and Notes	399,968,320	402,916,424	435,001,901	442,142,974	444,117,327
Business-type General Obligation Bonds and Notes	134,437,621	145,426,786	144,503,630	148,451,769	150,069,620
Less Debt Service Fund	(18,960,941)	(17,962,901)	(18,021,164)	(19,216,786)	(17,920,364)
Less G.O. Special Assessment - Streets Debt Service Fund - property taxes portion (3)	-	-	-	(6,588,074)	(10,249,606)
Net General Bonded Debt	\$ 515,445,000	\$ 530,380,309	\$ 561,484,367	\$ 564,789,883	\$ 566,016,977
Percentage of Net General Bonded Debt to Taxable Assessed Value/Net Tax Capacity	203.73%	192.46%	201.03%	212.05%	225.13%
Net General Bonded Debt per Capita	\$ 1,791.80	\$ 1,841.25	\$ 1,952.98	\$ 1,981.25	\$ 1,985.55

	Fiscal Year				
	2012	2013	2014	2015	2016
Population (1)	286,367	289,270	294,873	300,353	304,442
Taxable Assessed Value/ Net Tax Capacity (2)	\$ 229,214,448	\$ 216,428,822	\$ 218,772,524	\$ 234,362,982	\$ 247,037,310
Governmental General Obligation Bonds and Notes	427,184,781	422,979,715	484,872,846	460,284,759	460,449,334
Business-type General Obligation Bonds and Notes	151,147,158	149,957,769	151,311,801	149,893,927	137,453,344
Less Debt Service Fund	(17,193,224)	(31,531,582)	(65,002,218)	(50,159,162)	(62,078,179)
Less G.O. Special Assessment - Streets Debt Service Fund - property taxes portion (3)	(6,607,586)	(6,904,331)	-	-	-
Net General Bonded Debt	\$ 554,531,129	\$ 534,501,571	\$ 571,182,429	\$ 560,019,524	\$ 535,824,499
Percentage of Net General Bonded Debt to Taxable Assessed Value/Net Tax Capacity	241.93%	246.96%	261.09%	238.95%	216.90%
Net General Bonded Debt per Capita	\$ 1,936.44	\$ 1,847.76	\$ 1,937.05	\$ 1,864.54	\$ 1,760.02

(1) 2007-2009, 2011-2012, & 2016 data is based on Metropolitan Council estimates. 2010, & 2014-2015 data is based on U.S. Census Bureau information.

(2) Taxable Assessed Value/Net Tax Capacity is net of tax increment reductions. See Table 7 for Net Tax Capacity.

(3) Due to changes in the fund structure, the G.O. Special Assessment - Streets Debt Service Fund - property taxes portion has been combined with the Debt Service Fund

Source: Office of Financial Services, City of St. Paul

	Total Governmental Debt Outstanding	Percentage Applicable to City of Saint Paul	City of Saint Paul's Share of Debt
Direct Debt			
City of Saint Paul	\$ 450,194,645	100.00%	\$ 450,194,645
Overlapping Debt			
County of Ramsey	209,862,000	49.10%	103,042,242
Metropolitan Council	1,449,121,482	7.11%	103,032,537
	<u>1,658,983,482</u>		<u>206,074,779</u>
Total Direct and Overlapping Debt	<u>\$ 2,109,178,127</u>		<u>\$ 656,269,424</u>
Underlying Debt			
Port Authority of Saint Paul	\$ 76,551,808	100.00%	\$ 76,551,808
Independent School District #625	344,935,381	100.00%	344,935,381
	<u>421,487,189</u>		<u>421,487,189</u>
Total Direct, Overlapping and Underlying Debt	<u>\$ 2,530,665,316</u>		<u>\$ 1,077,756,613</u>

Overlapping authorities - Ramsey County and Metropolitan Council - are those that coincide with the geographic boundaries of the City.

Underlying authorities - Port Authority of Saint Paul and Independent School District # 625 - are contained within the City.

This schedule shows the portion of the outstanding and underlying debt burden for the City of Saint Paul.

Applicable percentage for Saint Paul is Saint Paul's net tax capacity divided by net tax capacity of overlapping authority.

100% of underlying debt burden is applicable to the City.

Source: Ramsey County Department of Property Records and Revenue

	Fiscal Year				
	2007	2008	2009	2010	2011
Taxable Market Values					
Real Property Value	\$ 20,810,502,200	\$ 22,772,080,700	\$ 22,455,951,200	\$ 21,160,809,300	\$ 19,711,076,800
Personal Property Value	292,727,800	354,217,700	346,961,800	348,817,500	378,983,400
Taxable Market Values for Debt Limit Computation	21,103,230,000	23,126,298,400	22,802,913,000	21,509,626,800	20,090,060,200
Debt limit (3 1/3% of assessed market value)	703,441,000	770,876,613	760,097,100	716,987,561	669,668,673
Debt applicable to limit					
General Obligation Bonds	192,635,000	196,870,000	199,195,000	210,855,000	232,545,000
Limited Tax Bonds	-	-	-	7,855,000	7,855,000
Revenue Bonds	273,788,740	286,276,560	288,324,669	287,286,305	274,621,656
Revenue Notes	16,299,464	16,601,903	29,221,233	27,621,516	24,729,260
Capital Leases	14,478,157	16,118,250	15,922,362	16,453,228	6,427,999
Less: Amount allowable under MSA 475.53 Subd. 3 and City Charter Section 10.14	(408,218,204)	(425,463,603)	(424,840,914)	(433,866,176)	(440,047,455)
Total net debt applicable to limit	88,983,157	90,403,110	107,822,350	113,204,873	106,131,461
Legal debt margin	\$ 614,457,843	\$ 680,473,503	\$ 652,274,750	\$ 603,782,688	\$ 563,537,212
Total net debt applicable to the limit as a percentage of debt limit	12.65%	11.73%	14.19%	15.79%	15.85%

	Fiscal Year				
	2012	2013	2014	2015	2016
Taxable Market Values					
Real Property Value	\$ 17,855,295,300	\$ 16,748,885,200	\$ 16,808,377,700	\$ 18,166,672,900	\$ 19,030,760,300
Personal Property Value	306,810,900	345,717,700	353,557,800	363,783,400	352,949,100
Taxable Market Values for Debt Limit Computation	18,162,106,200	17,094,602,900	17,161,935,500	18,530,456,300	19,383,709,400
Debt limit (3 1/3% of assessed market value)	605,403,540	569,820,091	572,064,517	617,681,877	646,123,647
Debt applicable to limit					
General Obligation Bonds	219,630,001	225,160,000	247,340,000	235,590,000	255,915,000
Limited Tax Bonds	7,855,000	7,855,000	7,755,000	7,170,000	-
Revenue Bonds	270,903,021	279,325,000	264,180,000	259,004,000	237,994,000
Revenue Notes	29,355,571	25,715,330	55,649,367	90,054,522	81,905,078
Capital Leases	12,835,276	12,622,238	13,285,662	15,751,161	12,062,750
Less: Amount allowable under MSA 475.53 Subd. 3 and City Charter Section 10.14	(426,462,033)	(429,041,992)	(423,705,487)	(443,888,738)	(414,356,637)
Total net debt applicable to limit	114,116,836	121,635,576	164,504,542	163,680,945	173,520,191
Legal debt margin	\$ 491,286,704	\$ 448,184,515	\$ 407,559,975	\$ 454,000,932	\$ 472,603,456
Total net debt applicable to the limit as a percentage of debt limit	18.85%	21.35%	28.76%	26.50%	26.86%

Note: The total net debt of the City shall not exceed three and one-third percent (3 1/3%) of the market value of the taxable real and personal property comprising the taxable value of the City as determined by the County Auditor, in accordance with law.

Source: Ramsey County Department of Property Records and Revenue

Sales Tax Revenue Bonds, Series 2007A, 2007B, 2009, 2014F & 2014G, 2016G and 2016H										
Fiscal Year	Sales Tax Proceeds	Investment Earnings	Rents	Payments in Lieu of Taxes	Bonds Proceeds	Revenues Available for Debt Service	Debt Service			Coverage
							Principal	Interest	State Loan Repayment (1)	
2007	15,664,067	195,923	3,500,000	3,328,836	27,280,000	49,968,826	1,560,000	4,609,791	1,500,000	6.52
2008	14,990,854	185,436	3,500,000	3,355,277	-	22,031,567	1,720,000	6,146,303	1,500,000	2.35
2009	15,270,418	112,686	3,500,000	3,383,040	65,455,000	87,721,144	1,910,000	5,732,583	1,500,000	9.59
2010	15,219,497	110,151	3,500,000	3,762,193	-	22,591,841	2,900,000	4,826,219	1,500,000	2.45
2011	15,620,488	116,388	3,500,000	4,142,802	-	23,379,678	3,065,000	4,502,070	2,000,000	2.44
2012	15,940,712	99,309	3,500,000	4,174,943	-	23,714,964	3,230,000	4,739,286	2,000,000	2.38
2013	17,034,422	106,832	3,500,000	4,208,690	-	24,849,944	3,410,000	4,347,401	2,000,000	2.55
2014	18,314,992	115,277	3,500,000	4,244,125	40,442,845	66,617,238	3,595,000	4,165,615	3,000,000	6.19
2015	18,022,671	115,010	3,500,000	4,631,331	-	26,269,012	4,885,000	5,390,181	-	2.56
2016	18,823,311	229,534	3,500,000	5,020,397	-	27,573,242	4,945,000	5,332,869	- (2)	2.68

(1) In 2013 the State of Minnesota forgave the remaining \$28.75M balance of the Loan repayment with the condition that the amounts scheduled to be repaid are utilized for arena improvements.

(2) In 2016, the City did an advance refunding of the 2007A & 2007B bond issuances.

Sewer Revenue Bonds, Series 1998E, 2004 E, 2006C, 2008D, 2009C, 2009I, 2010D, 2011C, 2012C, 2013D, 2014E, 2015B, 2016B and 2016D									
Fiscal Year	Operating Revenue	Operating Expenses (1)	Non Operating Rev/Exp	Transfers (2)	Net Available Revenue	Debt Service		Coverage	(1) (2)
						Principal	Interest		
2007	42,183,402	(23,259,113)	(1,004,707)	(549,996)	17,369,586	5,745,000	746,616	2.68	
2008	43,409,971	(22,619,093)	(1,041,194)	(709,928)	19,039,756	4,720,000	1,309,892	3.16	
2009	46,480,240	(24,674,791)	(1,668,600)	(976,335)	19,160,514	1,510,000	1,520,167	6.32	
2010	46,972,750	(23,544,721)	(1,951,833)	(1,111,263)	20,364,933	2,055,000	1,943,299	5.09	
2011	45,856,581	(28,517,517)	(1,211,171)	(1,584,524)	14,543,369	2,615,000	2,145,809	3.05	
2012	51,185,513	(42,665,456)	(2,702,312)	(1,595,773)	4,221,972	3,060,000	2,350,655	0.78	
2013	48,918,612	(33,268,739)	(3,193,718)	(1,728,694)	10,727,461	3,940,000	2,412,439	1.69	
2014	49,640,477	(37,514,852)	(2,114,256)	(1,584,916)	8,426,453	3,925,000	2,425,774	1.33	
2015	52,033,539	(37,514,970)	(2,693,477)	(1,678,722)	10,146,370	4,330,000	2,800,999	1.45	
2016	54,250,478	(39,239,281)	(4,803,187)	(1,672,231)	8,535,779	4,870,000	2,845,122	1.11	(3)

(1) operating expenses do not include depreciation or bond interest expenses

(2) transfers do not include capital expenditures and debt service on the outstanding general obligations bonds

(3) In 2016, the City did an advance refunding of the 1998E, 2004E, 2006C, 2008D and 2009C bond issuances.

Recreational Facilities Revenue Bonds, Series 1996D and 2005									
Fiscal Year	Operating Revenue	Intergovernmental Revenue	Interest Earned on Investments	Miscellaneous Other Revenue	Bonds Proceeds	Revenues Available for Debt Service	Debt Service		Coverage
							Principal	Interest	
2007	8,560,709	-	45,559	-	-	8,606,268	205,000	327,813	16.15
2008	8,464,027	-	32,337	2,080	-	8,498,444	220,000	320,638	15.72
2009	8,604,612	-	40,109	1,309	-	8,646,030	235,000	312,938	15.78
2010	8,810,082	-	36,214	4,414	-	8,850,710	250,000	304,125	15.97
2011	8,251,098	-	47,762	481	-	8,299,341	265,000	294,750	14.83
2012	9,208,948	246,705	40,842	-	-	9,496,495	280,000	284,150	16.83
2013	9,509,689	386,470	18,050	-	-	9,914,209	295,000	272,950	17.46
2014	8,609,417	366,973	30,955	-	-	9,007,345	310,000	261,150	15.77
2015	8,814,135	1,378,367	27,771	-	-	10,220,273	325,000	248,750	17.81
2016	9,164,046	1,622,112	11,517	-	-	10,797,675	350,000	235,750	18.43 (1)

(1) The Recreational Facilities Revenue bonds Series 2005 were paid off in 2016.

Spruce Tree Centre Tax Increment Bonds, Series 1988A and 2003							
Fiscal Year	Tax Increments	Developer Shortfall Payments	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2007	290,730	92,229	90,639	473,598	169,183	93,725	1.80
2008	334,855	51,195	85,645	471,695	180,180	82,728	1.79
2009	375,697	15,155	58,277	449,129	191,891	71,016	1.71
2010	441,406	-	53,062	494,468	204,364	58,544	1.88
2011	480,427	-	52,227	532,654	217,648	45,260	2.03
2012	392,445	-	(52,150)	340,295	231,795	31,113	1.29
2013	484,506	-	(11,161)	473,345	246,862	16,046	1.80
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-

Midway Marketplace Tax Increment Bonds, Series 1995A / Snelling-University Tax Increment Bonds Series 2005C and 2014 D						
Fiscal Year	Tax Increments	Investment Earnings	Revenues		Coverage	
			Available for Debt Service	Debt Service		
				Principal	Interest	
2007	1,416,074	110,707	1,526,781	355,000	218,742	2.66
2008	1,427,457	151,489	1,578,946	370,000	203,780	2.75
2009	1,563,981	127,478	1,691,459	380,000	187,463	2.98
2010	1,197,542	133,263	1,330,805	395,000	169,923	2.36
2011	1,175,554	121,825	1,297,379	400,000	151,638	2.35
2012	1,888,544	(81,945)	1,806,599	420,000	132,568	3.27
2013	1,363,792	(49,832)	1,313,960	450,000	111,898	2.34
2014	1,400,686	18,586	1,419,272	470,000	83,077	2.57
2015	1,318,512	9,413	1,327,925	660,000	20,548	1.95
2016	1,370,723	22,970	1,393,693	665,000	11,700	2.06

Sales Tax Revenue Bonds, Series 1993 and 1996						
Fiscal Year	City Sales Tax Revenue (1)	Investment Earnings	Revenues		Coverage	
			Available for Debt Service	Debt Service		
				Principal	Interest	
2007	15,201,412	122,831	15,324,243	1,400,000	3,094,535	3.41
2008	15,393,811	47,160	15,440,971	1,500,000	2,995,135	3.44
2009	17,153,570	(2,940)	17,150,630	1,605,000	2,888,635	3.82
2010	18,652,765	(3,252)	18,649,513	1,720,000	2,774,680	4.15
2011	20,125,431	(3,379)	20,122,052	1,840,000	2,652,560	4.48
2012	18,811,159	(3,940)	18,807,219	1,975,000	2,521,920	4.18
2013	18,633,271	(3,994)	18,629,277	2,115,000	2,381,695	4.14
2014*	11,663,648	(1)	11,663,647	2,265,000	2,231,530	2.59
2015*	-	-	-	-	-	-
2016*	-	-	-	-	-	-

(1) Includes other sales tax related revenues (investment income, etc.)

\*The Series 1993 bonds were refunded by Series 1996 bonds. In 2014 the Series 1996 bonds were refunded and upon funding of the escrow and defeasance of the bonds in August 2014, sales tax revenue was no longer needed for debt service.

Downtown Tax Increment Bonds, Series 1993 and 1998									
Fiscal Year	Tax Increments	Hotel-Motel Taxes	RiverCentre Revenues	N.O.C. Sales	Investment Earnings	Available for Debt Service	Revenues		Coverage
							Principal	Interest	
2007	5,309,827	220,000	100,000	12,871	292,631	5,935,329	2,400,000	363,052	2.15
2008	3,189,751	-	200,000	-	148,288	3,538,039	3,830,000	223,775	0.87
2009	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-

RiverCentre Parking Facility Lease Revenue Bonds, Series 2000 and 2009						
Fiscal Year	Lease Payments from the City	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2007	758,559	11,728	770,287	425,000	375,956	0.96
2008	835,943	5,022	840,965	525,000	348,988	0.96
2009	1,098,963	27,744	1,126,707	650,000	290,673	1.20
2010	580,367	19,761	600,128	360,000	240,800	1.00
2011	586,422	19,596	606,018	370,000	229,850	1.01
2012	607,712	20,075	627,787	380,000	218,600	1.05
2013	604,005	20,820	624,825	390,000	207,050	1.05
2014	586,204	22,536	608,740	405,000	195,125	1.01
2015	583,745	22,069	605,814	415,000	182,825	1.01
2016	582,903	24,385	607,288	425,000	169,694	1.02

RiverFront Tax Increment Bonds, Series 1993C, 1993D, 2000D and 2002C							
Fiscal Year	Tax Increments	Tax Increment Pooling from Other Districts	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2007	794,927	520,420	11,242	1,326,589	970,000	309,934	1.04
2008	979,997	368,455	1,890	1,350,342	1,035,000	262,028	1.04
2009	1,035,466	319,165	(4,216)	1,350,415	1,095,000	210,591	1.03
2010	1,067,737	214,049	(368)	1,281,418	1,150,000	155,899	0.98
2011	(223,653)	702,798	(14,128)	465,017	1,215,000	97,255	0.35
2012	986,088	296,000	(19,360)	1,262,728	1,295,000	33,366	0.95
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-

US Bank Tax Increment Bonds, Series 2001, 2011F and 2011G						
Fiscal Year	Tax Increments	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2007	993,054	42,039	1,035,093	275,000	726,606	1.03
2008	1,175,602	15,594	1,191,196	285,000	712,106	1.19
2009	1,223,585	10,052	1,233,637	335,000	696,789	1.20
2010	1,388,596	16,670	1,405,266	410,000	677,692	1.29
2011	1,497,416	19,255	1,516,671	400,000	677,870	1.41
2012	1,511,315	(26,204)	1,485,111	745,000	335,182	1.37
2013	1,511,314	(3,845)	1,507,469	755,000	333,844	1.38
2014	1,511,316	13,359	1,524,675	770,000	318,744	1.40
2015	1,442,099	17,700	1,459,799	790,000	303,344	1.34
2016	1,413,008	-	1,413,008	570,000	287,544	1.65



North Quadrant Tax Increment Bonds Series 2000 and 9th street Tax Increment Bonds, Series 2004						
Fiscal Year	Tax Increments	Investment Earnings	Revenues		Coverage	
			Available for Debt Service	Debt Service		
				Principal	Interest	
2007	345,683	2,679	348,362	84,000	240,806	1.07
2008	204,589	2,989	207,578	87,000	224,558	0.67
2009	189,048	143	189,191	53,000	240,079	0.65
2010	190,930	(956)	189,974	38,000	225,002	0.72
2011	197,439	1,590	199,029	41,000	222,939	0.75
2012	175,610	3,049	178,659	116,000	218,594	0.53
2013	275,240	(2,931)	272,309	61,000	211,719	1.00
2014	260,720	1,222	261,942	52,000	207,646	1.01
2015	287,447	(550)	286,897	68,000	203,936	1.06
2016	264,991	(748)	264,243	84,000	198,285	0.94

Upper Landing Tax Increment Bonds, Series 2002A, 2002B, 2002C, 2002B-1, 2002B-2 and 2012							
Fiscal Year	Tax Increments	Developer Shortfall Payments	Investment Earnings	Revenues		Coverage	
				Available for Debt Service	Debt Service		
				Principal	Interest		
2007	1,049,372	696,192	112,409	1,857,973	-	1,321,100	1.41
2008	1,281,447	687,476	73,086	2,042,009	267,000	1,311,999	1.29
2009	1,609,155	517,590	38,818	2,165,563	389,000	1,289,644	1.29
2010	1,769,019	261,324	21,728	2,052,071	415,000	1,262,249	1.22
2011	1,952,421	130,176	32,681	2,115,278	444,000	1,232,981	1.26
2012	1,906,253	156,464	4,950	2,067,667	474,000	1,563,948	1.01
2013	1,915,100	-	(234,242)	1,680,858	-	550,457	3.05
2014	1,961,196	-	233,211	2,194,407	825,000	776,000	1.37
2015	1,883,254	-	60,606	1,943,860	590,000	741,000	1.46
2016	1,963,776	-	29,158	1,992,934	620,000	711,125	1.50

Drake Marble Tax Increment Bonds, Series 2002							
Fiscal Year	Tax Increments	Investment Earnings	Revenues		Debt Service		Coverage
			Available for Debt Service	Principal	Interest		
2007	180,593	1,684	182,277	36,000	114,953	1.21	
2008	180,044	1,737	181,781	38,000	113,130	1.20	
2009	236,731	1,373	238,104	74,000	109,890	1.29	
2010	177,334	183	177,517	57,000	104,186	1.10	
2011	219,640	(739)	218,901	61,000	101,723	1.35	
2012	213,154	(299)	212,855	96,000	96,019	1.11	
2013	181,391	(3,430)	177,961	48,000	89,505	1.29	
2014	191,471	2,254	193,725	119,000	85,320	0.95	
2015	201,974	913	202,887	92,000	78,300	1.19	
2016	200,074	(2,500)	197,574	107,000	71,888	1.10	

Koch/Mobil Tax Increment Bonds, Series 2004C, 2007B and 2010A								
Fiscal Year	Tax Increments	Developer Shortfall Payments	Investment Earnings	Revenues		Debt Service		Coverage
				Available for Debt Service	Principal	Interest		
2007	160,828	-	2,845	163,673	3,950,000	127,207	0.04	
2008	275,936	-	4,589	280,525	-	165,538	1.69	
2009	202,986	237,190	8,114	448,290	-	165,538	2.71	
2010	299,002	-	2,649	301,651	-	124,419	2.42	
2011	269,163	-	5,005	274,168	150,000	79,113	1.20	
2012	241,305	-	8,734	250,039	95,000	76,663	1.46	
2013	241,732	-	(7,285)	234,447	100,000	74,713	1.34	
2014	242,286	-	4,000	246,286	100,000	72,713	1.43	
2015	331,295	-	2,886	334,181	100,000	70,713	1.96	
2016	645,355	-	1,639	646,994	105,000	68,663	3.73	

JJ Hill Tax Increment Bonds, Series 2004							
Fiscal Year	Tax Increments	Trustee Reserve Funds	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2007	200,351	-	18,680	219,031	18,000	228,750	0.89
2008	281,183	-	(11,069)	270,114	40,000	227,063	1.01
2009	290,744	-	1,140	291,884	54,000	224,406	1.05
2010	308,946	-	373	309,319	69,000	220,750	1.07
2011	303,555	-	403	303,958	81,000	216,250	1.02
2012	284,913	-	2,022	286,935	94,000	211,000	0.94
2013	277,029	-	(3,308)	273,721	108,000	204,906	0.87
2014	284,200	3,205	3,100	290,505	124,000	197,906	0.90
2015	310,208	33,156	15	343,379	136,000	189,906	1.05
2016	323,453	2	(1,951)	321,504	144,000	181,281	0.99

Neighborhood Scattered Site Tax Increment Bonds, Series 2005						
Fiscal Year	Tax Increments	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2007	1,869,289	123,020	1,992,309	485,000	336,702	2.42
2008	2,170,482	139,301	2,309,783	480,000	314,761	2.91
2009	2,352,017	166,523	2,518,540	485,000	292,700	3.24
2010	2,252,256	189,872	2,442,128	510,000	269,762	3.13
2011	2,044,411	191,976	2,236,387	535,000	244,612	2.87
2012	1,974,102	(152,884)	1,821,218	565,000	217,854	2.33
2013	1,811,777	(66,738)	1,745,039	585,000	188,556	2.26
2014	1,707,814	21,312	1,729,126	620,000	157,858	2.22
2015	1,711,344	14,537	1,725,881	660,000	124,468	2.20
2016	1,792,663	7	1,792,670	690,000	88,835	2.30

**Jimmy Lee Recreation Facility Lease Bonds, Series 2008**

Fiscal Year	Lease Payments from the City	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	222,980	72,671	295,651	75,000	146,188	1.34
2009	538,560	(7,622)	530,938	190,000	348,600	0.99
2010	521,579	69,224	590,803	195,000	342,900	1.10
2011	529,575	24,500	554,075	205,000	336,075	1.02
2012	507,199	23,865	531,064	210,000	328,388	0.99
2013	513,972	(5,480)	508,492	220,000	319,988	0.94
2014	534,538	10,572	545,110	225,000	311,188	1.02
2015	535,538	5,942	541,030	235,000	302,188	1.01
2016	537,788	32,203	569,991	245,000	292,788	1.06

(1) The Jimmy Lee Recreational Facility Lease bonds Series 2008 were paid off in 2016.

(2) The Jimmy Lee Recreational Facility Lease bonds show only 9 years of data because that represents the full life of the issuance.

**Emerald Gardens Tax Increment Bonds, Series 2010**

Fiscal Year	Tax Increments	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	610,362	40,194	650,556	40,000	448,342	1.33
2012	730,938	5,571	736,509	290,000	388,431	1.09
2013	666,507	31	666,538	225,000	374,581	1.11
2014	650,750	3,684	654,434	240,000	362,469	1.09
2015	585,460	(772)	584,688	225,000	350,581	1.02
2016	677,148	(24)	677,124	240,000	338,206	1.17

(1) The Emerald Gardens Tax Increment Bonds Series 2010 do not show 10 years of data because payments began in 2011.

**Housing 5000 Land Assembly Bonds, Series 2004**

Fiscal Year	Land Sales	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2007	-	741,206	741,206	3,320,000	569,468	0.19
2008	-	314,168	314,168	2,695,000	291,500	0.11
2009	-	5,594	5,594	3,930,000	50,782	0.00
2010	-	24,642	24,642	2,510,000	1,681	0.01
2011	1,404,760	2,033	1,406,793	-	-	N/A
2012	-	(4,057)	(4,057)	-	-	N/A
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-

Parking Revenue Bonds, Series 1992A, 1995A, 1995B, 2001A, 2002A, 2002B, 2005A and 2010A							
Fiscal Year	Parking Facility Net Revenue	Parking Meter & Parking Fine Revenues	Bond Proceeds Capitalized Interest	Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2007	3,246,417	2,000,000	-	5,246,417	1,290,000	1,429,882	1.93
2008	3,124,631	2,000,000	-	5,124,631	1,590,000	1,384,918	1.72
2009	3,084,230	2,000,000	-	5,084,230	1,655,000	1,324,097	1.71
2010	3,043,611	2,000,000	-	5,043,611	1,790,000	1,307,828	1.63
2011	3,492,539	3,000,000	-	6,492,539	565,000	1,087,242	3.93
2012	3,794,576	3,000,000	-	6,794,576	615,000	1,038,056	4.11
2013	3,895,149	3,000,000	-	6,895,149	635,000	1,002,953	4.21
2014	3,326,529	2,491,647	58,694	5,876,870	655,000	1,000,556	3.55
2015	4,001,857	2,596,814	13,945	6,612,616	675,000	980,906	3.99
2016	4,182,523	2,661,622	12,644	6,856,789	695,000	960,656	4.14

Parking Revenue Bonds, Series 1997A						
Fiscal Year	Ramp Lease Revenues	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2007	1,078,813	13,655	1,092,468	525,000	549,788	1.02
2008	1,078,142	(1,480)	1,076,662	560,000	514,350	1.00
2009	1,075,562	(3,993)	1,071,569	595,000	476,550	1.00
2010	1,075,591	(4,018)	1,071,573	635,000	436,388	1.00
2011	1,077,475	(4,023)	1,073,452	680,000	393,525	1.00
2012	1,076,739	(3,884)	1,072,855	725,000	347,625	1.00
2013	1,077,520	(4,024)	1,073,496	775,000	294,328	1.00
2014	1,038,283	6,457	1,044,740	825,000	241,735	0.98
2015	1,069,187	17,949	1,087,136	880,000	190,688	1.02
2016	1,120,692	(4,023)	1,116,669	940,000	131,288	1.04

Block 39 Tax Increment Bonds, Series 1998A, 1998B, 2009G and 2009H								
Fiscal Year	Tax Increments	Developer Shortfall Payments	Net Parking Revenues	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
						Principal	Interest	
2007	889,488	386,514	1,958,727	261,767	3,496,496	1,445,000	1,804,069	1.08
2008	1,067,054	126,816	1,929,248	138,493	3,261,611	1,570,000	1,712,473	0.99
2009	1,159,081	-	1,640,037	37,016	2,836,134	2,340,000	1,954,043	0.66
2010	1,236,563	-	1,924,977	152,120	3,313,660	1,295,000	763,015	1.61
2011	1,226,734	-	1,946,959	184,762	3,358,455	1,575,000	935,129	1.34
2012	1,181,563	-	2,121,341	(8,022)	3,294,882	1,605,000	885,839	1.32
2013	1,120,132	-	2,165,993	(33,083)	3,253,042	1,640,000	814,357	1.33
2014	1,102,365	-	2,236,509	66,618	3,405,492	1,710,000	783,616	1.37
2015	1,124,373	-	1,441,510	38,950	2,604,833	1,650,000	727,847	1.10
2016	1,099,375	-	1,745,163	360	2,844,898	1,725,000	664,082	1.19

Lofts at Farmers Market Limited Tax Bonds, Series 2010A and 2010B								(1)
Fiscal Year	HRA Tax Levy	Bond Proceeds Capitalized Interest	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage	
					Principal	Interest		
2010	-	569,786	-	569,786	-	-	N/A	
2011	-	-	16,249	16,249	-	312,740	0.05	
2012	257,047	-	5,494	262,541	-	514,093	0.51	
2013	618,035	-	(6,048)	611,987	-	514,093	1.19	
2014	650,730	-	11,864	662,594	100,000	511,918	1.08	
2015	656,206	-	7,196	663,402	110,000	507,350	1.07	
2016	-	-	-	-	7,170,000	219,278	-	

(1) The Lofts at Farmers Market Limited Tax bonds show only 7 years of data because that represents the full life of the issuance. They were paid off in 2016.

Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005 and 2010B							
Fiscal Year	Parking & Transit Center Net Revenue	Parking Meters & Parking Fine Revenues	Investment Earnings	Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2007	155,434	-	265,494	420,928	-	619,200	0.68
2008	220,990	-	125,279	346,269	120,000	619,200	0.47
2009	226,406	-	19,463	245,869	125,000	614,525	0.33
2010	290,945	-	9,924	300,869	130,000	406,450	0.56
2011	320,922	-	49,559	370,481	305,000	563,798	0.43
2012	145,161	-	33,800	178,961	330,000	537,931	0.21
2013	443,593	-	(14,339)	429,254	340,000	528,068	0.49
2014	328,667	508,353	30,723	867,743	350,000	517,743	1.00
2015	460,205	403,186	7,028	870,419	360,000	507,332	1.00
2016	526,670	338,378	6,484	871,532	375,000	496,532	1.00

Fiscal Year	Population (1)	Per Capita Personal Income	Personal Income (2)	Labor Force (3)	Unemployment Rate (3)
2007	287,669	\$ 24,934	\$ 6,639,009,400	143,544	4.6%
2008	288,055	27,120	7,294,251,800	144,589	5.5%
2009	287,501	24,702	6,947,235,100	143,492	7.9%
2010	285,068	25,066	7,145,514,488	148,515	7.6%
2011	286,367	25,576	7,106,711,800	149,870	6.9%
2012	289,270	25,072	7,165,005,800	150,515	6.0%
2013	294,873	25,695	7,636,250,500	151,967	5.1%
2014	297,640	26,268	7,818,407,520	152,612	4.2%
2015	300,353	25,611	7,692,209,635	153,855	3.7%
2016	304,442	26,054	7,931,854,576	153,035	3.5%

Sources:

- (1) 2007-2009, 2011-2013, & 2015 data is based on Metropolitan Council estimates. 2010, 2014, and 2016 data is based on U.S. Census Bureau information.
- (2) 2007-2013 data provided by U.S. Census Bureau's Annual American Community Survey. 2014-2016 data is provided by Minnesota Department of Employment and Economic Development (DEED).
- (3) Annual average - not seasonally adjusted. Data provided by Minnesota DEED.

<u>Employers</u>	2016			2007		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Minnesota <sup>1)</sup>	18,000	1	11.86%			
State of Minnesota <sup>1)</sup>	14,173	2	9.34%	12,800	1	7.09%
3M Company	10,500	3	6.92%			
Health East <sup>1) 2)</sup>	7,500	4	4.94%	2,969	7	1.64%
Saint Paul Public Schools	5,376	5	3.54%	5,245	2	2.90%
Regions Hospital	5,170	6	3.41%	4,376	4	2.42%
Ramsey County	4,427	7	2.92%	2,653	10	1.47%
United Hospital	3,600	8	2.37%	3,111	6	1.72%
City of Saint Paul <sup>1)</sup>	2,893	9	1.92%	2,955	8	1.63%
Ecolab	2,500	10	1.65%			
U.S. Bancorp				4,500	3	2.49%
United States Federal Government				4,184	5	2.32%
St. Paul Traveler's Insurance				2,700	9	1.50%
<b>Total</b>	<b>74,139</b>		<b>48.87%</b>	<b>45,493</b>		<b>25.18%</b>

<sup>1)</sup> Includes full- and part-time employees.

<sup>2)</sup> Includes all home care clinics in its network

Sources: City Capital Partnership for 2007 data; 2016 data compiled by Springsted Inc. based on September 2016 telephone survey.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GENERAL GOVERNMENT</b>										
City Attorney	66.8	67.8	68.8	64.3	63.5	63.5	64.3	64.3	64.3	66.3
City Clerk (1)	2.0	2.0	-	-	-	-	-	-	-	-
City Council	26.7	26.7	29.1	29.1	29.5	28.5	28.5	28.5	28.5	28.5
Debt Service Fund	2.1	2.1	2.8	3.1	3.3	3.5	1.9	1.9	2.0	2.0
Emergency Management	-	1.1	2.0	2.0	6.1	5.8	7.4	8.0	8.0	8.0
Financial Services (2) (3)	45.0	45.0	42.7	38.9	40.6	38.4	48.0	45.1	45.1	46.1
General Government Accounts	2.1	2.1	2.1	2.1	2.2	2.2	2.2	0.2	-	-
Human Resources	32.6	31.3	31.3	27.4	29.4	28.7	27.9	36.8	37.8	37.8
Human Rights and Equal Economic Opportunity (2)	7.5	7.5	34.6	35.2	32.5	32.5	33.1	29.0	29.0	26.5
Mayor's Office	17.8	16.2	17.0	16.0	16.0	15.0	14.0	16.0	16.0	16.0
Office of Technology	81.5	80.6	83.4	80.7	81.7	80.7	72.7	74.5	75.5	75.5
<b>PUBLIC SAFETY</b>										
Fire										
Firefighters and Officers	383.0	421.0	411.0	417.6	433.0	415.0	421.0	405.0	404.0	413.0
Civilians	56.3	42.7	64.0	41.8	39.0	71.3	53.0	51.0	48.0	51.0
Police										
Officers	555.0	595.7	584.0	583.3	609.0	586.0	578.0	566.0	586.0	617.0
Civilians	225.6	183.7	232.4	182.9	172.0	235.0	163.0	201.0	159.0	139.0
Safety and Inspections (1)	160.3	166.1	164.4	143.9	144.3	137.6	141.6	136.0	143.0	145.0
License, Inspection and Environmental Protection (1)	-	-	-	-	-	-	-	-	-	-
Neighborhood Housing and Property Improvement (1)	-	-	-	-	-	-	-	-	-	-
Health	54.7	53.8	49.2	43.6	41.2	40.3	38.4	38.4	38.4	32.6
<b>HIGHWAYS AND STREETS</b>										
Public Works (5)	429.6	431.1	396.8	387.6	389.9	385.4	385.4	383.9	383.9	385.4
<b>CULTURE AND RECREATION</b>										
Libraries	186.6	179.6	187.9	168.8	169.4	164.1	166.0	167.0	175.1	174.5
Parks	536.7	569.8	580.7	556.1	571.0	553.4	569.7	577.7	554.5	555.0
<b>PLANNING AND ECONOMIC DEVELOPMENT</b>										
	83.3	83.6	79.8	75.2	72.2	68.3	68.2	70.1	72.1	74.1
<b>TOTAL</b>	<u>2,955.2</u>	<u>3,009.5</u>	<u>3,064.0</u>	<u>2,899.6</u>	<u>2,945.8</u>	<u>2,955.2</u>	<u>2,884.3</u>	<u>2,900.4</u>	<u>2,870.2</u>	<u>2,893.3</u>

(1) In 2007, the Information and Compliance component of the City Clerk, License, Inspection, and Environmental Protection, and Neighborhood Housing and Property Improvement was merged with the Fire Department's Fire and Inspection unit as the Department of Inspection

(2) Contract Services and Human Rights merged into new department Human Rights and Equal Economic Opportunity in 2009. Contract Services was previously reported in Financial Services.

(3) Real Estate moved from Public Works to Financial Services in 2009.

Source: Office of Financial Services Budget Department, City of St. Paul

Function/Program	Fiscal Year				
	2007	2008	2009	2010	2011
<u>Police</u>					
Number of Calls for Service	213,593	220,129	223,645	219,049	240,390
<u>Fire</u>					
Number of Structure Fires	681	799	886	799	794
Number of EMS Incidents	26,831	27,064	24,977	24,707	26,437
<u>Department of Safety and Inspections</u>					
Number of Building Permits Issued	8,802	8,498	8,138	9,887	11,649
Valuation of Building Permits Issued	\$530,995,699	\$335,663,606	\$330,135,432	\$366,589,782	\$521,098,690
<u>Public Works</u>					
Miles of Streets Reconstructed	7.7	9.4	8.2	8.2	7.4
Number of Snow Emergencies	6	1	5	7	3
<u>Parks and Recreation</u>					
Picnic Permits Issued	1,800	1,900	2,000	2,060	2,093
Number of Golf Rounds Played	124,661	123,093	122,315	117,304	105,676
<u>Libraries</u>					
Circulation	3,365,469	3,321,165	3,442,777	3,153,093	2,958,656
Number of Titles in Collection	458,389	463,876	454,032	458,800	464,750
<u>Economic Development</u>					
New and Substantially Rehabilitated Housing Units	355	10	100	96	100
Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
<u>Police</u>					
Number of Calls for Service	272,624	243,598	236,506	246,086	241,408
<u>Fire</u>					
Number of Structure Fires	826	796	819	876	894
Number of EMS Incidents	27,878	29,578	30,731	32,632	34,618
<u>Department of Safety and Inspections</u>					
Number of Building Permits Issued	8,582	7,738	7,950	7,834	7,814
Valuation of Building Permits Issued	\$474,073,321	\$453,448,341	\$717,883,411	\$747,684,819	\$483,508,298
<u>Public Works</u>					
Miles of Streets Reconstructed	7.1	5.8	8.6	3.7	5.0
Number of Snow Emergencies	2	6	6	1	3
<u>Parks and Recreation</u>					
Picnic Permits Issued	2,167	1,502	1,490	1,428	1,379
Number of Golf Rounds Played	112,862	97,877	46,336	48,752	48,715
<u>Libraries</u>					
Circulation	2,866,183	2,840,868	2,608,100	2,976,976	2,825,326
Number of Titles in Collection	481,175	481,086	489,078	513,348	536,592
<u>Economic Development</u>					
*New and Substantially Rehabilitated Housing Units	106	99	774	316	1,600

Source: Various City departments.

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Number of Stations	14	13	13	13	10	10	10	10	14	14
Number of Vehicles	482	580	540	520	518	500	495	500	519	512
<b>Fire</b>										
Number of Stations	16	16	16	15	15	15	15	15	15	15
Number of Vehicles	108	105	106	98	102	102	102	105	106	105
<b>Public Works</b>										
Miles of Sanitary Sewers	806	806	806	806	806	806	806	806	806	806
Miles of Sidewalks	1,007	1,011	1,011	1,011	1,011	1,011	1,013	1,013	1,014	1,015
Miles of Storm Sewers	450	450	450	450	450	450	450	450	450	450
Miles of Streets	863	863	863	863	863	863	871	865	865	865
Number of Alleys	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,309
Number of Bridges	61	60	60	60	57	57	56	57	61	63
Number of Street Light Poles	31,716	31,696	31,740	31,856	31,698	31,882	32,531	32,852	33,016	33,290
<b>Parks and Recreation</b>										
Acreage of Parks	4,287	4,288	4,288	4,306	4,306	4,306	5,580	4,722	4,395	4,395
Number of Golf Courses	4	4	4	4	4	4	4	4	4	4
Number of Municipal Stadiums	1	1	1	1	1	1	1	1	1	1
Number of Parks	171	173	173	173	173	173	179	179	179	178
Number of Recreation Centers	33	33	33	25	25	25	24	26	26	33
Number of Tennis Courts	92	92	90	83	77	77	77	79	77	83
Number of Zoos & Conservatories	1	1	1	1	1	1	1	1	1	1
<b>Libraries</b>										
Number of Libraries	13	13	13	13	13	13	13	13	13	13
Number of Bookmobiles	1	1	1	1	1	1	1	1	1	1
<b>Economic Development</b>										
Number of Parking Facilities	20	17	17	17	17	17	17	18	18	18
Number of Skyways	37	37	37	37	37	37	37	37	37	37

Source: Various City departments.

**This page left blank intentionally**



**CITY OF SAINT PAUL**  
**2016 Comprehensive Annual Financial Report**  
**CAFR Production**

**OFFICE OF FINANCIAL SERVICES**

Joy Thao, Director of Accounting and Business Support  
Chris Eitemiller, Accounting Manager  
Kevin Mannerter, Senior Accountant (CAFR Lead)

**Accounting Staff**

Louis Biagi  
Patty Germain  
Christine Jones  
Chito Jovellana  
Dolly Lee  
Tanvir Noor  
Nnenna Osuagwu  
Andre Parenteau  
Rhea Nambalirwa  
Michelle Vanheel  
Melissa Zellmer

**CITYWIDE ACCOUNTING STAFF**

**Economic Development**

Rhonda Gillquist  
Michael Marmsoler  
Penny McMahon  
Sharon Peterson  
Mayka Yang

**Fire**

Jill LaCasse

**Library**

Susan Cantu

**Parks and Recreation**

Dave Meissner  
Brenda Ullrich  
Calvin Wheeler

**Police**

Renee Manning  
Wendy Trebesch

**Public Works**

Jeff Bots  
Loree Brown  
Leah Hunt  
Larry Michalitsch  
Janice Rick  
Jodi Schwartz  
Julia Sobania  
Chia Vue

**Safety and Inspection**

Vicki Plaistow

**Water**

Solomon Alemu  
Connie Garrahy  
Lori Lee  
Ruth O'Brien  
Kim Stewart  
Ka Xiong