

Comprehensive Annual Financial Report



The Most Livable
City in America

For the Fiscal Year Ended
December 31, 2017

CITY OF SAINT PAUL, MINNESOTA
MAYOR MELVIN CARTER

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City of Saint Paul Minnesota

Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2017



Office of Financial Services
Todd P. Hurley, Director

CITY OF SAINT PAUL, MINNESOTA
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Office of the Mayor
Office of Financial Services

Todd Hurley, Director



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June 28, 2018

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, 2017 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, 2017, 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, 2017, 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 309,180 people and 117,745 households as of the end of 2017.

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 2017 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 2017 was estimated to be 157,708.¹

- Saint Paul's 2017 unemployment rate is 2.8%.²
- Saint Paul median household income rose slightly to \$58,825 in 2017.³
- The median value of owner-occupied houses in Saint Paul in 2017 was \$178,400.⁴
- Saint Paul's population with a bachelor's degree or higher in 2017 stood at a strong 40.0%.⁵

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 2017 was below both the Minnesota rate (3.5%) and the U.S. rate (4.4%).⁶ 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 (64,710 jobs; 35.2% of total jobs). Other large employment sectors include Public Administration (23,313 jobs; 12.7% of total jobs), and Professional and Business Services (22,175 jobs; 12.1% of total jobs).⁷

¹ 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/>

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

³ 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/>

⁴ 2016 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁵ 2016 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁶ Bureau of Labor Statistics, Labor Force Statistics from Current Population Survey. Available at: <http://data.bls.gov/timeseries/LNS14000000>

⁷ 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/>

CITY STRATEGIC PLAN AND PRIORITIES

Key strategic areas the City's operations are focused on include, but are not limited to:

Education Initiative: A majority of jobs in the future will require some post-secondary degree or training, even manufacturing jobs. High quality education starts at home with parents talking and reading to their young children and goes right on through the child's life. Many sources are necessary to educate a child for a lifetime. City resources, from libraries to parks and police, help families help their children learn and grow. The City provides many programs year round for children and their families in libraries and recreation centers. The City is also a close partner with Saint Paul Public Schools and other forms of schools in the City. By working together, children are prepared for successful futures through education and learning.

Sustainable Saint Paul: The City is taking proactive steps to protect the City's air, water, and urban landscape by focusing on Carbon Dioxide (CO₂) reduction activities in the areas of energy efficiency and conservation, clean energy supply, alternative fuels and transportation options, recycling and waste reduction, urban reforestation and natural resources management, and water resources management.

Economic Development: To maintain 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, including the 2016 – 2018 Economic Development strategy, aiming for an increase of 3,000 jobs over three years. The City of Saint Paul is involved in an initiative to position the Minneapolis-Saint Paul region as the world's premier business location and strengthen our diverse economy to compete in the global marketplace. A Minneapolis-Saint Paul Metropolitan Business Plan is guiding our efforts to coordinate a regional approach to economic development.

Racial Equity: A prosperous Saint Paul must address racial disparities. Diversity is a strength of the City's workforce and enables employees to more effectively and authentically provide services to residents, businesses, and visitors. The City believes inclusion, engagement, transparency, and continuous learning from each other are keys to creating racial equity in city government and in the community.

Youth: Past work with the Saint Paul Public schools, is being built upon by focusing on early childhood investments to give every student a strong start. This includes providing students and their families access to essential health services and affordable housing. Partnering with schools, colleges, workforce training programs and trade unions provides the next generation of leaders with all tools needed for a bright and prosperous future.

Neighborhoods: Police officers that reflect the City's diversity and have a stake in our neighborhoods are best suited to protect and serve all residents. In order to build trust between neighborhoods and their guardians, the City is dedicated to training officers in de-escalation techniques and connecting them to social workers, mental health providers and crisis prevention counselors so people in crisis get the help they need. Officers will be held accountable for conduct that does not meet these standards.

People of Color, Immigrants, and Women: All communities deserve a path to economic prosperity. The City's priorities include investing in businesses along cultural corridors across the city to ensure economic growth reaches all corners of our city. The City is also exploring options to make it easier for Saint Paul residents to open and run a business - especially people of color, immigrants, and women.

MAJOR DEVELOPMENTS

I. Downtown Saint Paul

The 428

The former 1955 Woolworth's department store at 428 Minnesota Street, vacant since 1994, has been converted into sustainable, modern office space. The \$15-17 million renovation broke ground in July 2017. Work included adding a 12,000-square-foot fourth floor, and a fifth floor featuring 6,000-square-foot glassed-in co-working space with rooftop patio. The new 65,000-square-foot building plans to open in July 2018. The 428 is Minnesota's first building to pursue both LEED certification and WELL Core and Shell certification.

Lowry Hotel Building

Jim Crockarell/Madison Equities purchased the Lowry Hotel Building Apartments at 345 Wabasha Street for \$5 million in 2012. A \$20 million project aims to convert the newly remodeled apartment building back into 150 hotel rooms. Gray Duck Tavern opened on the ground floor in June 2017. A rooftop patio is to be completed in 2018.

The Press Apartments

Real Estate Equities purchased the former Pioneer Press office building for \$8 million in December 2017. Construction to convert the building into 144 studio, one and two bedroom income restricted apartments is planned to begin in summer 2018. First occupancy is predicted to begin in winter 2018/2019.

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, and opened in March 2017.

Riverfront Properties

In 2017, Ramsey County continued deconstruction of the six-building former West Publishing complex and the former adult detention center on Kellogg Boulevard. The \$17 million project included three primary elements: removal and disposal of all hazardous waste from inside the buildings – primarily asbestos-containing material; deconstructing the buildings, including harvesting materials for resale, reuse, or recycling where possible, and; building a concrete retaining wall for long-term erosion control secured to the bluff by rock bolts along its length. The project was substantially complete in November 2017.

Central Station

The Metropolitan Council and the Housing and Redevelopment Authority owns the land east of the Green Line's Central Station at Fifth and Cedar streets, which it acquired by eminent domain. A wide range of businesses, civic and community organizations teamed up with the Musicant Group in 2017 to create a more inviting and vibrant space for transit riders, employees, residents, and visitors in the block surrounding the Green Line's Central Station. Beginning in December 2016, the Musicant Group hosted Pop-ups at Central Station – a series of programs and events on the Central Station block through September 2017, as the site is readied for future development. The Saint Paul City Council approved Central Station Block Design Guidelines in June 2017.

Treasure Island Center

The Saint Paul Port Authority acquired the Macy's Department Store at 411 Cedar Street for \$3 million in 2014, and invested an additional \$5.5 million to prepare the building for redevelopment, including the removal and sealing of all asbestos. The Port Authority and Hempel Cos. are developing and managing the site together through the joint venture Go Wild LLC, with RJM Construction as the general contractor. The redeveloped property includes Tria Rink, the official practice space of the Minnesota Wild; a two-level Walgreens, the Tria Orthopedic Clinic, Treasure Island administrative offices, and office space for the Saint Paul Police Department. Future tenants include a Tim Hortons doughnut shop and the Stacked Deck Brewing brewery and taproom. The 540,000-square-foot building held its grand opening in January 2018.

Palace Theatre

The former vaudeville theatre built in 1916 underwent a \$15.5 million renovation beginning in 2015. The project was funded in part by a \$5.0 million grant from the state and a \$9.4 million city loan from the Mayor's 8-80 Vitality fund. The 2,500 capacity concert hall held its first events in March 2017, and hosted 65 events in its first year. A total of 110,856 people attended shows at the Palace, and 37 concerts sold out. The venue is being jointly operated by locally-based First Avenue and Jam Productions out of Chicago. First Avenue also acquired the Wild Tymes bar in 2017, and plans to remodel it into a space that will offer food and drinks and serve as a ticket outlet for the Palace.

Minnesota Children's Museum

Minnesota Children's Museum broke ground in December 2015 on a \$30 million expansion and renovation at 10 West Seventh Street. Newly-opened in June 2017, the project added 10 exhibits including two four-story climbing towers, a spiral slide and netted catwalk, a cafe, coffee bar and a skyway-level entrance.

Osborn370

Ecolab's former headquarters was sold in July 2017 to a redevelopment team led by PAK Properties and Schafer Richardson. The 20-story, 280,000-square-foot tower has been refocused as a technology and innovation hub, and held its grand opening in January 2018. New features include co-working environments with flexible suites, an outdoor plaza and front door public park, and dedicated floor space for group meetings, grab n' go food options, and recreational games for all occupants. Tenants include American Public Media's Glen Nelson Center, TechStars Farm to Fork accelerator, and the Knight Foundation's Lunar Startups.

Dorothy Day Center/Higher Ground Saint Paul

Catholic Charities began opening portions of Higher Ground Saint Paul, a five-level emergency shelter and 193-unit housing facility at 435 Dorothy Day Place in December 2016. A second phase began in the spring of 2017 to 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.

Minnesota State Capitol

The Capitol underwent a \$309.5 million renovation that continued into the fall of 2017. A grand opening was held in August 2017.

II. Along the Green Line

Allianz Field

Minnesota United broke ground in December 2016 on their \$150 million, 19,400-seat, 346,000-square-foot Major League Soccer stadium overlooking Interstate 94 between Pascal and Snelling Avenues. The first structural steel was placed in late November 2017, and as of February 2018 about 40 percent of construction has been completed. The City has committed \$22.4 million to infrastructure, new roads, sewers and green space nearby. The stadium is slated to open in April 2019.

Snelling-Midway

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 2016, the four-story, \$14.8 million Model Cities Brownstone building at 839-849 West University Avenue includes 35 units of affordable rental housing, 20,400 square feet of commercial space, and a reading room dedicated to the history of the Pullman railroad workers. Funding includes up to \$5 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. The building opened in October 2017.

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.

III. Neighborhoods

Ford Site

The Saint Paul City Council approved the Ford Site redevelopment Zoning and Public Realm. The Master Plan is the result of 10 years of research and collaboration, including 14 professional studies and 140 community meetings. Setting the stage for the envisioned mixed-use urban village, the plan rezones the site into six districts: four as predominantly multi-family residential areas, and two as primarily commercial areas along Ford Parkway. The Ford Site redevelopment plan also outlines specific housing affordability goals, ensuring that a mix of housing types will be available across the site. 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. Ford placed the land on the market in late December 2017, with a goal of selling it in 2018.

Saint Paul College

Construction continued in 2017 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 was completed in the fall of 2017. The \$19 million project received a boost from the 2015 state bonding bill.

HealthPartners Neuroscience Center

HealthPartners built 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 was completed in spring 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 was completed in September 2017.

Villa Del Sol

At 88 Cesar Chavez Street, the Neighborhood Development Alliance broke ground in October 2016 on a three-floor, 40-unit “workforce housing” apartment building. The building received a Certificate of Substantial Completion on January 19, 2017. 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 community space. Two Metropolitan Council grants and housing tax credits from the HRA were included in the funding.

Schmidt Brewery

The Schmidt Artist Lofts have been fully occupied since opening in July 2014. In July 2017, developer Craig Cohen purchased the Rathskeller building, with intentions to house multiple businesses in the building, as well as in the adjacent Keg Building which was purchased previously. Confirmed tenants in the Keg Building, now renamed the Keg and Case Market, include a specialty cheese shop, a restaurant, a coffee shop, ice creamery, fish hatchery, and brewery.

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 was completed in spring 2017.

West Side Flats Master Plan

The updated West Side Flats Master Plan and Development Guidelines were 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: a market rate apartment building of 162 units and an affordable building with 82 apartments. The affordable building will be designed to Passive House energy efficiency standards. A groundbreaking is expected in July of 2018.

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, 2017, the reported interest on investments was \$5.9 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 June 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.

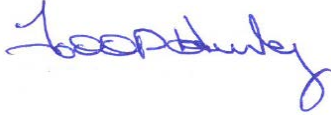
AWARDS AND ACKNOWLEDGMENTS

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, 2016. This was the 41st 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 2017 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,



Todd Hurley, Director
Office of Financial Services

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City of Saint Paul, Minnesota

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



ELECTED OFFICIALS

| OFFICE | NAME | TERM EXPIRES |
|------------------------|---------------------|---------------------|
| Mayor | Melvin Carter | January 1, 2022 |
| Councilmember - Ward 1 | Dai Thao | January 1, 2020 |
| Councilmember - Ward 2 | Rebecca Noecker | January 1, 2020 |
| Councilmember - Ward 3 | Chris Tolbert | January 1, 2020 |
| Councilmember - Ward 4 | Samantha Henningson | August 14, 2018* |
| Councilmember - Ward 5 | Amy Brendmoen | January 1, 2020 |
| Councilmember - Ward 6 | Dan Bostrom | January 1, 2020 |
| Councilmember - Ward 7 | Jane L. Prince | January 1, 2020 |

*interim appointment until August 14, 2018 special election

APPOINTED OFFICIALS

| DEPARTMENT/DIVISION/OFFICE | DIRECTOR'S NAME | TERM EXPIRES |
|---|------------------------|---------------------|
| City Attorney | Lyndsey Olson | * |
| City Clerk | Shari Moore | * |
| Emergency Management | Lucy Angelis | interim |
| Financial Services | Todd Hurley | * |
| Fire and Safety Services | Butch Inks | interim |
| Human Rights and Equal Economic Opportunity | Jessica Kingston | 2018 |
| Human Resources | Andrea L. Turner | * |
| Mayor - Deputy Mayor | Jamie Tincher | * |
| Parks and Recreation | Michael Hahm | * |
| Planning and Economic Development | Dr. Bruce Corrie | * |
| Police | Todd Axtell | 2022 |
| Public Libraries | Catherine Penkert | * |
| Public Works | Kathy Lantry | * |
| Safety and Inspection | Ricardo Cervantes | * |
| Technology | Sharon Kennedy Vickers | * |
| 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, 2016

Christopher P. Morill

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 Melvin Carter, 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, 2017, 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 Saint Paul RiverCentre Convention and Visitors Authority, which represent 2 percent, 2 percent, and 16 percent, respectively, and the Port Authority of the City of Saint Paul, which represent 34 percent, 6 percent, and 28 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 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, 2017, 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, 2018, 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 solely 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 effectiveness of the City of Saint Paul’s 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 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, 2018

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CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

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, 2017. 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-xiii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Saint Paul exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,138.5 million (*net position*). Of this amount \$166.2 million is restricted for specific purposes and \$1,184.4 million is net investment in capital assets. The total net position includes all major infrastructure networks.
- The City's total net position decreased by \$0.9 million. Governmental activities decreased by \$5.9 million and business-type activities increased by \$5.0 million.
- The City of Saint Paul's governmental funds reported combined ending fund balances of \$247.3 million, a decrease of \$11.0 million in comparison with the prior year. Approximately 14.8% of this amount or, \$36.6 million, is unassigned and available for use in accordance with the City's spending policies. There was a restatement of fund balance in three HRA governmental funds. Certain components of deferred inflows were eliminated and included in fund balance. The total restatement increased the January 1, 2017 fund balance by \$2,142,854.
- 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 \$52.7 million, an increase of \$3.7 million or a 7.6% increase of the 2017 fund balance. The General Fund fund balance is 17.1% of the budgeted 2018 General Fund expenditures of \$289.6 million plus the Public Library General Fund expenditures of \$18.0 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 \$57.0 million or 152.8% of the governmental activities due within one year debt service payments of \$37.3 million.
- The City's total long-term bonds and notes increased by \$3.1 million, a 0.5% increase from 2016 for a total outstanding on December 31, 2017 of \$578.9 million.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

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 operations; 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, 2017

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 27 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, 2017

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, HRA Penfield, 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, 2017

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 \$1,138.5 million as of December 31, 2017.

CONDENSED STATEMENT OF NET POSITION (in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total | | Total Percent Change |
|-----------------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|----------------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Current and Other Assets | \$ 406,196 | \$ 402,614 | \$ 102,177 | \$ 99,658 | \$ 508,373 | \$ 502,272 | 1.21% |
| Capital Assets | 1,330,172 | 1,304,036 | 365,592 | 367,219 | 1,695,764 | 1,671,255 | 1.47% |
| Total Assets | \$ 1,736,368 | \$ 1,706,650 | \$ 467,769 | \$ 466,877 | \$ 2,204,137 | \$ 2,173,527 | 1.41% |
| Deferred Outflows of Resources | \$ 202,468 | \$ 322,159 | \$ 4,855 | \$ 4,641 | \$ 207,323 | \$ 326,800 | (36.56)% |
| Long-Term Liabilities | \$ 830,438 | \$ 1,085,408 | \$ 139,642 | \$ 145,385 | \$ 970,080 | \$ 1,230,793 | (21.18)% |
| Other Liabilities | 61,549 | 61,580 | 9,248 | 8,946 | 70,797 | 70,526 | 0.38% |
| Total Liabilities | \$ 891,987 | \$ 1,146,988 | \$ 148,890 | \$ 154,331 | \$ 1,040,877 | \$ 1,301,319 | (20.01)% |
| Deferred Inflows of Resources | \$ 229,563 | \$ 58,686 | \$ 2,563 | \$ 1,009 | \$ 232,126 | \$ 59,695 | 288.85% |
| Net Position: | | | | | | | |
| Net Investments in Capital Assets | \$ 942,141 | \$ 924,717 | \$ 242,228 | \$ 242,688 | \$ 1,184,369 | \$ 1,167,405 | 1.45% |
| Restricted | 152,062 | 165,969 | 14,102 | 14,224 | 166,164 | 180,193 | (7.79)% |
| Unrestricted | (276,917) | (267,550) | 64,841 | 59,265 | (212,076) | (208,285) | 1.82% |
| Total Net Position | \$ 817,286 | \$ 823,136 | \$ 321,171 | \$ 316,177 | \$ 1,138,457 | \$ 1,139,313 | (0.08)% |

The largest portion of the City's net position, \$1,184.4 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 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 \$166.2 million represent resources that are subject to external restriction on how they may be used. The remaining balance, unrestricted net position of (\$212.1) million, may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2017. 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 \$5.9 million. Business-type activities increased the City's net position by \$5.0 million. The calculation for Other Postemployment Benefits Obligation 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 |
|--|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|----------------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Revenues: | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 166,480 | \$ 175,322 | \$ 79,863 | \$ 80,088 | \$ 246,343 | \$ 255,410 | (3.55)% |
| Operating Grants and Contributions | 50,836 | 44,135 | - | - | 50,836 | 44,135 | 15.18% |
| Capital Grants and Contributions | 16,718 | 19,189 | - | - | 16,718 | 19,189 | (12.88)% |
| General Revenues | | | | | | | |
| Property Taxes | 134,686 | 130,026 | 1,104 | 1,099 | 135,790 | 131,125 | 3.56% |
| City Sales Tax | 18,911 | 18,823 | - | - | 18,911 | 18,823 | 0.47% |
| Franchise Fees and Other Taxes | 30,722 | 29,710 | - | - | 30,722 | 29,710 | 3.41% |
| Local Government Aid | 62,562 | 62,338 | - | - | 62,562 | 62,338 | 0.36% |
| Grants and Contributions Not Restricted | 7,000 | 6,746 | 288 | 693 | 7,288 | 7,438 | (2.02)% |
| Investment Income | 5,950 | 3,484 | 668 | 408 | 6,618 | 3,892 | 70.05% |
| Gain on Sale of Capital Assets | 2,793 | 319 | 35 | - | 2,828 | 319 | 787.79% |
| Noncapital Contributions | 21,584 | 20,028 | 761 | - | 22,345 | 20,028 | 11.57% |
| Miscellaneous | 438 | 5,141 | - | - | 438 | 5,141 | (91.49)% |
| Total Revenues | \$ 518,680 | \$ 515,259 | \$ 82,719 | \$ 82,289 | \$ 601,399 | \$ 597,548 | 0.64% |

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

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 |
|--|-------------------------|--------------------|--------------------------|-------------------|-------------------|--------------------|----------------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Expenses: | | | | | | | |
| General Government | \$ 73,150 | \$ 70,544 | \$ - | \$ - | \$ 73,150 | \$ 70,544 | 3.69% |
| Public Safety | 208,247 | 248,226 | - | - | 208,247 | 248,226 | (16.11)% |
| Highway and Streets | 94,872 | 97,130 | - | - | 94,872 | 97,130 | (2.32)% |
| Sanitation | 5,636 | 5,766 | - | - | 5,636 | 5,766 | (2.25)% |
| Health | 2,978 | 3,091 | - | - | 2,978 | 3,091 | (3.66)% |
| Culture and Recreation | 78,143 | 71,749 | - | - | 78,143 | 71,749 | 8.91% |
| Housing and Economic Development | 52,014 | 39,460 | - | - | 52,014 | 39,460 | 31.81% |
| Interest and Fiscal Charges | 19,754 | 21,515 | - | - | 19,754 | 21,515 | (8.18)% |
| Sewer | - | - | 47,624 | 47,797 | 47,624 | 47,797 | (0.36)% |
| Development Loan Programs | - | - | 889 | 3,650 | 889 | 3,650 | (75.64)% |
| Parking | - | - | 12,706 | 12,340 | 12,706 | 12,340 | 2.97% |
| Penfield | - | - | 4 | 3,685 | 4 | 3,685 | (99.89)% |
| Parks, Recreation and Athletics | - | - | 2,843 | 3,120 | 2,843 | 3,120 | (8.88)% |
| Impound Lot | - | - | 2,318 | 2,833 | 2,318 | 2,833 | (18.18)% |
| Printing | - | - | 1,077 | 1,132 | 1,077 | 1,132 | (4.86)% |
| Lofts | - | - | - | 3 | - | 3 | (100.00)% |
| Total Expenses | \$ 534,794 | \$ 557,481 | \$ 67,461 | \$ 74,560 | \$ 602,255 | \$ 632,041 | (4.71)% |
| Change in Net Position before Transfers | \$ (16,114) | \$ (42,222) | \$ 15,258 | \$ 7,729 | \$ (856) | \$ (34,493) | (97.52)% |
| Transfers | 10,264 | 20,451 | (10,264) | (20,451) | - | - | |
| Special Item | - | - | - | 9,345 | - | 9,345 | |
| Change in Net Position | \$ (5,850) | \$ (21,771) | \$ 4,994 | \$ (3,377) | \$ (856) | \$ (25,148) | (96.60)% |
| Net Position, January 1 | \$ 823,136 | \$ 844,907 | \$ 316,177 | \$ 319,554 | \$ 1,139,313 | \$ 1,164,461 | (2.16)% |
| Net Position, December 31 | \$ 817,286 | \$ 823,136 | \$ 321,171 | \$ 316,177 | \$ 1,138,457 | \$ 1,139,313 | (0.08)% |

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

Governmental activities decreased the City's net position by \$5.9 million, compared to the 2016 decrease of \$21.8 million. Overall, the governmental activities in 2017 were stable, with an increase in revenues and decreased expenses. Revenues increased by \$3.4 million while the expenses decreased by \$22.7 million and the net transfers decreased by \$10.2 million. The decrease in transfers reflects the elimination of last year's one-time utilization of net proceeds from sale of the Penfield Apartments. The decrease in expenditures can be attributed to Public Safety, which saw a significant decrease of \$36 million for the Police pension liability calculation compared to 2016.

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

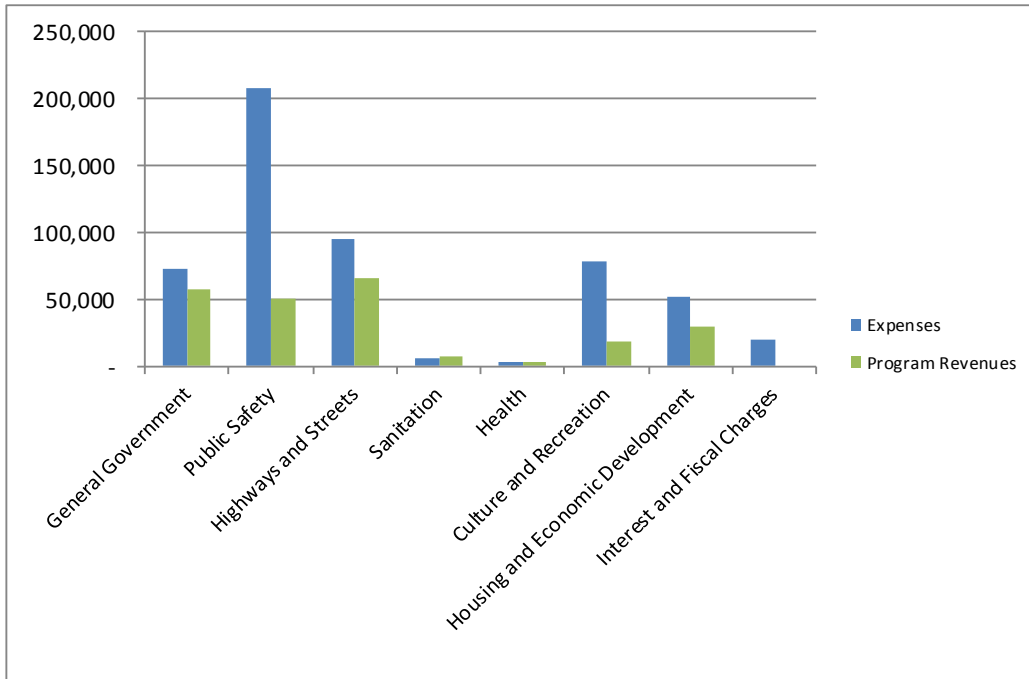
Business-type activities experienced a \$5.0 million increase in net position. This is a result of the revenues decreasing by \$8.9 million while the expenses decreased by \$7.1 million. The revenue decrease is primarily due to the one-time revenue realized from the Housing and Redevelopment Authority of Saint Paul sale of the Penfield Apartments in 2016 at a net gain of \$9.3 million. The expenditure decrease was due to reduced expenditures related to the Penfield project (\$3.7 million) and reduced activity in the Development Loan Programs (\$2.8 million).

CITY OF SAINT PAUL, MINNESOTA

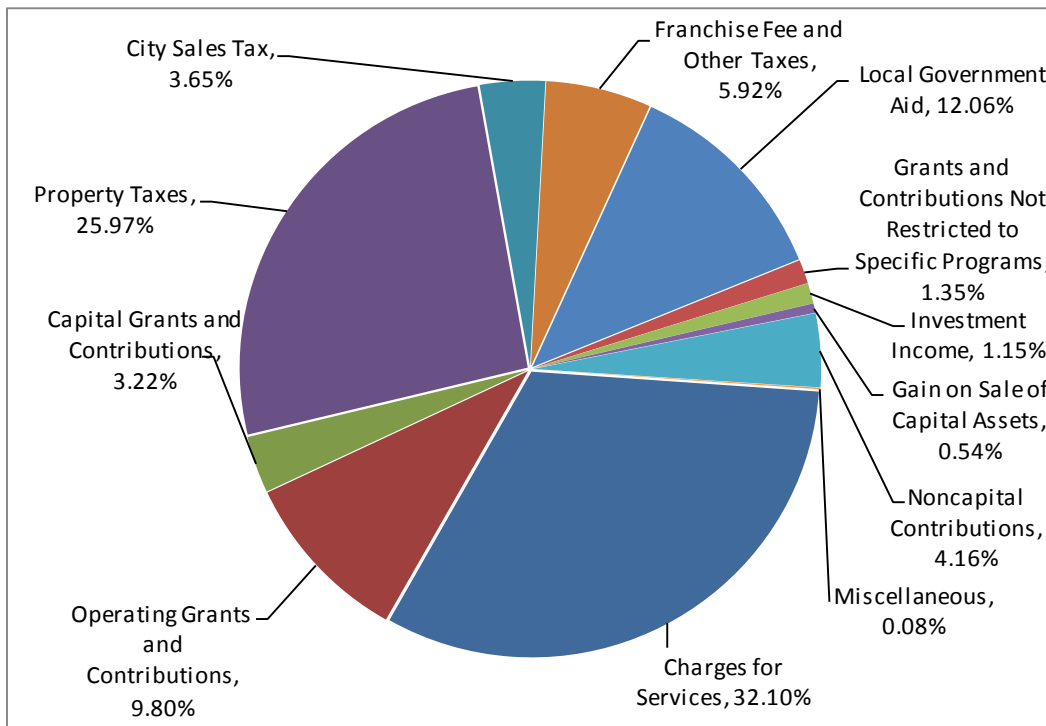
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Expenses and Program Revenues – Governmental Activities (in thousands)



Revenue by Source – Governmental Activities

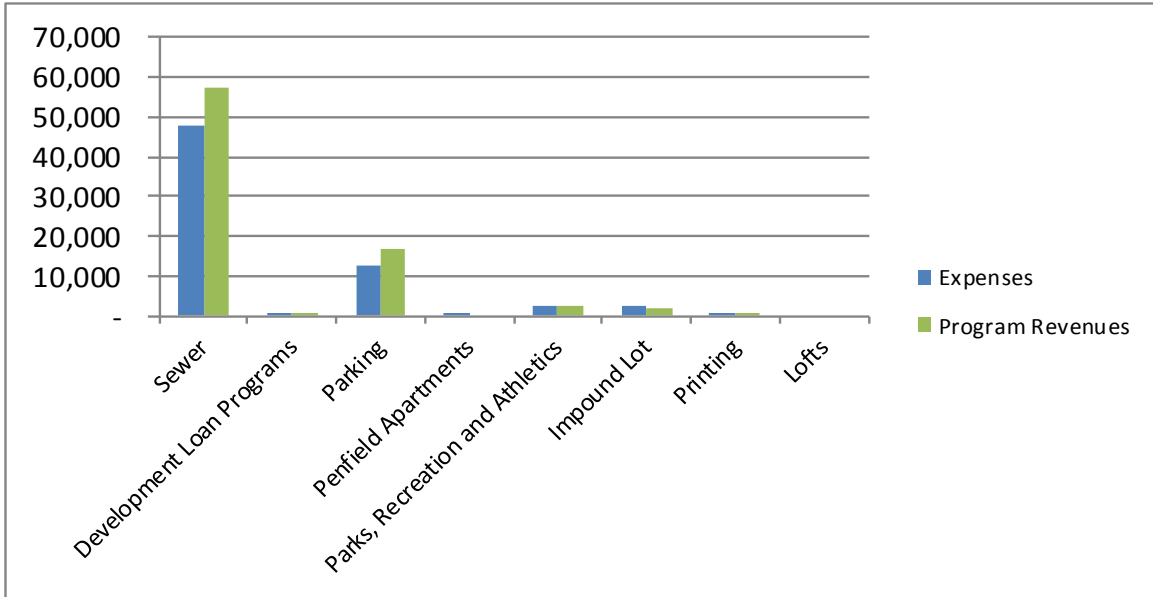


CITY OF SAINT PAUL, MINNESOTA

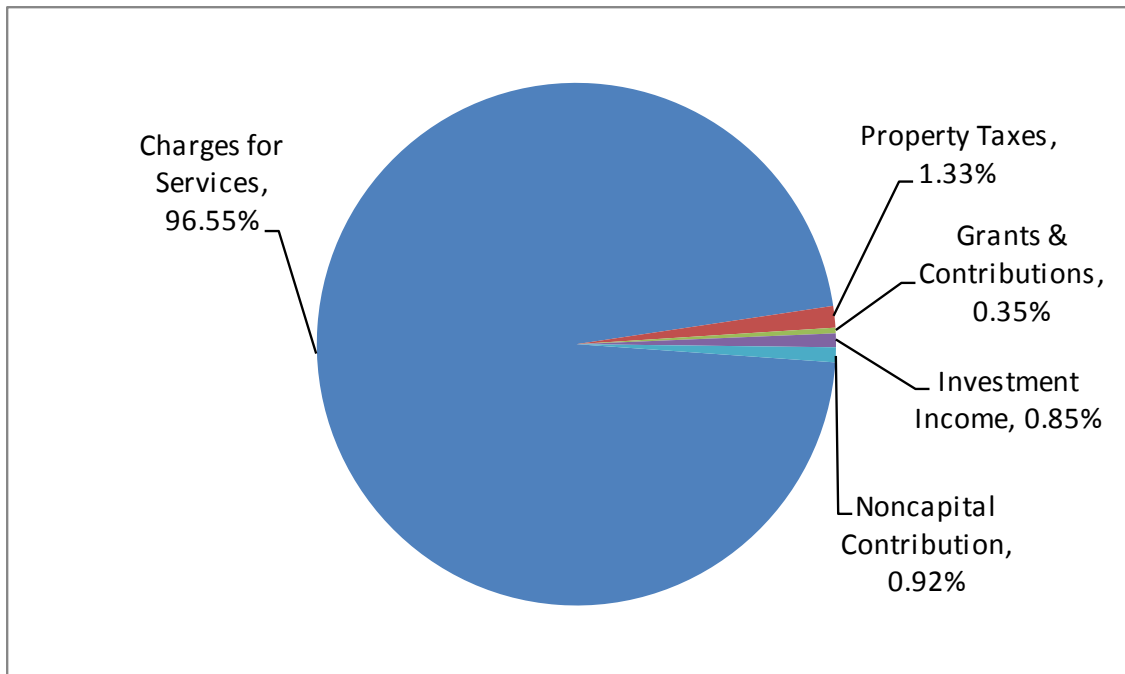
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

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, 2017

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 \$247.3 million. The majority of the fund balance is either nonspendable or restricted which comprise 61.5% of the total. The rest at 38.5% is unrestricted.

Nonspendable fund balance (less than 0.02% of total) includes amounts that are not in spendable form, or legally or contractually required to be maintained intact. Restricted fund balance comprise 61.4% 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 \$95.3 million of unrestricted fund balance, \$35.3 million is committed, \$23.4 million is assigned and \$36.6 million is unassigned. The total unassigned balance is net of the reported balance in the City General Fund of \$52.7 million and the rest are reported in various special revenue funds for (\$4.2) million and capital project funds for (\$11.9) million.

| Purposes | Nonspendable | Restricted | Unrestricted | | | Subtotal | Total |
|---------------------------|------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | | | Committed | Assigned | Unassigned | | |
| Corpus of Permanent Funds | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | - | \$ 35,000 |
| General Government | - | 31,678,130 | 626,105 | 5,638,840 | - | 6,264,945 | 37,943,075 |
| Public Safety | - | - | 115,010 | (535,633) | - | (420,623) | (420,623) |
| Highways and Streets | - | 14,169,764 | - | 3,228,385 | - | 3,228,385 | 17,398,149 |
| Sanitation | - | 18,841 | - | 3,509,673 | - | 3,509,673 | 3,528,514 |
| Culture and Recreation | - | 14,398,897 | 2,909,893 | 3,961,491 | - | 6,871,384 | 21,270,281 |
| Housing and | | | | | | | |
| Economic Development | - | 26,274,911 | 31,624,139 | 7,636,383 | - | 39,260,522 | 65,535,433 |
| Debt Service | - | 65,433,471 | - | - | - | - | 65,433,471 |
| Unassigned | - | - | - | - | 36,619,191 | 36,619,191 | 36,619,191 |
| Total | \$ 35,000 | \$ 151,974,014 | \$ 35,275,147 | \$ 23,439,139 | \$ 36,619,191 | \$ 95,333,477 | \$ 247,342,491 |
| Percent of Total | 0.0% | 61.4% | 14.3% | 9.5% | 14.8% | 38.6% | 100.0% |

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund is the chief operating fund of the City. Total fund balance as of December 31, 2017, was \$52.7 million, all of which 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 100% of the total fund balance and 20.7% of the total 2017 fund expenditures including transfers out. The fund balance increased by \$3.7 million during the current fiscal year.

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

| Revenues by Source | 2017 | 2016 | Net Change | Total Percent Change |
|--------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Property Tax | \$ 81,588,131 | \$ 75,659,347 | \$ 5,928,784 | 7.84% |
| Franchise Fees and Other Taxes | 28,276,649 | 27,339,254 | 937,395 | 3.43% |
| Intergovernmental | 74,837,972 | 74,907,287 | (69,315) | (0.09)% |
| Fees, Sales and Services | 58,663,613 | 53,265,433 | 5,398,180 | 10.13% |
| Investment Income | 2,416,152 | 1,451,595 | 964,557 | 66.45% |
| Miscellaneous | 967,881 | 1,707,053 | (739,172) | (43.30)% |
| Transfers In | 9,733,736 | 7,674,140 | 2,059,596 | 26.84% |
| Sale of Capital Assets | 2,270,890 | 34,794 | 2,236,096 | 6426.67% |
| Total | <u>\$ 258,755,024</u> | <u>\$ 242,038,903</u> | <u>\$ 16,716,121</u> | 6.91% |

Overall, the General Fund revenues increased by \$16.7 million (6.9%) in 2017 as compared to 2016. The increase in revenues is mainly due to increased revenues in Property Taxes, Fees Sales and Services, Sale of Capital Assets and Transfers In. The Fees, Sales and Service increase were mostly in Paramedic Fees in Fire and Licenses and Permits in Safety and Inspections. The Sale of Capital Assets increase was due to sale of the Ryan Lot near the Science Museum of Minnesota. The increase in Transfers In comes from a nearly \$2 million reimbursement from the State of MN Special Compensation Fund reimbursement related to Workers Comp claims. For 2017, Saint Paul's Local Government Aid increased \$0.24 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 and Investment Income both saw increases of over \$0.9 million.

In 2017, total General Fund revenue in the property tax account category totaled \$81.6 million, which represents an increase of \$5.9 million, or 7.8%, from 2016. Total property tax levied in 2017 was \$113.5 million, an 8.0% increase over 2016. The General Fund's portion of current year collections was \$79.1 million or 69.7% of the city-wide total. The remaining portion of the property tax levy supports the Public Library General Fund, in the amount of \$17.3 million or 15.3%, the HRA General fund for \$3.5 million or 3.1% and the City Debt Service Fund for \$13.5 million or 11.9% of the overall tax levy. In addition to the current year property tax revenue of \$79.1 million, delinquent property tax collections totaled \$0.9 million and the balance of the overall property tax revenue is from \$1.6 million in Tax Increment Financing collections.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City of Saint Paul has had a contractual relationship with CieloStar, (formerly Outsource One, Inc.), since 2006. Cielostar provides employee benefit administration services for the City.

Under past practice, CieloStar carried a stored balance of excess City funds, and upon request would return amounts to the City for personnel and administrative costs incurred by the City's Benefits Department. The "stored balance" funds totaled \$1.2 million late in calendar year 2016, and the City made a decision to transfer the balance at CeiloStar back to the City.

CieloStar made three payments between November 2016 and March 2018 totaling \$1 million, leaving a balance of \$0.2 million. In April 2018, the City sent a demand letter to Cielostar for the return of all remaining stored balance funds. Payment was received on May 4, 2018. At this time all City funds have been returned by CieloStar.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

| Expenditures by Function | 2017 | 2016 | Net Change | Total Percent Change |
|--------------------------|-----------------------|-----------------------|----------------------|----------------------|
| General Government | \$ 45,562,004 | \$ 42,968,691 | \$ 2,593,313 | 6.04% |
| Public Safety | 170,980,396 | 166,916,628 | 4,063,768 | 2.43% |
| Highways and Streets | 2,250,027 | 2,210,714 | 39,313 | 1.78% |
| Culture and Recreation | 29,381,549 | 28,355,355 | 1,026,194 | 3.62% |
| Miscellaneous | 657,907 | 229,496 | 428,411 | 186.67% |
| Debt | 2,009 | 3,042 | (1,033) | (33.96)% |
| Transfers Out | 6,197,692 | 1,890,385 | 4,307,307 | 227.85% |
| Total | \$ 255,031,584 | \$ 242,574,311 | \$ 12,457,273 | 5.14% |

Total General Fund expenditures increased by \$12.5 million or 5.1% as compared to 2016.

Public Safety expenditures increased by \$4.1 million compared to 2016. The increase was mainly due to increased personnel costs for Fire Fighting, Paramedics and Police operations compared to 2016.

General Government increased by \$2.6 million compared to 2016. Departments with the largest increases were General Government Accounts (\$1.2 million), Technology (\$0.2 million), Financial Services (\$0.4 million) and City Attorney (\$0.2 million). Beyond annual increases for existing staff, the largest increase was a \$2 million Tort Liability payment.

Culture and Recreation increased by \$1.0 million compared to 2016. The increase was mainly due to growth in salary and benefits costs in the Parks and Recreation department. Increased expenditures to combat Emerald Ash Borer and Recreation Services account for the remainder.

Transfers Out increased by \$4.3 million compared to 2016. To transition most of the Right of Way Street Program to the General Fund, a one-time Transfer of \$4.3 million was made from the General Fund to the ROW Fund.

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 \$5.5 million on December 31, 2017.

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 \$17.7 million, with expenditures including transfers out of \$17.7 million. The fund again reports a fund balance of \$2.3 million on December 31, 2017.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 fund balance in the HRA General Fund decreased during 2017 by \$0.9 million from the restated January 1, 2017 fund balance to a total of \$10.5 million at December 31, 2017, 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 2017, \$13.5 million was received in taxes, \$1.4 million more than in 2016. The transfers in of \$34.8 million have decreased by \$2.8 million. The total fund revenues and transfers in were \$64.2 million and the fund expenditures and transfers in 2017 totaled \$69.3 million. The fund balance of \$57.0 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 three enterprise funds. Debt service on the bonds is financed by property tax increments, lease payments from the City, and investment earnings. At December 31, 2017, the fund balance is \$8.4 million, which is entirely restricted for future debt service. Total debt spending during 2017 was \$6.5 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 \$43.9 million. This represents an increase in fund balance during the current year of \$2.0 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 2017 ended with an unrestricted net position balance of \$36.4 million at December 31, 2017. The total net position increased in 2017 by \$6.4 million. Total cash is being maintained in the \$30-\$40 million range; total cash balance at December 31, 2017 was \$43.3 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 2017 for implementation on January 1, 2018.

The Sewer Utility Enterprise Fund anticipates maintaining the current unrestricted net position. At this time, the restrictions placed on resources in the Sewer Utility Enterprise Fund are those related to outstanding debt (\$4.7 million), and the restriction for operation and maintenance (\$4.87 million). In March 2017, Standard & Poor's Rating Group assigned the Sewer Utility their rating of revenue bonds as AAA/Negative.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 \$19.3 million at December 31, 2017. The assets of the fund include loans receivable and accrued interest on these loans which are reported at \$4.3 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 \$15.3 million at December 31, 2017. The fund had an overall decrease in net position of \$3.6 million for 2017, primarily due to uses of the Penfield Apartments net sales proceeds that were transferred in from the HRA Penfield Fund in 2016.

The **HRA Parking Enterprise Fund** accounts for the operation of HRA-owned parking facilities in Saint Paul. The fund has unrestricted net position of \$21.5 million at December 31, 2017. Assets in the fund include capital assets for parking facilities reported at the depreciated amount of \$81.5 million. Long-term debt used for financing the construction of the parking facilities is \$44.0 million in principal outstanding at December 31, 2017. The fund had operating income of \$6.3 million during 2017.

The **HRA Penfield Fund** accounts for the Penfield Apartments. The Fund has an overall net position totaling \$0.9 million at December 31, 2017, all of which was unrestricted. The City sold the Penfield property to a private investor on September 22, 2016 for \$65.5 million.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

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 \$255.1 million, of which the adopted budget, including transfers, was \$252.4 million and \$2.7 million of 2016 budget authority carried forward to 2017.

The 2017 actual spending including transfers out was \$255.0 million, as compared to the final budget of \$255.4 million, resulted in a \$0.4 million positive budget-to-actual variance. Actual expenditures were 99.8% of the final budgeted amount.

The 2017 actual financing including transfers in was \$258.8 million compared to the final budget of \$252.8 million, and resulted in a positive variance of \$6.0 million. Actual revenues were 102.4% of the final budgeted amount.

Overall, the General Fund budget to actual results reflected a positive variance of \$6.4 million, with an actual net change in fund balance of \$3.7 million.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

CAPITAL ASSETS

At the end of 2017, the City had invested a total of \$1,695.8 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 \$15.0 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 was financed by a loan from the City and a Minnesota Department of Employment and Economic Development (DEED) grant. The City loan is to be repaid solely from the revenues collected by the HRA from the operations of the Palace Theatre and any sales proceeds in accordance with the DEED grant agreement. Total capital construction costs were \$15.5 million and the theatre was placed into service on March 10, 2017.

In March 2016, the HRA entered into an agreement with the City whereby the HRA will provide up to \$18.3 million in funding for remediation, infrastructure, and other costs for a soccer stadium site located at Snelling and University Avenues. Included in this amount was \$1.5 million for the payment of remediation costs, which has been paid. The developer, MUSC Holdings, LLC, entered into an agreement with the City in April 2016, and is exclusively responsible for all costs associated with the soccer stadium. The City will own the soccer stadium per the agreement with MUSC.

Public Works completed its 22nd year of the Saint Paul Streets (SPS) Program formerly known as the Residential Street Vitality Program (RSVP) by awarding Idaho/Atlantic, Wheelock Parkway and Jackson Street for a total of \$13.2 million of Street Improvement Bonds.

Public Works also awarded Como Avenue, Battle Creek, the Ford Parkway Stabilization, and the 35E Bike Trail Projects for a total of \$23.3 million of Municipal State Aid, Federal Grants, and local funding.

Public Works completed project work on Idaho/Atlantic, Wheelock Parkway, Jackson Street, Como Avenue, Battle Creek, Ford Parkway Stabilization and the 35E Bike Trail. 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 20th year. The Ford Parkway Sanitary Access Shaft, Phase 1 Phalen Creek Storm Tunnel Rehab, 2016 Major Sewer Repairs, 2016 Miscellaneous Sewer Lining, and 2016 Sherman Lift Station Renovation Projects were completed in 2017. In 2017, the City awarded contracts for the following projects: Ashland-Central Sewer Lining, Pond Cleaning and Repairs, Phase 2 Phalen Creek Storm Tunnel Rehab, St. Peter Rondo Emergency Tunnel Repairs, Sibley Lift Station Renovation, and 2017 Major Sewer Repairs.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2017

CAPITAL ASSETS

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

| | Governmental Activities | | Business-type Activities | | Total | | Total Percent Change |
|--------------------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|----------------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Land | \$ 169,278 | \$ 169,278 | \$ 31,540 | \$ 31,540 | \$ 200,818 | \$ 200,818 | 0.00% |
| Buildings and Structures | 422,000 | 405,783 | 55,616 | 58,347 | 477,616 | 464,130 | 2.91% |
| Improvements other than Buildings | 88,476 | 82,293 | - | - | 88,476 | 82,293 | 7.51% |
| Public Improvements | - | - | 275,792 | 271,309 | 275,792 | 271,309 | 1.65% |
| Equipment | 40,858 | 42,949 | 1,882 | 1,948 | 42,740 | 44,897 | (4.80)% |
| Infrastructure | 493,906 | 497,263 | - | - | 493,906 | 497,263 | (0.68)% |
| Construction in Progress | 115,654 | 106,470 | 762 | 4,074 | 116,416 | 110,544 | 5.31% |
| Total | \$ 1,330,172 | \$ 1,304,036 | \$ 365,592 | \$ 367,218 | \$ 1,695,764 | \$ 1,671,254 | 1.47% |

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, 2017

LONG-TERM OBLIGATIONS

During 2017, the City issued \$80.7 million in bonds and \$1.5 million in notes, and retired \$68.5 million in bonds and \$10.7 million in notes, resulting in \$506.1 million in bonds payable and \$72.8 million in notes payable at the end of 2017. Of the bonded debt, \$224.4 million is considered to be gross direct general property tax supported debt; considering the \$57.0 million available in the City Debt Service Fund the net general property tax supported debt at year end was \$167.4 million or \$541 per capita.

The City's General Obligation bonds issued in 2017 the City received AAA ratings from Standard & Poor's Global Ratings and Fitch Ratings. The Sewer Revenue bonds issued in 2017 received an AAA rating from Standard & Poor's Global Ratings and were the City's third 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 |
|--------------------------------------|-------------------------|-----------|--------------------------|-----------|-----------|-----------|----------------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| General Obligation Bonds | \$260,735 | \$237,765 | \$ 16,350 | \$ 18,150 | \$277,085 | \$255,915 | 8.27% |
| Revenue Bonds | - | - | 77,560 | 75,065 | 77,560 | 75,065 | 3.32% |
| Sales Tax Revenue Bonds | 94,575 | 100,040 | - | - | 94,575 | 100,040 | (5.46)% |
| HRA Tax Increment Revenue Bonds | 24,344 | 26,784 | - | - | 24,344 | 26,784 | (9.11)% |
| HRA Parking Facilities Revenue Bonds | - | - | 28,945 | 32,060 | 28,945 | 32,060 | (9.72)% |
| HRA Lease Revenue Bonds | 3,605 | 4,045 | - | - | 3,605 | 4,045 | (10.88)% |
| General Obligation Notes | 7,572 | 10,066 | - | - | 7,572 | 10,066 | (24.78)% |
| Revenue Notes | 46,613 | 51,575 | 2,856 | 4,026 | 49,469 | 55,601 | (11.03)% |
| HRA Revenue Notes | 11,850 | 12,358 | 3,880 | 3,880 | 15,730 | 16,238 | (3.13)% |
| Total | \$449,294 | \$442,633 | \$129,591 | \$133,181 | \$578,885 | \$575,814 | 0.53% |

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, 2017

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 \$224 thousand to \$62.6 million.

The LGA increases approved during the 2013 through 2015 legislative sessions were good steps forward towards a continued balanced and predictable state/local fiscal relationship. However, because of the State of Minnesota's lack of an ongoing commitment to funding LGA in the 2017 legislative session, local government budget planning and service delivery will be less 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, 2017

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Employment Outlook

The 2017 annual average unemployment rate for the City of Saint Paul was reported by the Bureau of Labor Statistics at 2.8%, compared to the state unemployment rate of 3.5% and a U.S. average rate of 4.4%. 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 (64,710 jobs in 2017, 35.2% of total). Other large sectors include public administration (23,313 jobs, 12.7%); professional and business services (22,175 jobs, 12.1%); and trade, transportation, and utilities (18,448 jobs, 10.0%) according to Minnesota Department of Employment and Economic Development.

For 2017, Saint Paul employers paid an average of \$58,825 annually compared to the 2016 average of \$57,499, which represents an increase of 2.3%. An average wage in the Metro increased by 3.3% (\$69,121 vs. \$66,885) and by 3.4% statewide (\$56,147 vs. \$54,288) 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.

General information relating to the City of Saint Paul, Minnesota, can be found at the City's internet website, www.stpaul.gov.

| | Primary Government | | | |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| | Governmental | Business-Type | Totals | Component Units |
| | Activities | Activities | | |
| ASSETS | | | | |
| Cash and Investments | \$ 274,625,577 | \$ 63,218,750 | \$ 337,844,327 | \$ 33,243,426 |
| Investments | - | 4,836,080 | 4,836,080 | 18,890,775 |
| Receivables (Net of Allowance for Uncollectibles) | 73,098,490 | 7,076,709 | 80,175,199 | 11,857,947 |
| Due from Component Units | 1,286,217 | 3,570,929 | 4,857,146 | - |
| Due from Primary Government | - | - | - | 1,290,657 |
| Due from Other Governmental Units | 29,981,182 | 123,455 | 30,104,637 | 729,467 |
| Internal Balances | 6,647,427 | (6,647,427) | - | - |
| Inventories | 9,938,618 | 4,763,653 | 14,702,271 | 2,264,160 |
| Other Assets | - | - | - | 452,621 |
| Restricted Cash and Investments | 250,300 | 20,590,427 | 20,840,727 | 45,013,156 |
| Long Term Receivables | 10,368,308 | 4,644,803 | 15,013,111 | 115,832,380 |
| Capital Assets Not Being Depreciated | | | | |
| Land | 169,277,572 | 31,539,972 | 200,817,544 | 12,090,332 |
| Construction in Progress | 115,653,806 | 762,315 | 116,416,121 | 32,670,139 |
| Capital Assets Net of Accumulated Depreciation | | | | |
| Buildings and Structures | 422,000,599 | 55,615,751 | 477,616,350 | 59,428,246 |
| Improvements Other than Buildings | 88,476,080 | - | 88,476,080 | - |
| Public Improvements | - | 275,791,995 | 275,791,995 | 254,424,077 |
| Equipment | 40,857,628 | 1,882,062 | 42,739,690 | 26,610,078 |
| Infrastructure | 493,905,750 | - | 493,905,750 | - |
| Total Assets | <u>1,736,367,554</u> | <u>467,769,474</u> | <u>2,204,137,028</u> | <u>614,797,461</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unrealized Loss on Derivatives | 6,307,826 | - | 6,307,826 | - |
| Deferred Loss on Debt Refunding | - | 1,750,461 | 1,750,461 | 354,545 |
| Deferred Pension Outflows | 196,160,127 | 3,104,275 | 199,264,402 | 4,148,291 |
| Total Deferred Outflows of Resources | <u>202,467,953</u> | <u>4,854,736</u> | <u>207,322,689</u> | <u>4,502,836</u> |
| LIABILITIES | | | | |
| Accounts Payable and Other Current Liabilities | 30,904,614 | 2,021,970 | 32,926,584 | 9,624,763 |
| Accrued Salaries | 15,576,941 | 384,609 | 15,961,550 | 1,139,484 |
| Due to Component Units | 1,207,989 | 82,668 | 1,290,657 | - |
| Due to Primary Government | - | - | - | 4,857,146 |
| Due to Other Governmental Units | 3,177,763 | 30,765 | 3,208,528 | 3,477,787 |
| Liabilities Payable from Restricted Assets | - | 4,354,722 | 4,354,722 | 81,007,803 |
| Unearned Revenue | 10,681,477 | 2,373,363 | 13,054,840 | 9,694,958 |
| Noncurrent Liabilities: | | | | |
| Due Within One Year | 50,942,685 | 6,448,373 | 57,391,058 | 19,677 |
| Due in More than One Year | 508,198,822 | 125,601,656 | 633,800,478 | 135,922,674 |
| Pollution Remediation Obligation | 400,000 | - | 400,000 | - |
| Net Other Postemployment Benefits Obligation | 57,461,859 | 1,258,060 | 58,719,919 | 5,543,353 |
| Net Pension Liability | 213,434,340 | 6,334,060 | 219,768,400 | 16,793,087 |
| Total Liabilities | <u>891,986,490</u> | <u>148,890,246</u> | <u>1,040,876,736</u> | <u>268,080,732</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension Inflows | 229,562,668 | 2,562,524 | 232,125,192 | 3,345,383 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 942,140,801 | 242,228,344 | 1,184,369,145 | 309,092,911 |
| Restricted for: | | | | |
| General Government | 31,678,130 | - | 31,678,130 | - |
| Public Safety | - | - | - | - |
| Culture and Recreation | 18,841 | - | 18,841 | - |
| Sanitation | 14,398,897 | - | 14,398,897 | - |
| Economic Development | 26,274,911 | - | 26,274,911 | - |
| Debt Service | 65,433,471 | 8,409,013 | 73,842,484 | - |
| Permanent Activities | | | | |
| Expendable | 52,977 | - | 52,977 | - |
| Nonexpendable | 35,000 | - | 35,000 | - |
| Operations and Maintenance | - | 4,890,044 | 4,890,044 | 18,956,621 |
| Grantors | - | 802,592 | 802,592 | - |
| Unrestricted | (276,916,443) | 64,841,447 | (212,074,996) | 19,824,650 |
| Total Net Position | <u>\$ 817,286,349</u> | <u>\$ 321,171,440</u> | <u>\$ 1,138,457,789</u> | <u>\$ 347,874,182</u> |

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

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| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|-----------------------|-------------------------|--|--|--|-----------------------------|-------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-Type Activities | Totals | |
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General Government | \$ 73,149,603 | \$ 42,214,723 | \$ 15,652,113 | \$ - | \$ (15,282,767) | \$ - | \$ (15,282,767) | \$ - |
| Public Safety | 208,246,596 | 44,217,631 | 6,493,685 | - | (157,535,280) | - | (157,535,280) | - |
| Highways and Streets | 94,871,504 | 48,554,728 | 1,444,430 | 16,141,219 | (28,731,127) | - | (28,731,127) | - |
| Sanitation | 5,636,364 | 8,027,575 | - | - | 2,391,211 | - | 2,391,211 | - |
| Health | 2,977,570 | 2,769,502 | - | - | (208,068) | - | (208,068) | - |
| Culture and Recreation | 78,143,487 | 10,031,501 | 9,090,437 | - | (59,021,549) | - | (59,021,549) | - |
| Housing and Economic Development | 52,013,923 | 10,664,668 | 18,155,531 | 576,474 | (22,617,250) | - | (22,617,250) | - |
| Interest and Fiscal Charges | 19,754,218 | - | - | - | (19,754,218) | - | (19,754,218) | - |
| Total Governmental Activities | 534,793,265 | 166,480,328 | 50,836,196 | 16,717,693 | (300,759,048) | - | (300,759,048) | - |
| Business-Type Activities | | | | | | | | |
| Sewer | 47,624,241 | 57,670,729 | - | - | - | 10,046,488 | 10,046,488 | - |
| Development Loan Programs | 889,342 | 284,973 | - | - | - | (604,369) | (604,369) | - |
| Parking Operations | 12,705,422 | 16,654,305 | - | - | - | 3,948,883 | 3,948,883 | - |
| Penfield | 3,608 | - | - | - | - | (3,608) | (3,608) | - |
| Parks, Recreation and Athletics | 2,843,261 | 2,786,697 | - | - | - | (56,564) | (56,564) | - |
| Impound Lot | 2,317,587 | 1,746,275 | - | - | - | (571,312) | (571,312) | - |
| Printing | 1,076,736 | 719,827 | - | - | - | (356,909) | (356,909) | - |
| Total Business-Type Activities | 67,460,197 | 79,862,806 | - | - | - | 12,402,609 | 12,402,609 | - |
| Total Primary Government | \$ 602,253,462 | \$ 246,343,134 | \$ 50,836,196 | \$ 16,717,693 | \$ (300,759,048) | \$ 12,402,609 | \$ (288,356,439) | \$ - |
| Component Units | | | | | | | | |
| RiverCentre Convention & Visitors Authority | \$ 20,362,619 | \$ 12,237,613 | \$ 599,456 | \$ 2,843,633 | \$ - | \$ - | \$ - | \$ (4,681,917) |
| Regional Water Services | 50,384,317 | 62,337,254 | 107,752 | 667,490 | - | - | - | 12,728,179 |
| Port Authority | 33,722,919 | 19,432,334 | 1,846,063 | 1,250,000 | - | - | - | (11,194,522) |
| Total Component Units | \$ 104,469,855 | \$ 94,007,201 | \$ 2,553,271 | \$ 4,761,123 | \$ - | \$ - | \$ - | \$ (3,148,260) |
| General Revenues | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes, Levied for General Purposes | \$ 115,919,094 | \$ 1,103,567 | \$ 117,022,661 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Taxes, Levied for Debt Service | 18,767,103 | - | 18,767,103 | - | - | - | - | 8,709,540 |
| City Sales Tax | 18,911,281 | - | 18,911,281 | - | - | - | - | - |
| Gross Earnings Franchise Fee | 26,329,251 | - | 26,329,251 | - | - | - | - | - |
| Other Taxes | 4,393,095 | - | 4,393,095 | - | - | - | - | 2,223,584 |
| Revenues Not Restricted to Specific Programs | | | | | | | | |
| Local Government Aid | 62,561,686 | - | 62,561,686 | - | - | - | - | - |
| Grants and Contributions | 6,999,822 | 288,414 | 7,288,236 | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 5,620,565 | 319,923 | 5,940,488 | - | - | - | - | 1,181,711 |
| Increase (Decrease) in Fair Value of Investments | (419,396) | 88,790 | (330,606) | - | - | - | - | (59,613) |
| Other Investment Income | 748,361 | 259,186 | 1,007,547 | - | - | - | - | - |
| Gain on Sale of Capital Assets | 2,793,233 | 34,798 | 2,828,031 | - | - | - | - | 51,293 |
| Noncapital Contributions | 21,584,321 | 761,141 | 22,345,462 | - | - | - | - | - |
| Miscellaneous | 437,524 | - | 437,524 | - | - | - | - | 151,350 |
| Transfers | 10,263,505 | (10,263,505) | - | - | - | - | - | - |
| Total General Revenues and Transfers | 294,909,445 | (7,407,686) | 287,501,759 | - | - | - | - | 12,257,865 |
| Change in Net Position | (5,849,603) | 4,994,923 | (854,680) | 9,109,605 | - | - | - | - |
| Net Position, January 1 | 823,135,952 | 316,176,517 | 1,139,312,469 | 338,764,577 | - | - | - | - |
| Net Position, December 31 | \$ 817,286,349 | \$ 321,171,440 | \$ 1,138,457,789 | \$ 347,874,182 | - | - | - | - |

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

| | General | Assessment Financing | Public Library General Fund | HRA General Fund | City Debt Service |
|---|----------------------|-------------------------|--------------------------------|----------------------|----------------------|
| ASSETS | | | | | |
| Cash and Investments with Treasurer | \$ 41,381,815 | \$ 6,029,176 | \$ 2,972,882 | \$ 9,494,151 | \$ 36,459,971 |
| Cash and Investments with Trustees | - | - | - | - | 20,239,090 |
| Imprest Funds | 22,225 | - | - | - | - |
| Accrued Interest Receivable on Investments | 1,111,716 | - | - | 78,975 | 154,476 |
| Property Tax Receivable: | | | | | |
| Due from Ramsey County | 1,976,633 | - | 428,141 | 55,921 | 329,162 |
| Delinquent | 1,211,613 | - | 268,727 | 53,177 | 199,371 |
| Accounts Receivable (Net of Allowance) | 2,344,230 | - | - | 73,958 | - |
| Assessments Receivable | - | 28,528,517 | - | - | 13,354,032 |
| Due from Other Governmental Units | 1,899,812 | - | - | - | - |
| Notes and Loans Receivable | - | - | - | 10,609 | - |
| Due from Xcel Energy | 1,022,234 | - | - | - | - |
| Due from Other Funds | 19,347,263 | - | - | - | - |
| Due from Component Units | - | - | - | - | 13,390 |
| Land Held for Resale | - | - | - | 325,236 | - |
| Restricted Cash and Cash Equivalents | - | - | - | - | - |
| Advance to Other Funds | - | - | - | 774,983 | - |
| TOTAL ASSETS | \$ 70,317,541 | \$ 34,557,693 | \$ 3,669,750 | \$ 10,867,010 | \$ 70,749,492 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accrued Salaries Payable | \$ 11,619,896 | \$ 6,676 | \$ 722,444 | \$ - | \$ 12,601 |
| Accounts Payable | 2,563,768 | 38,722 | 204,855 | 21,270 | 57,605 |
| Contracts/Retention Payable | - | - | - | 216,059 | - |
| Due to Other Funds | 35,084 | - | - | - | - |
| Due to Component Unit | - | - | - | - | - |
| Due to Other Governmental Units | 992,474 | 440 | 55,439 | 1,487 | 803 |
| Advance from Other Funds | 9,778 | 515,495 | - | - | - |
| Unearned Revenue | - | 184,127 | - | - | - |
| Total Liabilities | 15,221,000 | 745,460 | 982,738 | 238,816 | 71,009 |
| Deferred Inflows of Resources | | | | | |
| Unavailable Revenue | 2,427,848 | 28,349,391 | 416,861 | 90,044 | 13,654,578 |
| Fund Balance | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - | 57,023,905 |
| Committed | - | - | 1,831,942 | 6,001,576 | - |
| Assigned | - | 5,462,842 | 438,209 | 4,536,574 | - |
| Unassigned | 52,668,693 | - | - | - | - |
| Total Fund Balances | 52,668,693 | 5,462,842 | 2,270,151 | 10,538,150 | 57,023,905 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 70,317,541 | \$ 34,557,693 | \$ 3,669,750 | \$ 10,867,010 | \$ 70,749,492 |

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

| | HRA Debt Service | City Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 4,405,534 | \$ 47,149,599 | \$ 67,921,725 | \$ 215,814,853 |
| Cash and Investments with Trustees | 3,807,654 | 7,541,538 | 278,178 | 31,866,460 |
| Imprest Funds | - | - | 58,760 | 80,985 |
| Accrued Interest Receivable on Investments | 132,100 | 196,446 | 362,473 | 2,036,186 |
| Property Tax Receivable: | | | | |
| Due from Ramsey County | 125,605 | - | 427,819 | 3,343,281 |
| Delinquent | 37,620 | - | 60,902 | 1,831,410 |
| Accounts Receivable (Net of Allowance) | - | 35,971 | 1,959,398 | 4,413,557 |
| Assessments Receivable | - | - | 19,888,440 | 61,770,989 |
| Due from Other Governmental Units | - | 14,104,314 | 13,719,085 | 29,723,211 |
| Notes and Loans Receivable | - | - | 5,937,229 | 5,947,838 |
| Due from Xcel Energy | - | - | - | 1,022,234 |
| Due from Other Funds | - | - | - | 19,347,263 |
| Due from Component Units | - | 916,846 | 282,289 | 1,212,525 |
| Land Held for Resale | - | - | 6,462,915 | 6,788,151 |
| Restricted Cash and Cash Equivalents | - | - | 250,300 | 250,300 |
| Advance to Other Funds | - | - | 14,028,390 | 14,803,373 |
| TOTAL ASSETS | \$ 8,508,513 | \$ 69,944,714 | \$ 131,637,903 | \$ 400,252,616 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accrued Salaries Payable | \$ - | \$ - | \$ 1,899,297 | \$ 14,260,914 |
| Accounts Payable | 932 | 6,433,957 | 6,348,588 | 15,669,697 |
| Contracts/Retention Payable | - | 2,519,267 | - | 2,735,326 |
| Due to Other Funds | - | 220,000 | 5,186,072 | 5,441,156 |
| Due to Component Unit | - | 1,207,989 | - | 1,207,989 |
| Due to Other Governmental Units | - | 457,419 | 2,915,043 | 4,423,105 |
| Advance from Other Funds | - | 1,682,819 | 17,130,162 | 19,338,254 |
| Unearned Revenue | - | - | 7,323,753 | 7,507,880 |
| Total Liabilities | 932 | 12,521,451 | 40,802,915 | 70,584,321 |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 98,015 | 13,530,895 | 23,758,172 | 82,325,804 |
| Fund Balance | | | | |
| Nonspendable | \$ - | \$ - | \$ 35,000 | \$ 35,000 |
| Restricted | 8,409,566 | 55,784,442 | 30,756,101 | 151,974,014 |
| Committed | - | - | 27,441,629 | 35,275,147 |
| Assigned | - | - | 13,001,514 | 23,439,139 |
| Unassigned | - | (11,892,074) | (4,157,428) | 36,619,191 |
| Total Fund Balances | 8,409,566 | 43,892,368 | 67,076,816 | 247,342,491 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 8,508,513 | \$ 69,944,714 | \$ 131,637,903 | \$ 400,252,616 |

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

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CITY OF SAINT PAUL, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET AND
THE GOVERNMENT - WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Statement 4
(Page 1 of 1)

| | |
|--|----------------|
| Total Fund Balances - Governmental Funds | \$ 247,342,491 |
|--|----------------|

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. | 1,315,219,279 |
|---|---------------|

| | |
|---|------------|
| 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. | 82,325,804 |
|---|------------|

| | |
|--|------------|
| Internal Service funds are used by management to charge the costs of various services provided to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. | 13,237,019 |
|--|------------|

| | |
|---|----------------------|
| Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(840,838,244)</u> |
|---|----------------------|

| | |
|---|------------------------------|
| Net Position of Governmental Activities | <u><u>\$ 817,286,349</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, 2017

Statement 5
(Page 1 of 2)

| | General | Assessment Financing | Public Library General Fund | HRA General Fund | City Debt Service |
|--|---------------|-------------------------|--------------------------------|---------------------|----------------------|
| REVENUES | | | | | |
| Taxes | | | | | |
| Property Taxes | | | | | |
| Current Taxpayer | \$ 79,080,835 | \$ - | \$ 17,329,651 | \$ 3,496,158 | \$ 13,549,379 |
| Current Tax Increment | 1,608,029 | - | - | - | - |
| Delinquent Taxpayer | 950,022 | - | 185,876 | 10,183 | (80,093) |
| Delinquent Tax Increment | (50,755) | - | - | - | - |
| Total Property Taxes | 81,588,131 | - | 17,515,527 | 3,506,341 | 13,469,286 |
| City Sales Tax | - | - | - | - | - |
| Gross Earnings Franchise Fees | 26,329,251 | - | - | - | - |
| Hotel-Motel Tax | 1,942,319 | - | - | - | - |
| Other Taxes | 5,079 | - | - | - | - |
| Total Taxes | 109,864,780 | - | 17,515,527 | 3,506,341 | 13,469,286 |
| Licenses and Permits | 13,300,099 | - | - | - | - |
| Intergovernmental Revenue (Schedule 9) | 74,837,972 | - | 18,401 | - | 3,188,924 |
| Fees, Sales and Services | 45,223,221 | - | - | 3,011,924 | 3,686,351 |
| Assessment Financing | 140,293 | 6,990,135 | - | - | 2,894,430 |
| Investment Income | | | | | |
| Interest Earned on Investments | 2,988,722 | - | - | 265,649 | 505,952 |
| Increase (Decrease) in Fair Value of Investments | (532,434) | - | - | 31,396 | 22,496 |
| Interest Earned - Other | (40,136) | - | - | - | 189,924 |
| Miscellaneous Revenue | | | | | |
| Contributions from Other Sources | 507,589 | - | 8,384 | - | 5,453,705 |
| Program Income | - | - | - | - | - |
| Other | 460,292 | - | 211 | - | 10,238 |
| Total Revenues | 246,750,398 | 6,990,135 | 17,542,523 | 6,815,310 | 29,421,306 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 45,562,004 | 1,828,967 | - | - | 3,778,666 |
| Public Safety | 170,980,396 | 376,152 | - | - | - |
| Highways and Streets | 2,250,027 | - | - | - | - |
| Sanitation | - | - | - | - | - |
| Health | - | - | - | - | - |
| Culture and Recreation | 29,381,549 | - | 17,473,366 | - | - |
| Housing and Economic Development | - | - | - | 7,184,987 | - |
| Capital Outlay | 657,907 | - | - | - | - |
| Debt Service | | | | | |
| Bond Principal | - | - | - | - | 24,725,000 |
| Other Debt Principal | - | - | - | - | 5,925,226 |
| Interest - Bonds | - | - | - | - | 13,005,803 |
| Interest - Other Debt | 2,009 | - | - | - | 1,845,509 |
| Bond Issuance Costs | - | - | - | - | 226,023 |
| Total Expenditures | 248,833,892 | 2,205,119 | 17,473,366 | 7,184,987 | 49,506,227 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,083,494) | 4,785,016 | 69,157 | (369,677) | (20,084,921) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 9,733,736 | 511,323 | 175,000 | 76,486 | 34,775,749 |
| Transfers Out | (6,197,692) | (5,009,604) | (248,622) | (582,499) | (19,745,102) |
| Bonds Issued | - | - | - | - | - |
| Notes Issued | - | - | - | - | - |
| Premium on Bonds Issued | - | - | - | - | - |
| Sale of Capital Assets | 2,270,890 | - | - | - | - |
| Total Other Financing Sources (Uses) | 5,806,934 | (4,498,281) | (73,622) | (506,013) | 15,030,647 |
| Net Change in Fund Balances | 3,723,440 | 286,735 | (4,465) | (875,690) | (5,054,274) |
| FUND BALANCES, January 1-as restated (Note III.C.13.) | 48,945,253 | 5,176,107 | 2,274,616 | 11,413,840 | 62,078,179 |
| FUND BALANCES, December 31 | \$ 52,668,693 | \$ 5,462,842 | \$ 2,270,151 | \$ 10,538,150 | \$ 57,023,905 |

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, 2017

Statement 5
(Page 2 of 2)

| | HRA General Debt Service | City Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-----------------------------|--------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | | | | |
| Current Taxpayer | \$ - | \$ - | \$ - | \$ 113,456,023 |
| Current Tax Increment | 5,302,453 | - | 13,239,956 | 20,150,438 |
| Delinquent Taxpayer | - | - | - | 1,065,988 |
| Delinquent Tax Increment | - | - | - | (50,755) |
| Total Property Taxes | 5,302,453 | - | 13,239,956 | 134,621,694 |
| City Sales Tax | - | - | 18,911,281 | 18,911,281 |
| Gross Earnings Franchise Fees | - | - | - | 26,329,251 |
| Hotel-Motel Tax | - | - | 2,236,872 | 4,179,191 |
| Other Taxes | - | - | 208,825 | 213,904 |
| Total Taxes | 5,302,453 | - | 34,596,934 | 184,255,321 |
| Licenses and Permits | - | - | 2,060,080 | 15,360,179 |
| Intergovernmental Revenue (Schedule 9) | - | 12,034,573 | 37,757,322 | 127,837,192 |
| Fees, Sales and Services | 583,885 | 696,605 | 25,167,885 | 78,369,871 |
| Assessment Financing | - | - | 14,997,024 | 25,021,882 |
| Investment Income | | | | |
| Interest Earned on Investments | 240,532 | 860,103 | 685,913 | 5,546,871 |
| Increase (Decrease) in Fair Value of Investments | (32,120) | 37,116 | 54,597 | (418,949) |
| Interest Earned - Other | - | 50,928 | 546,802 | 747,518 |
| Miscellaneous Revenue | | | | |
| Contributions from Other Sources | 326,269 | - | - | 6,295,947 |
| Program Income | - | 270 | 67,490 | 67,760 |
| Other | - | 1,438,634 | 9,709,356 | 11,618,731 |
| Total Revenues | 6,421,019 | 15,118,229 | 125,643,403 | 454,702,323 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | - | 91,767 | 4,942,002 | 56,203,406 |
| Public Safety | - | 119,383 | 14,188,700 | 185,664,631 |
| Highways and Streets | - | 3,163,534 | 45,179,705 | 50,593,266 |
| Sanitation | - | - | 5,449,642 | 5,449,642 |
| Health | - | - | 2,769,500 | 2,769,500 |
| Culture and Recreation | - | 255,226 | 12,268,724 | 59,378,865 |
| Housing and Economic Development | - | 1,575,722 | 33,407,465 | 42,168,174 |
| Capital Outlay | - | 67,209,058 | 4,423,818 | 72,290,783 |
| Debt Service | | | | |
| Bond Principal | 4,235,000 | - | - | 28,960,000 |
| Other Debt Principal | 300,000 | - | 208,140 | 6,433,366 |
| Interest - Bonds | 1,954,564 | - | - | 14,960,367 |
| Interest - Other Debt | 26,269 | 49,250 | 4,013,506 | 5,936,543 |
| Bond Issuance Costs | 22,124 | 390,997 | - | 639,144 |
| Total Expenditures | 6,537,957 | 72,854,937 | 126,851,202 | 531,447,687 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (116,938) | (57,736,708) | (1,207,799) | (76,745,364) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 131,019 | 15,964,633 | 33,783,042 | 95,150,988 |
| Transfers Out | (3,137,781) | (2,262,014) | (42,813,670) | (79,996,984) |
| Bonds Issued | - | 43,735,000 | - | 43,735,000 |
| Notes Issued | - | - | 1,525,000 | 1,525,000 |
| Premium on Bonds Issued | - | 2,341,792 | - | 2,341,792 |
| Sale of Capital Assets | - | - | 762,332 | 3,033,222 |
| Total Other Financing Sources (Uses) | (3,006,762) | 59,779,411 | (6,743,296) | 65,789,018 |
| Net Change in Fund Balances | (3,123,700) | 2,042,703 | (7,951,095) | (10,956,346) |
| FUND BALANCES, January 1-as restated (Note III.C.13.) | 11,533,266 | 41,849,665 | 75,027,911 | 258,298,837 |
| FUND BALANCES, December 31 | \$ 8,409,566 | \$ 43,892,368 | \$ 67,076,816 | \$ 247,342,491 |

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

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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, 2017

| | |
|---|------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (10,956,346) |
| <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> | 26,662,940 |
| <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> | (344,241) |
| <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> | 13,859,634 |
| <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> | (5,522,762) |
| <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> | (27,762,621) |
| <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>(1,786,207)</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ (5,849,603)</u></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 | | |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash and Investments with Treasurer | \$ 26,972,916 | \$ 14,503,961 | \$ 18,959,445 | \$ 912,293 | \$ - | \$ 61,348,615 | \$ 26,862,329 |
| Cash with Fiscal Agents | - | - | 1,059,965 | - | - | 1,059,965 | - |
| Cash and Investments with Trustees | - | 808,570 | - | - | - | 808,570 | - |
| Imprest Funds | - | - | - | - | 1,600 | 1,600 | 950 |
| Accrued Interest Receivable on Investments | 1,632 | 34,506 | 36,100 | - | - | 72,238 | - |
| Property Taxes Receivable - Delinquent | - | - | 34,763 | - | - | 34,763 | - |
| Accounts Receivable (Net of Allowance) | 40,993 | 14,500 | 598,566 | - | 99,557 | 753,616 | 343,624 |
| Assessments Receivable | 6,202,141 | 13,951 | - | - | - | 6,216,092 | - |
| Due from Other Governmental Units | 32,329 | - | - | - | 91,126 | 123,455 | 257,971 |
| Due from Other Funds | - | - | - | - | - | - | 260,093 |
| Due from Component Units | 3,570,929 | - | - | - | - | 3,570,929 | 73,692 |
| Inventories | 415,214 | - | - | - | 223,297 | 638,511 | 3,150,467 |
| Land Held for Resale | - | 4,125,142 | - | - | - | 4,125,142 | - |
| Restricted Cash and Cash Equivalents | 16,359,260 | - | 4,231,167 | - | - | 20,590,427 | - |
| Total Current Assets | 53,595,414 | 19,500,630 | 24,920,006 | 912,293 | 415,580 | 99,343,923 | 30,949,126 |
| Noncurrent Assets | | | | | | | |
| Restricted Assets | | | | | | | |
| Investment for Revenue Bond Future Debt Service | 4,836,080 | - | - | - | - | 4,836,080 | - |
| Long-Term Receivables (Net of Allowances) | - | 3,889,709 | 236,250 | - | - | 4,125,959 | 4,420,470 |
| Accrued Interest Receivable on Loans | - | 407,181 | 111,663 | - | - | 518,844 | - |
| Advance to Other Funds | - | 3,449,522 | 564,744 | - | - | 4,014,266 | 2,789,868 |
| Capital Assets | | | | | | | |
| Land | 787,113 | - | 27,247,487 | - | 3,505,372 | 31,539,972 | 87,343 |
| Construction in Progress | 564,768 | - | 197,547 | - | - | 762,315 | 53,153 |
| Buildings and Structures | 3,347,053 | - | 109,219,006 | - | 2,683,435 | 115,249,494 | 15,169,540 |
| Less: Accumulated Depreciation | (1,209,221) | - | (56,353,858) | - | (2,070,664) | (59,633,743) | (11,800,281) |
| Public Improvements | 431,704,607 | - | - | - | 48,287 | 431,752,894 | - |
| Less: Accumulated Depreciation | (155,934,997) | - | - | - | (25,902) | (155,960,899) | - |
| Equipment | 2,227,889 | - | 2,944,178 | - | 2,751,984 | 7,924,051 | 33,536,021 |
| Less: Accumulated Depreciation | (1,672,470) | - | (1,726,937) | - | (2,642,582) | (6,041,989) | (22,093,620) |
| Total Noncurrent Assets | 284,650,822 | 7,746,412 | 82,440,080 | - | 4,249,930 | 379,087,244 | 22,162,494 |
| TOTAL ASSETS | \$ 338,246,236 | \$ 27,247,042 | \$ 107,360,086 | \$ 912,293 | \$ 4,665,510 | \$ 478,431,167 | \$ 53,111,620 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Loss on Debt Refunding | \$ 770,542 | \$ - | \$ 979,919 | \$ - | \$ - | \$ 1,750,461 | \$ - |
| Deferred Pension Outflows | 1,390,322 | - | - | - | 1,713,953 | 3,104,275 | 7,293,348 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ 2,160,864 | \$ - | \$ 979,919 | \$ - | \$ 1,713,953 | \$ 4,854,736 | \$ 7,293,348 |

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 | | |
| LIABILITIES | | | | | | | |
| Current Liabilities (Payable from Current Assets) | | | | | | | |
| Accrued Salaries Payable | \$ 247,296 | \$ - | \$ - | \$ - | \$ 137,313 | \$ 384,609 | \$ 1,316,027 |
| Accounts Payable | 671,252 | 47,831 | 1,103,825 | 160 | 113,620 | 1,936,688 | 1,163,434 |
| Contracts Payable | - | 51,192 | - | - | - | 51,192 | - |
| Due to Other Funds | - | - | - | - | 11,102,689 | 11,102,689 | 3,063,511 |
| Due to Component Units | 82,668 | - | - | - | - | 82,668 | - |
| Due to Other Governmental Units | 19,071 | 882 | 171 | - | 10,641 | 30,765 | 106,704 |
| Unearned Revenue | - | 2,359,903 | - | - | 13,460 | 2,373,363 | 3,173,597 |
| Compensated Absences Payable | - | - | - | - | 15,750 | 15,750 | 88,200 |
| General Obligation Bonds Payable | - | - | - | - | - | - | 150,000 |
| Revenue Bonds Payable | 5,179,167 | - | - | - | - | 5,179,167 | - |
| Revenue Notes Payable | 1,159,600 | 93,856 | - | - | - | 1,253,456 | - |
| Capital Lease Payable | - | - | - | - | - | - | 1,772,055 |
| Accrued Interest Payable | 34,090 | - | - | - | - | 34,090 | 16,716 |
| Total Current Liabilities (Payable from Current Assets) | 7,393,144 | 2,553,664 | 1,103,996 | 160 | 11,393,473 | 22,444,437 | 10,850,244 |
| Current Liabilities (Payable from Restricted Assets) | | | | | | | |
| General Obligation Bonds Payable | - | - | 1,850,000 | - | - | 1,850,000 | - |
| Revenue Bonds Payable | 470,833 | - | 1,325,000 | - | - | 1,795,833 | - |
| Accrued Interest Payable | 216,490 | - | 492,399 | - | - | 708,889 | - |
| Total Current Liabilities (Payable from Restricted Assets) | 687,323 | - | 3,667,399 | - | - | 4,354,722 | - |
| Total Current Liabilities | 8,080,467 | 2,553,664 | 4,771,395 | 160 | 11,393,473 | 26,799,159 | 10,850,244 |
| Noncurrent Liabilities | | | | | | | |
| General Obligation Bonds Payable | - | - | 14,885,108 | - | - | 14,885,108 | 901,577 |
| Revenue Bonds Payable | 75,510,621 | - | 29,159,634 | - | - | 104,670,255 | - |
| Revenue Notes Payable | 1,696,309 | 3,786,144 | - | - | - | 5,482,453 | - |
| Capital Lease Payable | - | - | - | - | - | - | 2,131,544 |
| Advance from Other Funds | 44,511 | 814,744 | - | - | - | 859,255 | 1,409,998 |
| Compensated Absences Payable | 289,905 | - | - | - | 273,935 | 563,840 | 2,076,128 |
| Net Other Postemployment Benefits Obligation | 534,085 | - | - | - | 723,975 | 1,258,060 | 4,780,270 |
| Net Pension Liability | 3,452,998 | - | - | - | 2,881,062 | 6,334,060 | 17,405,022 |
| Total Noncurrent Liabilities | 81,528,429 | 4,600,888 | 44,044,742 | - | 3,878,972 | 134,053,031 | 28,704,539 |
| TOTAL LIABILITIES | 89,608,896 | 7,154,552 | 48,816,137 | 160 | 15,272,445 | 160,852,190 | 39,554,783 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Pension Inflows | \$ 1,195,124 | \$ - | \$ - | \$ - | \$ 1,367,400 | \$ 2,562,524 | \$ 6,312,915 |
| NET POSITION | | | | | | | |
| Net Investment in Capital Assets | 203,670,733 | - | 34,307,681 | - | 4,249,930 | 242,228,344 | 9,996,980 |
| Restricted | | | | | | | |
| Debt Service | 4,697,463 | - | 3,711,550 | - | - | 8,409,013 | - |
| Operations and Maintenance | 4,862,826 | - | 27,218 | - | - | 4,890,044 | - |
| Grantors | - | 802,592 | - | - | - | 802,592 | - |
| Unrestricted | 36,372,058 | 19,289,898 | 21,477,419 | 912,133 | (14,510,312) | 63,541,196 | 4,540,290 |
| TOTAL NET POSITION | \$ 249,603,080 | \$ 20,092,490 | \$ 59,523,868 | \$ 912,133 | \$ (10,260,382) | \$ 319,871,189 | \$ 14,537,270 |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds | | | | | | 1,300,251 | |
| Net Position of Business-Type Activities | | | | | | \$ 321,171,440 | |

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

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| | Business Type Activities - Enterprise Funds | | | | | Totals | Governmental Activities - Internal Service Funds |
|---|---|----------------------|----------------------|--------------------|---------------------------------|---------------------|---|
| | Sewer Utility | HRA Loan | HRA Parking | HRA Penfield | Nonmajor Enterprise Funds | | |
| OPERATING REVENUES | | | | | | | |
| Fees, Sales and Services | \$ 57,652,274 | \$ 103,185 | \$ 16,654,305 | \$ - | \$ 4,544,572 | \$ 78,954,336 | \$ 53,969,874 |
| Rents and Leases | 1,100 | - | - | - | 708,200 | 709,300 | 2,038,718 |
| Interest Earned on Loans | - | 181,788 | - | - | - | 181,788 | 212,018 |
| Miscellaneous | 17,355 | - | - | - | 27 | 17,382 | 35,541 |
| Total Operating Revenues | 57,670,729 | 284,973 | 16,654,305 | - | 5,252,799 | 79,862,806 | 56,256,151 |
| OPERATING EXPENSES | | | | | | | |
| Cost of Merchandise Sold | - | - | - | - | 178,909 | 178,909 | 281,420 |
| Salaries | 3,264,734 | - | - | - | 2,210,022 | 5,474,756 | 18,355,313 |
| Employee Fringe Benefits | 1,788,642 | - | - | - | 1,046,167 | 2,834,809 | 8,986,240 |
| Services | 32,449,458 | 852,407 | 7,065,359 | - | 1,994,949 | 42,362,173 | 12,391,492 |
| Materials and Supplies | 385,828 | - | - | - | 511,920 | 897,748 | 10,253,261 |
| Depreciation | 5,676,769 | - | 3,244,400 | - | 155,793 | 9,076,962 | 2,546,430 |
| Miscellaneous | 1,512,193 | - | - | - | 140,048 | 1,652,241 | 53,142 |
| Total Operating Expenses | 45,077,624 | 852,407 | 10,309,759 | - | 6,237,808 | 62,477,598 | 52,867,298 |
| OPERATING INCOME (LOSS) | 12,593,105 | (567,434) | 6,344,546 | - | (985,009) | 17,385,208 | 3,388,853 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | |
| Property Tax Increment | - | - | 1,103,567 | - | - | 1,103,567 | - |
| Intergovernmental Revenue (Schedule 9) | 73,212 | 215,202 | - | - | - | 288,414 | 16,336 |
| Gain on Sale of Capital Assets | 34,798 | - | - | - | - | 34,798 | 104,252 |
| Loss on Retirement of Capital Assets | (2,907) | - | (242,027) | - | - | (244,934) | - |
| Investment Income | | | | | | | |
| Interest Earned on Investments | 98,327 | 148,131 | 73,465 | - | - | 319,923 | (45,418) |
| Increase (Decrease) in Fair Value of Investments | 150,006 | (39,030) | (22,157) | - | (29) | 88,790 | (447) |
| Interest Earned - Other | 101,032 | 158,477 | - | - | (323) | 259,186 | 843 |
| Miscellaneous Other Revenue (Expenses) | - | (8,568) | (8,420) | 756,969 | (278) | 739,703 | 4,894 |
| Interest Expense | | | | | | | |
| General Obligation Bonds | - | - | (1,742,642) | - | - | (1,742,642) | (27,596) |
| Revenue Bonds | (2,467,832) | - | - | - | - | (2,467,832) | - |
| Capital Lease | - | - | - | - | - | - | (116,341) |
| Revenue Notes | (127,031) | (40,719) | - | - | - | (167,750) | - |
| Advance from Other Funds | - | - | - | - | - | - | (10,044) |
| Debt Issuance Costs | (115,359) | - | (433,684) | - | - | (549,043) | - |
| Total Non-Operating Revenues (Expenses) | (2,255,754) | 433,493 | (1,271,898) | 756,969 | (630) | (2,337,820) | (73,521) |
| Income (Loss) Before Transfers | 10,337,351 | (133,941) | 5,072,648 | 756,969 | (985,639) | 15,047,388 | 3,315,332 |
| Transfers In | 3,300 | 379,661 | 2,230,970 | - | 90,380 | 2,704,311 | 1,258,526 |
| Transfers Out | (3,989,781) | (3,869,540) | (2,557,946) | (2,230,970) | (319,579) | (12,967,816) | (6,149,025) |
| Change in Net Position | 6,350,870 | (3,623,820) | 4,745,672 | (1,474,001) | (1,214,838) | 4,783,883 | (1,575,167) |
| NET POSITION, January 1 | 243,252,210 | 23,716,310 | 54,778,196 | 2,386,134 | (9,045,544) | | 16,112,437 |
| NET POSITION, December 31 | \$ 249,603,080 | \$ 20,092,490 | \$ 59,523,868 | \$ 912,133 | \$ (10,260,382) | | \$ 14,537,270 |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds | | | | | | 211,040 | |
| Total Change in Net Position of Business-Type Activities | | | | | | \$ 4,994,923 | |

| | Business-type Activities - Enterprise Funds | | | | | Totals | Governmental Activities - Internal Service Funds |
|---|---|----------------------|----------------------|--------------------|---------------------------------|----------------------|---|
| | Sewer Utility | HRA Loan | HRA Parking | HRA Penfield | Nonmajor Enterprise Funds | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from Loan Recipients and Other Customers | \$ 56,557,960 | \$ 549,183 | \$ 16,600,583 | \$ - | \$ 5,209,724 | \$ 78,917,450 | \$ 6,260,393 |
| Receipts from Other Funds for Services Provided | - | - | - | - | 441,071 | 441,071 | 50,475,543 |
| Payment to Suppliers | (27,568,993) | (819,314) | (7,003,234) | (539,168) | (2,699,348) | (38,630,057) | (18,770,222) |
| Payment to Employees | (3,263,876) | - | - | - | (2,273,435) | (5,537,311) | (18,272,620) |
| Payment for Fringe Benefits and Payroll Taxes | (1,642,391) | - | - | - | (935,602) | (2,577,993) | (6,992,364) |
| Payment to Other Funds for Services Used | (6,622,493) | - | - | - | (309,394) | (6,931,887) | (4,179,940) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 17,460,207 | (270,131) | 9,597,349 | (539,168) | (566,984) | 25,681,273 | 8,520,790 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Transfers In from Other Funds | 3,300 | 379,661 | 2,230,970 | - | 90,380 | 2,704,311 | 1,258,526 |
| Transfers Out to Other Funds | (3,989,781) | (3,869,540) | (2,557,946) | (2,230,970) | (319,579) | (12,967,816) | (6,149,025) |
| Property Tax Increments | - | - | 1,110,290 | - | - | 1,110,290 | - |
| Intergovernmental | 73,212 | 215,202 | - | - | - | 288,414 | 16,336 |
| Nonoperating Contributions Received from Outside Sources | - | - | - | 761,141 | - | 761,141 | - |
| Advance Received From Other Funds | 44,511 | - | - | - | 871,129 | 915,640 | 1,696,955 |
| Collection of Advance Made to Other Governmental Units | - | 78,182 | - | - | - | 78,182 | - |
| Collection of Advance Made to Other Funds | - | 500,815 | - | - | - | 500,815 | - |
| Advance Made to Other Funds | - | - | - | - | - | - | (1,081,581) |
| Repayment of Advance Received from Other Funds | - | - | - | - | (74,917) | (74,917) | (164,305) |
| Interest Paid on Advance Received from Other Funds | - | - | - | - | - | - | (10,044) |
| Collection of an Advance to Other Funds | - | - | - | - | - | - | 544,533 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | (3,868,758) | (2,695,680) | 783,314 | (1,469,829) | 567,013 | (6,683,940) | (3,888,605) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Proceeds from Issuance of Long-term Debt | 8,116,215 | - | 28,945,000 | - | - | 37,061,215 | - |
| Proceeds from Sale of Capital Assets | 34,798 | - | - | - | - | 34,798 | 104,252 |
| Principal Paid On | | | | | | | |
| General Obligation Bonds | - | - | (1,800,000) | - | - | (1,800,000) | (157,763) |
| Revenue Bonds | (5,480,000) | - | (32,060,000) | - | - | (37,540,000) | - |
| Revenue Notes | (1,170,141) | - | - | - | - | (1,170,141) | - |
| Capital Lease | - | - | - | - | - | - | (1,709,198) |
| Payments for Acquisition and Construction of Capital Assets | | | | | | | |
| Buildings and Structures | - | - | (5,316) | - | - | (5,316) | (133,954) |
| Public Improvements | (7,696) | - | (619,866) | - | - | (627,562) | - |
| Equipment | - | - | (398,148) | - | - | (398,148) | (2,229,298) |
| Construction in Progress | (6,474,585) | - | (197,547) | - | - | (6,672,132) | - |
| Interest Paid On | | | | | | | |
| General Obligation Bonds | - | - | (593,581) | - | - | (593,581) | (27,596) |
| Revenue Bonds | (2,679,973) | - | (1,090,170) | - | - | (3,770,143) | - |
| Capital Lease | - | - | - | - | - | - | (122,218) |
| Revenue Notes | (140,693) | (40,719) | - | - | - | (181,412) | - |
| Payments of Bond Issue Costs | (115,359) | - | (433,684) | - | - | (549,043) | - |
| NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES | (7,917,434) | (40,719) | (8,253,312) | - | - | (16,211,465) | (4,275,775) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of Investment Securities | (113,722) | - | - | - | - | (113,722) | - |
| Investment Service Fee Paid | - | (8,568) | (8,420) | (4,172) | - | (21,160) | - |
| Interest and Dividends Received | 226,837 | 274,893 | 41,375 | - | - | 543,105 | (41,415) |
| Increase (Decrease) in Fair Value of Investments | 150,006 | (39,030) | (22,157) | - | (29) | 88,790 | (447) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 263,121 | 227,295 | 10,798 | (4,172) | (29) | 497,013 | (41,862) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 5,937,136 | (2,779,235) | 2,138,149 | (2,013,169) | - | 3,282,881 | 314,548 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 37,395,040 | 18,091,766 | 22,112,428 | 2,925,462 | 1,600 | 80,526,296 | 26,548,731 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 43,332,176 | \$ 15,312,531 | \$ 24,250,577 | \$ 912,293 | \$ 1,600 | \$ 83,809,177 | \$ 26,863,279 |

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 | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | | |
| Operating Income (Loss) | \$ 12,593,105 | \$ (567,434) | \$ 6,344,546 | \$ - | \$ (985,009) | \$ 17,385,208 | \$ 3,388,853 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | | | |
| Depreciation | 5,676,769 | - | 3,244,400 | - | 155,793 | 9,076,962 | 2,546,430 |
| Non-Operating Miscellaneous Revenue (Expense) | - | - | - | - | (278) | (278) | 4,894 |
| Changes in Assets and Liabilities | | | | | | | |
| (Increase) Decrease in | | | | | | | |
| Accounts Receivable | 39,023 | (14,500) | (53,722) | - | 427,870 | 398,671 | 243,854 |
| Assessments Receivable | (205,300) | 4,609 | - | - | - | (200,691) | - |
| Notes and Loans Receivable | - | 365,028 | - | - | - | 365,028 | 399,143 |
| Accrued Interest Receivable | - | 6,562 | - | - | - | 6,562 | - |
| Due from Component Units | (946,939) | - | - | - | - | (946,939) | (18,000) |
| Due from Other Governmental Units | (501) | - | - | - | (34,619) | (35,120) | 96,280 |
| Deferred Pension Outflows | 357,939 | - | - | - | 330,775 | 688,714 | 1,940,875 |
| Inventories | (119,761) | - | - | - | 58,467 | (61,294) | 444,499 |
| Prepaid Items | - | - | - | - | - | - | 3,723 |
| Land Held for Resale | - | 171,512 | - | - | - | 171,512 | - |
| Increase (Decrease) in | | | | | | | |
| Accrued Salaries Payable | 858 | - | - | - | (63,413) | (62,555) | 2,891 |
| Accounts Payable | 274,335 | 30,231 | 62,039 | (539,168) | (237,791) | (410,354) | (310,800) |
| Contracts and Retention Payable | - | 3,235 | - | - | - | 3,235 | - |
| Due to Component Units | 948 | - | - | - | - | 948 | - |
| Due to Other Governmental Units | 1,419 | (373) | 86 | - | (3,314) | (2,182) | (149,425) |
| Net Pension Liability | (864,088) | - | - | - | (1,088,692) | (1,952,780) | (4,685,405) |
| Deferred Pension Inflows | 668,184 | - | - | - | 884,909 | 1,553,093 | 3,623,143 |
| Unearned Revenue | - | (269,001) | - | - | 4,745 | (264,256) | (85,184) |
| Compensated Absences Payable | 19,336 | - | - | - | (111,654) | (92,318) | 139,138 |
| Net Other Postemployment Benefits Obligation | (35,120) | - | - | - | 95,227 | 60,107 | 935,881 |
| Total Adjustments | 4,867,102 | 297,303 | 3,252,803 | (539,168) | 418,025 | 8,296,065 | 5,131,937 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 17,460,207 | \$ (270,131) | \$ 9,597,349 | \$ (539,168) | \$ (566,984) | \$ 25,681,273 | \$ 8,520,790 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION | | | | | | | |
| Cash and Investments with Treasurer | \$ 26,972,916 | \$ 14,503,961 | \$ 18,959,445 | \$ 912,293 | \$ - | \$ 61,348,615 | \$ 26,862,329 |
| Cash Held with Fiscal Agents | - | - | 1,059,965 | - | - | 1,059,965 | - |
| Cash and Investments with Trustees | - | 808,570 | - | - | - | 808,570 | - |
| Imprest Funds | - | - | - | - | 1,600 | 1,600 | 950 |
| Restricted Cash and Investments | 16,359,260 | - | 4,231,167 | - | - | 20,590,427 | - |
| TOTAL CASH AND CASH EQUIVALENTS | \$ 43,332,176 | \$ 15,312,531 | \$ 24,250,577 | \$ 912,293 | \$ 1,600 | \$ 83,809,177 | \$ 26,863,279 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | |
| Capital Assets Purchased on Account | | | | | | | |
| Public Improvements | \$ 241,936 | \$ - | \$ - | \$ - | \$ - | \$ 241,936 | \$ - |
| Loss on Capital Assets | - | - | (242,027) | - | - | (242,027) | - |

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CITY OF SAINT PAUL, MINNESOTA
STATEMENT OF NET POSITION
AGENCY FUNDS
DECEMBER 31, 2017

Statement 10
(Page 1 of 1)

ASSETS

| | | |
|--|----|-------------|
| Cash and Investments with Treasurer | \$ | 3,308,771 |
| Receivables | | |
| Accounts (net of allowance for estimated uncollectibles) | | 12,068 |
| | | <hr/> |
| TOTAL ASSETS | \$ | 3,320,839 |
| | | <hr/> <hr/> |

LIABILITIES

| | | |
|---------------------------------|----|-------------|
| Accounts Payable | \$ | 2,140,418 |
| Due to Other Governmental Units | | 1,180,421 |
| | | <hr/> |
| TOTAL LIABILITIES | \$ | 3,320,839 |
| | | <hr/> <hr/> |

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

| | RiverCentre Convention & Visitors Authority | Regional Water Services | Port Authority | Totals |
|--|--|----------------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | \$ 4,038,602 | \$ 27,817,037 | \$ 1,339,772 | \$ 33,195,411 |
| Investments | 1,160,100 | 9,835,379 | 7,895,296 | 18,890,775 |
| Departmental Cash | - | 46,015 | - | 46,015 |
| Imprest Funds | - | 2,000 | - | 2,000 |
| Restricted Cash and Cash Equivalents | | | | |
| Cash for General Obligation Debt Service | - | - | 21,584,603 | 21,584,603 |
| Cash for Revenue Bond Debt Service | - | - | 710,351 | 710,351 |
| Investments for Operations | 394,765 | - | - | 394,765 |
| Investments for General Obligation Bond Debt Service | - | - | 7,132,356 | 7,132,356 |
| Investments for Revenue Bond Debt Service | - | 2,894,900 | - | 2,894,900 |
| Investments for Revenue Note Debt Service | - | 2,147,389 | - | 2,147,389 |
| Receivables | | | | |
| Accounts (net of allowance for Estimated Uncollectibles) | 1,285,877 | 5,878,636 | 1,526,790 | 8,691,303 |
| Assessments | - | 2,847,555 | - | 2,847,555 |
| Accrued Interest | - | 265,342 | 53,747 | 319,089 |
| Due from Primary Government | - | 82,668 | 1,207,989 | 1,290,657 |
| Due from Other Governmental Units | - | 729,467 | - | 729,467 |
| Inventory - Materials and Supplies | - | 2,209,887 | 54,273 | 2,264,160 |
| Prepaid Items | 134,214 | - | 318,407 | 452,621 |
| Total Current Assets | 7,013,558 | 54,756,275 | 41,823,584 | 103,593,417 |
| Noncurrent Assets | | | | |
| Restricted Assets | | | | |
| Investments for Operations | 3,227,491 | - | - | 3,227,491 |
| Investments for Revenue Bond Future Debt Service | - | 5,050,682 | - | 5,050,682 |
| Investments for Revenue Bond Operations and Maintenance | - | 1,870,619 | - | 1,870,619 |
| Total Restricted Assets | 3,227,491 | 6,921,301 | - | 10,148,792 |
| Other Assets | | | | |
| Other Long-Term Receivables | - | 91,095 | 64,772,193 | 64,863,288 |
| Taxes Receivable | - | - | 50,969,092 | 50,969,092 |
| Total Other Assets | - | 91,095 | 115,741,285 | 115,832,380 |
| Capital Assets | | | | |
| Land | - | 4,061,766 | 8,028,566 | 12,090,332 |
| Buildings and Structures | - | 57,603,238 | 64,014,264 | 121,617,502 |
| Less: Accumulated Depreciation | - | (25,866,215) | (36,323,041) | (62,189,256) |
| Public Improvements | - | 393,927,790 | - | 393,927,790 |
| Less: Accumulated Depreciation | - | (139,503,713) | - | (139,503,713) |
| Equipment | 417,820 | 57,835,368 | 4,016,908 | 62,270,096 |
| Less: Accumulated Depreciation | (291,586) | (32,943,825) | (2,424,607) | (35,660,018) |
| Construction in Progress | - | 18,097,642 | 14,572,497 | 32,670,139 |
| Total Capital Assets | 126,234 | 333,212,051 | 51,884,587 | 385,222,872 |
| Total Noncurrent Assets | 3,353,725 | 340,224,447 | 167,625,872 | 511,204,044 |
| TOTAL ASSETS | 10,367,283 | 394,980,722 | 209,449,456 | 614,797,461 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Loss on Debt Refunding | - | - | 354,545 | 354,545 |
| Deferred Pension Outflows | - | 3,813,972 | 334,319 | 4,148,291 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | - | 3,813,972 | 688,864 | 4,502,836 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | \$ 10,367,283 | \$ 398,794,694 | \$ 210,138,320 | \$ 619,300,297 |

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

| | RiverCentre Convention & Visitors Authority | Regional Water Services | Port Authority | Totals |
|--|--|----------------------------|----------------------|-----------------------|
| LIABILITIES | | | | |
| Current Liabilities (Payable from Current Assets) | | | | |
| Accrued Salaries Payable | \$ 92,989 | \$ 962,740 | \$ 44,317 | \$ 1,100,046 |
| Compensated Absences Payable | - | 39,438 | - | 39,438 |
| Claims and Judgments Payable | - | 641,126 | - | 641,126 |
| Accounts Payable | 1,202,498 | 2,262,239 | 5,204,753 | 8,669,490 |
| Contract Retention Payable | - | 314,147 | - | 314,147 |
| Due to Primary Government | - | 4,857,146 | - | 4,857,146 |
| Due to Other Governmental Units | - | 3,461,227 | 16,560 | 3,477,787 |
| Unearned Revenue | 579,418 | 195,059 | 8,920,481 | 9,694,958 |
| Revenue Notes Payable | 19,677 | - | - | 19,677 |
| Total Current Liabilities (Payable from Current Assets) | <u>1,894,582</u> | <u>12,733,122</u> | <u>14,186,111</u> | <u>28,813,815</u> |
| Current Liabilities (Payable from Restricted Assets) | | | | |
| General Obligation Bonds | - | - | 2,310,000 | 2,310,000 |
| Revenue Bonds Payable | - | 2,625,000 | 35,011,571 | 37,636,571 |
| Revenue Notes Payable | - | 1,634,067 | 4,156,984 | 5,791,051 |
| Accrued Interest Payable | | | | |
| General Obligation Bonds | - | - | 429,668 | 429,668 |
| Revenue Bonds | - | 22,491 | 34,321,904 | 34,344,395 |
| Revenue Notes | - | 40,253 | 455,865 | 496,118 |
| Total Current Liabilities (Payable from Restricted Assets) | <u>-</u> | <u>4,321,811</u> | <u>76,685,992</u> | <u>81,007,803</u> |
| Total Current Liabilities | <u>1,894,582</u> | <u>17,054,933</u> | <u>90,872,103</u> | <u>109,821,618</u> |
| Noncurrent Liabilities | | | | |
| General Obligation Bonds Payable | - | - | 32,153,890 | 32,153,890 |
| Revenue Bonds Payable | - | 8,319,275 | 30,943,789 | 39,263,064 |
| Revenue Notes Payable | 62,695 | 27,140,295 | 31,303,259 | 58,506,249 |
| Compensated Absences Payable | - | 1,710,276 | - | 1,710,276 |
| Net Other Postemployment Benefits Obligation | - | 4,942,617 | 600,736 | 5,543,353 |
| Net Pension Liability | - | 15,439,693 | 1,353,394 | 16,793,087 |
| Claims and Judgments Payable | - | 4,289,195 | - | 4,289,195 |
| Total Noncurrent Liabilities | <u>62,695</u> | <u>61,841,351</u> | <u>96,355,068</u> | <u>158,259,114</u> |
| TOTAL LIABILITIES | <u>1,957,277</u> | <u>78,896,284</u> | <u>187,227,171</u> | <u>268,080,732</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension Inflows | - | 2,963,272 | 382,111 | 3,345,383 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | <u>1,957,277</u> | <u>81,859,556</u> | <u>187,609,282</u> | <u>271,426,115</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 126,234 | 293,493,414 | 15,473,263 | 309,092,911 |
| Restricted | - | 11,900,846 | 7,055,775 | 18,956,621 |
| Unrestricted | 8,283,772 | 11,540,878 | - | 19,824,650 |
| TOTAL NET POSITION | <u>\$ 8,410,006</u> | <u>\$ 316,935,138</u> | <u>\$ 22,529,038</u> | <u>\$ 347,874,182</u> |

| | 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 | \$ 20,362,619 | \$ 12,237,613 | \$ 599,456 | \$ 2,843,633 | \$ (4,681,917) | \$ - | \$ - | \$ (4,681,917) |
| Regional Water Services | 50,384,317 | 62,337,254 | 107,752 | 667,490 | - | 12,728,179 | - | 12,728,179 |
| Port Authority | 33,722,919 | 19,432,334 | 1,846,063 | 1,250,000 | - | - | (11,194,522) | (11,194,522) |
| Total Component Units | \$ 104,469,855 | \$ 94,007,201 | \$ 2,553,271 | \$ 4,761,123 | \$ (4,681,917) | \$ 12,728,179 | \$ (11,194,522) | \$ (3,148,260) |
| General Revenues | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes, Levied for Debt Service | | | | | \$ - | \$ - | \$ 8,709,540 | \$ 8,709,540 |
| Hotel/Motel Tax | | | | | 2,223,584 | - | - | 2,223,584 |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | | | | | 51,200 | 823,543 | 306,968 | 1,181,711 |
| Increase (Decrease) in Fair Value of Investments | | | | | 57,251 | (37,880) | (78,984) | (59,613) |
| Gain on Sale of Capital Assets | | | | | - | 51,293 | - | 51,293 |
| Miscellaneous | | | | | 46,507 | 104,843 | - | 151,350 |
| Total General Revenues | | | | | 2,378,542 | 941,799 | 8,937,524 | 12,257,865 |
| Change in Net Position | | | | | (2,303,375) | 13,669,978 | (2,256,998) | 9,109,605 |
| NET POSITION, January 1 | | | | | 10,713,381 | 303,265,160 | 24,786,036 | 338,764,577 |
| NET POSITION, December 31 | | | | | <u>\$ 8,410,006</u> | <u>\$ 316,935,138</u> | <u>\$ 22,529,038</u> | <u>\$ 347,874,182</u> |

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. In September 2016, the Penfield Apartments were sold to LIPT, LLC and the sales proceeds paid off the existing mortgages. Separate financial statements since then are not available.

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 and a special projects 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 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, 2017, was \$8,547,925. The 2017 operations resulted in a decrease of \$372,924 to net position. During 2017, 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, 2017. 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.

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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.

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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

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.

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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 and 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.

Note III. Summary of Significant Accounting Policies (continued)

C. 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 2017, the City recorded a "decrease in fair value of investments" as negative investment income of \$419,396 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.

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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
- 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 Tax Increment Capital Projects

Permanent Fund:

- Parks Memorial

Enterprise Funds:

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

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, 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. 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 assets 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 economic experience, and differences between projected and actual investment earnings are reported as deferred outflows of resources.

Note III. Summary of Significant Accounting Policies (continued)

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 expected 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, 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 economic 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 expected 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method.

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 \$2.0 billion at December 31, 2017. 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 160 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 the Public Employee's Retirement Association (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.

13. Restatement of Fund Balance

On January 1, 2017, the fund balances for various governmental funds were corrected to eliminate certain components of deferred inflows and include them as a component of fund balance and classify them accordingly. The details of these changes, totaling \$2,142,854, are as follows:

| | HRA General Fund | HRA Tax Increment Capital Projects Fund | HRA Development Capital Projects Fund | Total Governmental Funds |
|---|---------------------|--|---|--------------------------------|
| Fund Balance, January 1, 2017 as previously reported | \$11,085,847 | \$28,432,576 | \$1,871,563 | \$41,389,986 |
| Eliminate Deferred Inflows - Land Held for Resale | 327,993 | 982,328 | 832,533 | 2,142,854 |
| Fund Balance, January 1, 2017 as restated | <u>\$11,413,840</u> | <u>\$29,414,904</u> | <u>\$2,704,096</u> | <u>\$43,532,840</u> |

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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 | \$ 2,134,649,420 |
| Accumulated Depreciation | <u>(819,430,141)</u> |
| Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities | <u>\$ 1,315,219,279</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 | \$ 30,121,546 |
| Public Safety Revenues | 1,425,325 |
| Highways and Streets Revenues | 33,590,752 |
| Sanitation Revenues | 8,154,806 |
| Health Revenues | 101,902 |
| Housing and Economic Development Revenues | 5,504,702 |
| Property Taxes | 2,769,032 |
| Interest Earned on Investments | <u>657,739</u> |
| Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities | <u>\$ 82,325,804</u> |

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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 | \$ (400,000) |
| Deferred Outflow - Unrealized Loss on Derivatives | 6,307,826 |
| Derivative Interest Swap | (6,307,826) |
| Deferred Pension Outflows | 188,866,779 |
| Deferred Pension Inflows | (223,249,753) |
| General Obligation Bonds | (259,730,000) |
| Revenue Bonds | (122,524,000) |
| Bond Discount and Premium | (18,399,686) |
| Revenue Notes | (66,034,419) |
| Note Discount and Premium | (214,060) |
| Capital Leases | (4,691,092) |
| Compensated Absences | (16,638,901) |
| Net Other Postemployment Benefits Obligation | (52,681,589) |
| Claims and Judgments | (63,789,845) |
| Net Pension Liability | (196,029,318) |
| Accrued Interest Payable | <u>(5,322,360)</u> |
| Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities | <u>\$ (840,838,244)</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 VI 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 | \$ 72,290,783 |
| Capital outlay expenditures not capitalized | (1,343,609) |
| Depreciation is reported in the government-wide statements | <u>(44,284,234)</u> |
| Net Excess (Deficit) of Capital Outlay Over Depreciation | <u>\$ 26,662,940</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 | \$ (43,735,000) | |
| Premium on General Obligations Bonds | (2,341,791) | |
| Revenue Notes | <u>(1,525,000)</u> | |
| Total Debt Issued | | \$ (47,601,791) |
| Principal Payments | | |
| General Obligations Bonds | \$ 20,615,000 | |
| Revenue Bonds | 8,345,000 | |
| Revenue Notes | 4,739,610 | |
| Capital Lease | <u>1,693,756</u> | |
| Total Principal Payments | | 35,393,366 |
| Debt forgiveness on State Loan | | 4,750,000 |
| Interest on Debt | 445,652 | |
| Amortization of Premium | <u>1,490,011</u> | |
| Total Interest | | <u>1,935,663</u> |
| Net Adjustment to Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | | <u>\$ (5,522,762)</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 | \$ 1,361,231 |
| Net Other Postemployment Benefits Obligation | (4,849,591) |
| Claims and Judgments | (8,013,143) |
| Pollution Remediation Obligation | 1,189,421 |
| Net Pension Liability | 265,773,491 |
| Deferred Pension Outflows | (115,970,409) |
| Deferred Pension Inflows | <u>(167,253,621)</u> |
| Net Adjustment to Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ (27,762,621)</u> |

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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 2017 budgets:

- a. On August 10, 2016, 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 7, 2016, to obtain taxpayer comments.
- c. The budget was legally adopted through passage of council resolution #16-2160 during the City Council meeting on December 14, 2016.

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 2017 budgets:

- a. The Executive Director presented a proposed budget to the HRA Board of Commissioners for the fiscal year commencing January 1, 2017. 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 #16-2152 during the City Council meeting on December 14, 2016.

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 2017 budgets:

- a. On August 10, 2016, 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 7, 2016, to obtain taxpayer comments.
- c. The budget was legally adopted through passage of Saint Paul Library Agency resolution #16-2133 during the Library Board meeting on December 14, 2016.

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 but are not reported.

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Note V. Stewardship, Compliance and Accountability (continued)

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

| | Fund Balances 1/1/17 | Revenues | Expenditures | Net Other Financing Sources (Uses) | Fund Balances 12/31/17 |
|--------------------------------------|-------------------------|----------------------|-------------------------|--|---------------------------|
| SPECIAL REVENUE FUNDS | | | | | |
| Assessment Financing | \$ 5,176,107 | \$ 6,990,135 | \$ (2,205,119) | \$ (4,498,281) | \$ 5,462,842 |
| Public Library General Fund | 2,274,616 | 17,542,523 | (17,473,366) | (73,622) | 2,270,151 |
| HRA General Fund* | 11,413,840 | 6,815,310 | (7,184,987) | (506,013) | 10,538,150 |
| Annually Budgeted Nonmajor Funds | 14,862,441 | 59,942,129 | (77,403,695) | 13,334,426 | 10,735,301 |
| Total Annually Budgeted Funds | \$ 33,727,004 | \$ 91,290,097 | \$ (104,267,167) | \$ 8,256,510 | \$ 29,006,444 |

*HRA General Fund balance as of 1/1/17 was restated. This balance reflects this change.

5. Appropriation Revisions

Budgeted amounts are as originally adopted or as amended by the City Council. During 2017, 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 | \$ 252,891,467 | \$ 2,579,996 | \$ 255,471,463 |
| Special Revenue Funds | 124,605,981 | 409,180 | 125,015,161 |
| 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.

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 2017. 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.

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, 2017:

| | <u>Fund Balance/ Net Position</u> |
|--|---------------------------------------|
| Special Revenue Funds: | |
| Fire Responsive Services | \$ (797,347) |
| Police Special Projects | (111,796) |
| Public Health | (48,405) |
| Como Campus | (3,046,599) |
| Enterprise Funds: | |
| Parks Special Services | (6,015,598) |
| Impound Lot | (3,979,438) |
| River Print | (265,346) |
| Internal Service Funds: | |
| Equipment Services Fire-Police | (1,832,607) |
| Public Works Administration | (516,717) |
| Public Works Engineering | (2,941,551) |
| Parks Supply and Maintenance | (608,053) |
| Planning and Economic Development Administration | (4,531,119) |

Note V. Stewardship, Compliance and Accountability (continued)

D. Excess of Expenditures over Appropriations in Individual Funds

Total expenditures exceeded total appropriations in the following fund:

| | Final Budgeted Amounts | Actual | Variance with Final Budgets |
|-------------------------------------|---------------------------|--------------|--------------------------------|
| Special Revenue Funds: | | | |
| General Government Special Projects | \$ 3,606,090 | \$ 4,266,811 | \$ (660,721) |

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: | | | |
| Mayor's Office | \$ 1,959,123 | \$ 2,004,592 | \$ (45,469) |
| Human Resources | 4,327,954 | 4,371,076 | (43,122) |
| Other* | 9,393,250 | 10,607,080 | (1,213,830) |
| Fire and Safety Services | 60,725,965 | 61,334,477 | (608,512) |
| Police | 89,826,864 | 90,542,368 | (715,504) |
| Emergency Management | 428,046 | 458,180 | (30,134) |

*This is the General Government Accounts grouping; the negative budget variance is due to Tort Liability payouts.

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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, 2017, the City's bank balance of checking and interest-bearing accounts and certificates of deposit totaled \$65,074,915 which is also the City's carrying amount of these balances. As of December 31, 2017, the City's deposits were not exposed to custodial credit risk.

Imprest Funds on Hand

At December 31, 2017, the City had total imprest funds of \$83,535 on hand.

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, 2017, is as follows:

| Investment Type | | S&P Global | | Moody's Investor Service | | |
|--------------------------------------|----------------------------|------------|-------------|----------------------------|----|-------------|
| US Treasury Securities | AA+ | \$ | 31,540,321 | Aaa | \$ | 31,540,321 |
| US Federal Agency Obligations | AAA | | - | Aaa | | 143,550,171 |
| | AA+ | | 143,550,171 | Aa1 | | - |
| Total US Federal Agencies | | | 143,550,171 | | | 143,550,171 |
| US Mortgage Obligations | AAA | | 745,029 | Aaa | | 59,827,596 |
| | AA+ | | 59,082,567 | Aa1 | | - |
| Total Mortgage Obligations | | | 59,827,596 | | | 59,827,596 |
| Municipal Bonds | AAA | | 15,783,862 | Aaa | | 10,938,377 |
| | AA+ | | 11,270,251 | Aa1 | | 12,007,982 |
| | AA | | 7,654,533 | Aa2 | | 20,608,770 |
| | AA- | | 2,598,908 | Aa3 | | 2,310,769 |
| | A+ | | 1,060,731 | A1 | | 1,044,929 |
| | Not Rated | | 19,477,616 | Not Rated | | 10,935,074 |
| Total Municipal Bonds | | | 57,845,901 | | | 57,845,901 |
| Government Money Market Mutual Funds | AAA-mG | | 1,621,610 | Aaa-mf | | 1,621,610 |
| Negotiable Certificates of Deposit | Collateralized - Not Rated | | 10,000,000 | Collateralized - Not Rated | | 10,000,000 |
| Total Investments | | \$ | 304,385,599 | | \$ | 304,385,599 |

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, 2017.

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, 2017, 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, 2017, the City had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>2 - 5 Years</u> | <u>6 - 10 Years</u> | <u>More Than 10 Years</u> |
|--------------------------------------|-----------------------|-----------------------------|------------------------|-------------------------|-------------------------------|
| US Treasury Securities | \$ 31,540,321 | \$ 972,397 | \$ 22,059,374 | \$ 8,508,550 | \$ - |
| US Federal Agency Obligations | 143,550,171 | 49,671,128 | 22,629,826 | 49,069,537 | 22,179,680 |
| US Mortgage Obligations | 59,827,596 | 210,017 | 12,929,323 | 17,911,936 | 28,776,320 |
| Municipal Bonds | 57,845,901 | 2,889,695 | 31,236,163 | 19,369,087 | 4,350,956 |
| Government Money Market Mutual Funds | 1,621,610 | 1,621,610 | - | - | - |
| Negotiable Certificates of Deposit | 10,000,000 | 10,000,000 | - | - | - |
| Total Investments | \$ 304,385,599 | \$ 65,364,847 | \$ 88,854,686 | \$ 94,859,110 | \$ 55,306,956 |

Included in the total investment pool of \$304,385,599 is an equity investment of the RiverCentre Convention & Visitors Authority, a component unit of the City, in the amount of \$2,714,144. The remaining amount of \$301,671,455 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.

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Note VI. Detailed Notes on All Funds (continued)

As of December 31, 2017, the City had the following externally managed investments in its investment pool.

| | <u>Fair Value</u> | <u>Effective Duration</u> |
|---|-----------------------|---------------------------|
| Nuveen | \$ 29,816,693 | 3.74 |
| Galliard | 43,866,959 | 3.61 |
| Advantus | 14,712,278 | 3.4 |
| RBC | <u>43,119,889</u> | 3.77 |
| Total Externally Managed Investments | <u>\$ 131,515,819</u> | |
| Benchmark (80% Barclay's Interm Gov'Y20% 15 Year MBS) | | 3.73 |

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.

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Note VI. Detailed Notes on All Funds (continued)

At December 31, 2017, the City had the following recurring fair value measurements:

| Investments By Fair Value Level | <u>Fair Value Measurement Using</u> | | | |
|--|-------------------------------------|----------------------|-----------------------|-------------------|
| | <u>12/31/2017</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| US Treasury Securities | \$ 31,540,321 | \$ 31,540,321 | \$ - | \$ - |
| US Federal Agency Obligations | 143,550,171 | - | 143,550,171 | - |
| US Mortgage Obligations | 59,827,596 | - | 59,827,596 | - |
| Municipal Bonds | 57,845,901 | - | 57,164,334 | 681,567 |
| Total Investments by Fair Value | \$ 292,763,989 | \$ 31,540,321 | \$ 260,542,101 | \$ 681,567 |
| | | | | |
| Investments at Net Asset Value | | | | |
| Government Mutual Funds | 1,621,610 | | | |
| Negotiable Certificates of Deposit | 10,000,000 | | | |
| Total Investments at Net Assets Value | 11,621,610 | | | |
| | | | | |
| Total Investments | \$ 304,385,599 | | | |

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. Federal agency obligations are valued using a market approach by utilizing quoted prices for identical securities in markets that are not active;
- 2) U.S. Mortgage obligations are valued using a matrix pricing based on the securities relationship to benchmark quoted prices; and
- 3) Municipal bonds are valued using a market approach utilizing quoted prices for similar securities in active markets.

Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among the underlying security of an asset. The municipal bonds classified in Level 3 are valued using consensus data.

The City invests in government mutual funds for the benefit of liquid investments that can be readily converted into cash. Government mutual funds held by the City seek a constant net asset value (NAV) of \$1.00 per share. The government mutual funds reserve the right to require one or more day's prior notice before permitting withdrawals. The City also holds negotiable certificates of deposit which will mature and be redeemed one year from issuance. The fair value is based on current market conditions. The City invests in these certificates of deposit with local financial institutions as part of its socially responsible investment fund.

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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 | \$ 65,074,915 | Cash and Investments with Treasurer | \$ 307,334,568 |
| Investments | 301,671,455 | Cash With Fiscal Agents | 1,059,965 |
| Imprest Funds on Hand | <u>83,535</u> | Cash and Investments with Trustees | 32,675,030 |
| | | Imprest Funds | 83,535 |
| | | Restricted Cash and Cash Equivalents | 20,840,727 |
| | | Investment for Revenue Bond Future Debt Service | <u>4,836,080</u> |
| Total | <u>\$ 366,829,905</u> | Total | <u>\$ 366,829,905</u> |

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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 Debt Service | HRA Debt Service | City Capital Projects | Nonmajor Governmental Funds | Total | Internal Service Funds |
|--|---------------------|----------------------|-----------------------------|-------------------|----------------------|-------------------|----------------------|-----------------------|-----------------------------|-------------------|------------------------|
| | | | | General Fund | Fund | | | | | | |
| Receivables: | | | | | | | | | | | |
| Taxes | \$ 3,188,246 | \$ - | \$ 696,868 | \$109,098 | \$ 528,533 | \$ 163,225 | \$ - | \$ 488,721 | \$ 5,174,691 | \$ - | |
| Accounts | 2,826,482 | - | - | 73,958 | - | - | 35,971 | 2,930,669 | 5,867,080 | 897,529 | |
| Assessments | - | 28,528,517 | - | - | 13,354,032 | - | - | 19,888,440 | 61,770,989 | - | |
| Notes and Loans | - | - | - | 10,609 | - | - | - | 5,937,229 | 5,947,838 | - | |
| Accrued Interest | 1,111,716 | - | - | 78,975 | 154,476 | 132,100 | 196,446 | 362,473 | 2,036,186 | - | |
| Xcel Energy | 1,022,234 | - | - | - | - | - | - | - | 1,022,234 | - | |
| Intergovernmental | 1,899,812 | - | - | - | - | - | 14,104,314 | 13,719,085 | 29,723,211 | 257,971 | |
| Gross Receivables | 10,048,490 | 28,528,517 | 696,868 | 272,640 | 14,037,041 | 295,325 | 14,336,731 | 43,326,617 | 111,542,229 | 1,155,500 | |
| Less: Allowance for Uncollectibles | (482,252) | - | - | - | - | - | - | (971,271) | (1,453,523) | (553,905) | |
| Net Total Receivables | \$ 9,566,238 | \$ 28,528,517 | \$ 696,868 | \$ 272,640 | \$ 14,037,041 | \$ 295,325 | \$ 14,336,731 | \$ 42,355,346 | \$ 110,088,706 | \$ 601,595 | |
| Amounts not expected to be collected within one year | \$ - | \$ 22,114,836 | \$ - | \$ - | \$ 11,068,566 | \$ - | \$ - | \$ - | \$ 33,183,402 | \$ - | |

| Business-Type Activities | Sewer Utility | HRA Loan | HRA Parking | Nonmajor Enterprise Funds | Total |
|------------------------------------|---------------------|------------------|-------------------|---------------------------|---------------------|
| Receivables: | | | | | |
| Taxes | \$ - | \$ - | \$ 34,763 | \$ - | \$ 34,763 |
| Accounts | 54,887 | 14,500 | 598,566 | 175,894 | 843,847 |
| Assessments | 6,202,141 | 13,951 | - | - | 6,216,092 |
| Accrued Interest | 1,632 | 34,506 | 36,100 | - | 72,238 |
| Intergovernmental | 32,329 | - | - | 91,126 | 123,455 |
| Gross Receivables | 6,290,989 | 62,957 | 669,429 | 267,020 | 7,290,395 |
| Less: Allowance for Uncollectibles | (13,894) | - | - | (76,337) | (90,231) |
| Net Total Receivables | \$ 6,277,095 | \$ 62,957 | \$ 669,429 | \$ 190,683 | \$ 7,200,164 |

Note VI. Detailed Notes on All Funds (continued)

Property Taxes

For property taxes collectible in 2017, Saint Paul's taxable net tax capacity (including Tax Increment Districts) was \$267,945,120; the estimated fair value was \$22,064,311,000; the net tax capacity was 1.21% 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, 2017, were as follows:

| | <u>City</u> | <u>HRA</u> |
|------------------------|----------------|--------------|
| Dollar Amount | \$ 109,959,865 | \$ 3,496,158 |
| Percent of Levy Spread | 98.02% | 98.58% |

Notes and Loans Receivable

Notes and Loans Receivable are reported as assets in the following funds at December 31, 2017:

| | |
|------------------------------|----------------------------|
| Special Revenue Funds: | |
| HRA General Fund | \$ 10,609 |
| City HUD Grants | 1,417,791 |
| City Sales Tax | <u>3,171,394</u> |
| Total Special Revenue Funds | <u>4,599,794</u> |
| Capital Projects Funds: | |
| HRA Development | 292,290 |
| HRA Tax Increment | <u>1,055,754</u> |
| Total Capital Projects Funds | <u>1,348,044</u> |
| Total | <u><u>\$ 5,947,838</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 | \$ 3,889,709 |
| HRA Parking | <u>236,250</u> |
| Total Enterprise Funds | <u>4,125,959</u> |
| Internal Service Funds: | |
| Internal Borrowing | 950,001 |
| Public Works Engineering | <u>3,470,469</u> |
| Total Internal Service Funds | <u>4,420,470</u> |
| Total | <u><u>\$ 8,546,429</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, 2017, the allowance for uncollectible loans recorded was \$143,611,532.

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, 2017:

| | |
|------------------------------------|-----------------------------|
| Special Revenue Funds | |
| HRA General Fund | \$ 325,236 |
| City HUD Grants | <u>4,514,620</u> |
| Total Special Revenue Funds | <u>4,839,856</u> |
| Capital Projects Funds | |
| HRA Development Capital Projects | 965,967 |
| HRA Tax Increment Capital Projects | <u>982,328</u> |
| Total Capital Projects Funds | <u>1,948,295</u> |
| Enterprise Fund | |
| HRA Loan | <u>4,125,142</u> |
| Total | <u><u>\$ 10,913,293</u></u> |

D. Restricted Assets

As of December 31, 2017, 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 | \$ - | \$ - | \$ 2,020,700 |
| Cash for Revenue Bond Debt Service | - | 765,196 | 2,183,249 |
| Cash for Revenue Bond Operations and Maintenance | - | 4,862,826 | 27,218 |
| Cash for Revenue Bond Construction | - | 5,212,975 | - |
| Cash for Note Debt Service | 250,300 | - | - |
| Cash for Budget and Rate Stabilization | - | 5,518,263 | - |
| Investment for Revenue Bond Future Debt Service | - | 4,836,080 | - |
| Total | <u>\$ 250,300</u> | <u>\$ 21,195,340</u> | <u>\$ 4,231,167</u> |

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Note VI. Detailed Notes on All Funds (continued)

E. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

Governmental Activities

| | Balance 1/1/17 | Additions | Deductions | Balance 12/31/17 |
|---|-------------------------|----------------------|------------------------|-------------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 169,277,572 | \$ - | \$ - | \$ 169,277,572 |
| Construction in Progress | 106,469,573 | 59,119,723 | (49,935,490) | 115,653,806 |
| Total Capital Assets Not Being Depreciated | <u>275,747,145</u> | <u>59,119,723</u> | <u>(49,935,490)</u> | <u>284,931,378</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 719,978,507 | 32,749,632 | - | 752,728,139 |
| Improvements Other than Buildings | 152,497,666 | 11,982,304 | - | 164,479,970 |
| Equipment | 141,795,135 | 6,322,335 | (2,056,411) | 146,061,059 |
| Infrastructure | 823,927,328 | 11,367,603 | - | 835,294,931 |
| Total Capital Assets Being Depreciated | <u>1,838,198,636</u> | <u>62,421,874</u> | <u>(2,056,411)</u> | <u>1,898,564,099</u> |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (314,195,228) | (16,532,312) | - | (330,727,540) |
| Improvements Other than Buildings | (70,204,297) | (5,799,593) | - | (76,003,890) |
| Equipment | (98,846,261) | (8,069,340) | 1,712,170 | (105,203,431) |
| Infrastructure | (326,664,081) | (14,725,100) | - | (341,389,181) |
| Total Accumulated Depreciation | <u>(809,909,867)</u> | <u>(45,126,345)</u> | <u>1,712,170</u> | <u>(853,324,042)</u> |
| Total Capital Assets Being Depreciated, Net | <u>1,028,288,769</u> | <u>17,295,529</u> | <u>(344,241)</u> | <u>1,045,240,057</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 1,304,035,914</u> | <u>\$ 76,415,252</u> | <u>\$ (50,279,731)</u> | <u>\$ 1,330,171,435</u> |

Depreciation expense was charged to the following governmental functions:

| | |
|--|----------------------|
| General Government | \$ 13,020,046 |
| Public Safety | 4,042,549 |
| Highways and Streets | 16,531,203 |
| Culture and Recreation | 10,752,211 |
| Housing and Economic Development | 780,336 |
| Total Governmental Activities Depreciation Expense | <u>\$ 45,126,345</u> |

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Note VI. Detailed Notes on All Funds (continued)

Business-Type Activities

| | Balance 01/01/17 | Additions | Deductions | Balance 12/31/17 |
|--|-----------------------|---------------------|------------------------|-----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 31,539,972 | \$ - | \$ - | \$ 31,539,972 |
| Construction in Progress | 4,074,070 | 6,672,132 | (9,983,887) | 762,315 |
| Total Capital Assets Not Being Depreciated | <u>35,614,042</u> | <u>6,672,132</u> | <u>(9,983,887)</u> | <u>32,302,287</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 115,264,593 | 608,309 | (623,408) | 115,249,494 |
| Public Improvements | 421,769,007 | 10,000,759 | (16,872) | 431,752,894 |
| Equipment | 8,138,916 | 398,148 | (613,013) | 7,924,051 |
| Total Capital Assets Being Depreciated | <u>545,172,516</u> | <u>11,007,216</u> | <u>(1,253,293)</u> | <u>554,926,439</u> |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (56,917,178) | (3,128,108) | 411,543 | (59,633,743) |
| Public Improvements | (150,460,373) | (5,503,964) | 3,438 | (155,960,899) |
| Equipment | (6,190,478) | (444,890) | 593,379 | (6,041,989) |
| Total Accumulated Depreciation | <u>(213,568,029)</u> | <u>(9,076,962)</u> | <u>1,008,360</u> | <u>(221,636,631)</u> |
| Total Capital Assets Being Depreciated, Net | <u>331,604,487</u> | <u>1,930,254</u> | <u>(244,933)</u> | <u>333,289,808</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 367,218,529</u> | <u>\$ 8,602,386</u> | <u>\$ (10,228,820)</u> | <u>\$ 365,592,095</u> |

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

| | |
|---|---------------------|
| Sewer | \$ 5,676,769 |
| Parking Operations | 3,244,400 |
| Parks, Recreation and Athletics | 155,279 |
| Impound Lot | 514 |
| Total Business-Type Activities Depreciation Expense | <u>\$ 9,076,962</u> |

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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, 2017:

Due to/from Other Funds

| Receivable Fund | Payable Fund | | | | | Total All Funds |
|------------------------|------------------|-----------------------|-----------------------------|---------------------------|------------------------|----------------------|
| | General | City Capital Projects | Nonmajor Governmental Funds | Nonmajor Enterprise Funds | Internal Service Funds | |
| General | \$ - | \$ - | \$ 5,186,072 | \$ 11,102,689 | \$ 3,058,502 | \$ 19,347,263 |
| Internal Service Funds | 35,084 | 220,000 | - | - | 5,009 | 260,093 |
| Total All Funds | \$ 35,084 | \$ 220,000 | \$ 5,186,072 | \$ 11,102,689 | \$ 3,063,511 | \$ 19,607,356 |

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, 2017:

| Receivable Fund | Payable Fund | | | | | | | | | Total All Funds |
|--------------------------------|-----------------|----------------------|-----------------------|--------------------------------|-------------------|---------------------|---------------------|------------------|------------------------|----------------------|
| | General Fund | Assessment Financing | City Capital Projects | Nonmajor Special Revenue Funds | HRA Loan | HRA Tax Increment | HRA Development | Sewer Utility | Internal Service Funds | |
| HRA General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 774,983 | \$ - | \$ - | \$ - | \$ 774,983 |
| Nonmajor Special Revenue Funds | - | - | - | - | - | - | 9,360,000 | - | - | 9,360,000 |
| HRA Development | - | 515,495 | - | 1,750,000 | 250,000 | 2,108,384 | - | - | - | 4,623,879 |
| HRA Loan | - | - | - | - | - | 2,836,795 | 300,000 | - | 312,727 | 3,449,522 |
| HRA Parking | - | - | - | - | 564,744 | - | - | - | - | 564,744 |
| HRA Tax Increment | - | - | - | - | - | - | - | 44,511 | - | 44,511 |
| Internal Service Funds | 9,778 | - | 1,682,819 | - | - | - | - | - | 1,097,271 | 2,789,868 |
| Total All Funds | \$ 9,778 | \$ 515,495 | \$ 1,682,819 | \$ 1,750,000 | \$ 814,744 | \$ 5,720,162 | \$ 9,660,000 | \$ 44,511 | \$ 1,409,998 | \$ 21,607,507 |

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.

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Note VI. Detailed Notes on All Funds (continued)

Transfers

The following is a schedule of interfund transfers as of December 31, 2017:

| 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 Capital Projects | Nonmajor Special Revenue Funds |
| General | \$ - | \$ - | \$ - | \$ - | \$ 791,543 | \$ - | \$ 60,000 | \$ - | \$ 5,288,993 |
| Assessment Financing | 1,892,042 | - | - | - | - | - | 3,020,117 | - | 97,445 |
| Public Library General Fund | 37,674 | - | - | - | 104,632 | - | - | - | 100,000 |
| HRA General Fund | 352,478 | - | - | - | - | - | - | 2,061 | - |
| City Debt Service | 500,000 | - | - | - | - | - | 4,750,000 | - | 14,495,102 |
| HRA General Debt Service | - | - | - | - | - | - | - | 3,137,781 | - |
| City Capital Projects | 93,243 | - | - | - | 1,445,019 | - | - | 289,123 | 257,375 |
| Nonmajor Capital Projects | - | 96,695 | - | 76,486 | 2,787,265 | 131,019 | 7,114,532 | - | 5,000 |
| Nonmajor Special Revenue Funds | 2,325,713 | 414,628 | 175,000 | - | 24,782,740 | - | 919,984 | 211,249 | 2,758,462 |
| Sewer Utility | 442,604 | - | - | - | 2,250,000 | - | 50,000 | - | 1,247,177 |
| HRA Loan | 125,000 | - | - | - | - | - | 50,000 | - | 3,524,540 |
| HRA Parking | 966,000 | - | - | - | - | - | - | - | 1,591,946 |
| HRA Penfield | - | - | - | - | - | - | - | - | - |
| Nonmajor Enterprise Funds | 319,579 | - | - | - | - | - | - | - | - |
| Internal Service Funds | 2,679,403 | - | - | - | 2,614,550 | - | - | 1,922 | 774,866 |
| Total Transfers In | \$ 9,733,736 | \$ 511,323 | \$ 175,000 | \$ 76,486 | \$ 34,775,749 | \$ 131,019 | \$ 15,964,633 | \$ 3,642,136 | \$ 30,140,906 |

The total governmental and proprietary fund transfers in is \$99,113,825 and the total governmental and proprietary funds transfers out is \$99,113,825.

| Transfers Out | Transfers In | | | | | |
|--------------------------------|-----------------|-------------------|---------------------|---------------------------|------------------------|----------------------|
| | Sewer Utility | HRA Loan | HRA Parking | Nonmajor Enterprise Funds | Internal Service Funds | Total Transfers Out |
| General | \$ - | \$ - | \$ - | \$ - | \$ 57,156 | \$ 6,197,692 |
| Assessment Financing | - | - | - | - | - | 5,009,604 |
| Public Library General Fund | - | - | - | - | 6,316 | 248,622 |
| HRA General Fund | - | - | - | - | 227,960 | 582,499 |
| City Debt Service | - | - | - | - | - | 19,745,102 |
| HRA General Debt Service | - | - | - | - | - | 3,137,781 |
| City Capital Projects | - | 177,254 | - | - | - | 2,262,014 |
| Nonmajor Capital Projects | 3,300 | 7,458 | - | - | - | 10,221,755 |
| Nonmajor Special Revenue Funds | - | 194,949 | - | 90,380 | 718,810 | 32,591,915 |
| Sewer Utility | - | - | - | - | - | 3,989,781 |
| HRA Loan | - | - | - | - | 170,000 | 3,869,540 |
| HRA Parking | - | - | - | - | - | 2,557,946 |
| HRA Penfield | - | - | 2,230,970 | - | - | 2,230,970 |
| Nonmajor Enterprise Funds | - | - | - | - | - | 319,579 |
| Internal Service Funds | - | - | - | - | 78,284 | 6,149,025 |
| Total Transfers In | \$ 3,300 | \$ 379,661 | \$ 2,230,970 | \$ 90,380 | \$ 1,258,526 | \$ 99,113,825 |

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

Long-term obligations activity in the year ended December 31, 2017, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds Payable | | | | | |
| General Obligation Bonds | | | | | |
| Property Tax Supported | \$ 200,845,945 | \$ 41,432,477 | \$ (17,847,458) | \$ 224,430,964 | \$ 17,854,373 |
| Special Assessment Debt with Governmental Commitment | 25,929,055 | 2,302,523 | (1,562,542) | 26,669,036 | 1,575,627 |
| HRA Tax Increment | 10,990,000 | - | (1,355,000) | 9,635,000 | 710,000 |
| Total General Obligation Bonds | <u>237,765,000</u> | <u>43,735,000</u> | <u>(20,765,000)</u> | <u>260,735,000</u> | <u>20,140,000</u> |
| Revenue Bonds | | | | | |
| Sales Tax Revenue | 100,040,000 | - | (5,465,000) | 94,575,000 | 5,580,000 |
| HRA Tax Increment Revenue | 26,784,000 | - | (2,440,000) | 24,344,000 | 1,123,000 |
| HRA Lease Revenue | 4,045,000 | - | (440,000) | 3,605,000 | 455,000 |
| Total Revenue Bonds | <u>130,869,000</u> | <u>-</u> | <u>(8,345,000)</u> | <u>122,524,000</u> | <u>7,158,000</u> |
| Add/(Subtract) Unamortized Premiums/(Discounts) | <u>17,559,434</u> | <u>2,341,792</u> | <u>(1,454,963)</u> | <u>18,446,263</u> | <u>-</u> |
| Total Bonds Net of Amortization | <u>386,193,434</u> | <u>46,076,792</u> | <u>(30,564,963)</u> | <u>401,705,263</u> | <u>27,298,000</u> |
| Revenue Notes Payable | | | | | |
| General Obligation Notes | 10,066,012 | - | (2,494,469) | 7,571,543 | 2,571,543 |
| Revenue Notes | 51,575,000 | 1,525,000 | (6,487,000) | 46,613,000 | 6,547,750 |
| HRA Revenue Notes | 12,358,016 | - | (508,140) | 11,849,876 | 895,280 |
| Total Revenue Notes Payable | <u>73,999,028</u> | <u>1,525,000</u> | <u>(9,489,609)</u> | <u>66,034,419</u> | <u>10,014,573</u> |
| Add/(Subtract) Unamortized Premiums/(Discounts) | <u>256,872</u> | <u>-</u> | <u>(42,812)</u> | <u>214,060</u> | <u>-</u> |
| Total Revenue Notes Net of Amortization | <u>74,255,900</u> | <u>1,525,000</u> | <u>(9,532,421)</u> | <u>66,248,479</u> | <u>10,014,573</u> |
| Capital Leases Payable | | | | | |
| Capital Leases | 12,062,750 | - | (3,427,756) | 8,634,994 | 2,711,148 |
| Add/(Subtract) Unamortized Premiums/(Discounts) | <u>(65,105)</u> | <u>-</u> | <u>24,802</u> | <u>(40,303)</u> | <u>-</u> |
| Total Capital Leases Net of Amortization | <u>11,997,645</u> | <u>-</u> | <u>(3,402,954)</u> | <u>8,594,691</u> | <u>2,711,148</u> |
| Other Liabilities: | | | | | |
| Compensated Absences | 20,025,321 | 627,871 | (1,849,963) | 18,803,229 | 689,625 |
| Claims and Judgments Payable | 55,776,702 | 22,052,470 | (14,039,327) | 63,789,845 | 10,229,339 |
| Total Other Liabilities | <u>75,802,023</u> | <u>22,680,341</u> | <u>(15,889,290)</u> | <u>82,593,074</u> | <u>10,918,964</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 548,249,002</u> | <u>\$ 70,282,133</u> | <u>\$ (59,389,628)</u> | <u>\$ 559,141,507</u> | <u>\$ 50,942,685</u> |

Note VI. Detailed Notes on All Funds (continued)

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Bonds Payable: | | | | | |
| HRA Parking Facilities General Obligation | \$ 18,150,000 | \$ - | \$ (1,800,000) | \$ 16,350,000 | \$ 1,850,000 |
| Revenue Bonds | | | | | |
| Sewer Revenue | 75,065,000 | 7,975,000 | (5,480,000) | 77,560,000 | 5,650,000 |
| HRA Parking Facilities Revenue | 32,060,000 | 28,945,000 | (32,060,000) | 28,945,000 | 1,325,000 |
| Total Revenue Bonds | 107,125,000 | 36,920,000 | (37,540,000) | 106,505,000 | 6,975,000 |
| Add/(Subtract) Unamortized Premiums/(Discounts) | 4,272,294 | 1,702,740 | (449,671) | 5,525,363 | - |
| Total Bonds Net of Amortization | 129,547,294 | 38,622,740 | (39,789,671) | 128,380,363 | 8,825,000 |
| Revenue Notes Payable | | | | | |
| Sewer Revenue Notes | 4,026,050 | - | (1,170,141) | 2,855,909 | 1,159,600 |
| HRA Revenue Notes | 3,880,000 | - | - | 3,880,000 | 93,856 |
| Total Revenue Notes Payable | 7,906,050 | - | (1,170,141) | 6,735,909 | 1,253,456 |
| Other Liabilities: | | | | | |
| Compensated Absences | 671,908 | 579,590 | (671,908) | 579,590 | 15,750 |
| Total Other Liabilities | 671,908 | 579,590 | (671,908) | 579,590 | 15,750 |
| Total Business-Type Activities | | | | | |
| Long-Term Liabilities | \$ 138,125,252 | \$ 39,202,330 | \$ (41,631,720) | \$ 135,695,862 | \$ 10,094,206 |
| TOTAL LONG-TERM OBLIGATIONS | \$ 686,374,254 | \$ 109,484,462 | \$ (101,021,347) | \$ 694,837,369 | \$ 61,036,891 |

Internal Service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the totals reported for governmental activities. At year end, \$2,164,328 of compensated absences, \$3,903,599 of capital leases, \$4,780,270 of net other postemployment benefits obligation and \$17,405,022 of net pension liability were included in the noncurrent liabilities reported for the governmental activities.

The government-wide statement of net position includes \$4,354,722 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of \$6,448,373 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 |
| 2018 | \$ 20,140,000 | \$ 9,808,712 | \$ 1,850,000 | \$ 520,581 | \$ 21,990,000 | \$ 10,329,293 |
| 2019 | 20,440,000 | 9,029,077 | 1,855,000 | 455,756 | 22,295,000 | 9,484,833 |
| 2020 | 20,090,000 | 8,244,676 | 1,920,000 | 397,931 | 22,010,000 | 8,642,607 |
| 2021 | 20,125,000 | 7,528,483 | 1,985,000 | 336,916 | 22,110,000 | 7,865,399 |
| 2022 | 19,790,000 | 6,798,138 | 2,055,000 | 269,938 | 21,845,000 | 7,068,076 |
| 2023-2027 | 86,125,000 | 23,087,590 | 6,685,000 | 358,314 | 92,810,000 | 23,445,904 |
| 2028-2032 | 51,770,000 | 9,658,914 | - | - | 51,770,000 | 9,658,914 |
| 2033-2037 | 17,630,000 | 2,159,824 | - | - | 17,630,000 | 2,159,824 |
| 2038-2041 | 4,625,000 | 368,123 | - | - | 4,625,000 | 368,123 |
| Total General Obligation Bonds Debt | <u>\$ 260,735,000</u> | <u>\$ 76,683,537</u> | <u>\$ 16,350,000</u> | <u>\$ 2,339,436</u> | <u>\$ 277,085,000</u> | <u>\$ 79,022,973</u> |

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Note VI. Detailed Notes on All Funds (continued)

Revenue bond debt service requirements to maturity are as follows:

| Year Ended December 31 | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------|-------------------------|---------------|--------------------------|---------------|----------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | \$ 7,158,000 | \$ 5,684,411 | \$ 6,975,000 | \$ 3,443,956 | \$ 14,133,000 | \$ 9,128,367 |
| 2019 | 7,423,000 | 5,492,966 | 6,575,000 | 3,404,017 | 13,998,000 | 8,896,983 |
| 2020 | 7,799,000 | 5,153,616 | 6,735,000 | 3,204,371 | 14,534,000 | 8,357,987 |
| 2021 | 8,230,000 | 4,766,287 | 6,400,000 | 2,975,076 | 14,630,000 | 7,741,363 |
| 2022 | 8,624,000 | 4,408,501 | 6,590,000 | 2,742,300 | 15,214,000 | 7,150,801 |
| 2023-2027 | 48,726,000 | 14,696,965 | 35,175,000 | 9,755,305 | 83,901,000 | 24,452,270 |
| 2028-2032 | 33,174,000 | 3,948,287 | 26,710,000 | 4,114,389 | 59,884,000 | 8,062,676 |
| 2033-2036 | 1,390,000 | 52,125 | 11,345,000 | 715,037 | 12,735,000 | 767,162 |
| Total Revenue | | | | | | |
| Bonds Debt | \$ 122,524,000 | \$ 44,203,158 | \$ 106,505,000 | \$ 30,354,451 | \$ 229,029,000 | \$ 74,557,609 |

Revenue notes debt service requirements to maturity are as follows:

| Year Ended December 31 | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------|-------------------------|---------------|--------------------------|------------|---------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | \$ 10,014,573 | \$ 1,604,350 | \$ 1,253,456 | \$ 140,337 | \$ 11,268,029 | \$ 1,744,687 |
| 2019 | 9,351,628 | 1,437,105 | 2,711,085 | 99,887 | 12,062,713 | 1,536,992 |
| 2020 | 7,615,866 | 1,259,098 | 758,619 | 47,036 | 8,374,485 | 1,306,134 |
| 2021 | 2,850,000 | 1,150,993 | 99,735 | 20,407 | 2,949,735 | 1,171,400 |
| 2022 | 3,892,500 | 1,022,737 | 101,776 | 19,396 | 3,994,276 | 1,042,133 |
| 2023-2027 | 20,359,852 | 3,727,945 | 1,811,238 | 65,855 | 22,171,090 | 3,793,800 |
| 2028-2032 | 11,950,000 | 1,528,238 | - | - | 11,950,000 | 1,528,238 |
| Total Revenue | | | | | | |
| Notes Debt | \$ 66,034,419 | \$ 11,730,466 | \$ 6,735,909 | \$ 392,918 | \$ 72,770,328 | \$ 12,123,384 |

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Note VI. Detailed Notes on All Funds (continued)

Compensated Absences

Included in the City's governmental long-term obligations is \$18,803,229 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 of \$579,590 are also included in the City's long-term obligations and have been reported in the appropriate fund's financial statements.

Net Other Postemployment Benefits Obligation

At December 31, 2017, the net other postemployment benefits liability was \$57,461,859 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 of \$1,258,060 are also included in the City's long-term obligations and 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, 2017, the claims and judgments liability was \$63,789,845.

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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, 2017:

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 Works Equipment Lease | 2015 Technology Equipment Lease | 2015 Public Safety Equipment Lease | 2015 Public Works Equipment Lease | Totals |
|---|------------------------------------|-----------------------------------|--|--|--|--|---|--|--------------|
| 2018 | \$ 531,863 | \$ 393,672 | \$ 184,175 | \$ 181,377 | \$ 185,719 | \$ 565,164 | \$ 696,549 | \$ 185,847 | \$ 2,924,366 |
| 2019 | - | 394,697 | 92,088 | 181,377 | 185,719 | 565,164 | - | 185,848 | 1,604,893 |
| 2020 | - | 390,363 | - | 90,688 | 185,719 | - | - | 185,847 | 852,617 |
| 2021 | - | 390,849 | - | - | 185,719 | - | - | 185,848 | 762,416 |
| 2022 | - | 390,977 | - | - | - | - | - | 185,848 | 576,825 |
| 2023 - 2027 | - | 1,951,231 | - | - | - | - | - | - | - |
| 2028 - 2030 | - | 1,165,816 | - | - | - | - | - | - | 1,165,816 |
| Total Minimum Lease Payments | 531,863 | 5,077,605 | 276,263 | 453,442 | 742,876 | 1,130,328 | 696,549 | 929,238 | 9,838,164 |
| Less Amount Representing Interest | (17,700) | (1,075,605) | (4,691) | (8,992) | (31,459) | (7,940) | (7,457) | (49,326) | (1,203,170) |
| Present Value of Future Capital Lease Payments | \$ 514,163 | \$ 4,002,000 | \$ 271,572 | \$ 444,450 | \$ 711,417 | \$ 1,122,388 | \$ 689,092 | \$ 879,912 | \$ 8,634,994 |

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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, 2017, was \$1,580,000.

Bond Issues

On April 6, 2017, the City issued General Obligation Capital Improvement Bonds, Series 2017A in the amount of \$9,960,000. The proceeds were used to provide financing for capital improvement projects identified in the City's approved Capital Improvement Budget for the years 2017 through 2021.

On April 6, 2017, the City issued General Obligation Public Safety Bonds, Series 2017B in the amount of \$23,405,000. The proceeds were used to crossover refund the City's General Obligation Public Safety Bonds, Series 2008C and provide financing for the Public Safety Project.

On April 6, 2017, the City issued Sewer Revenue Bonds, Series 2017C (Green Bonds) in the amount of \$7,975,000. The proceeds were used to finance capital improvements to the City's sewer system that are environmentally friendly.

On July 27, 2017, the City issued General Obligation Variable Rate Street Improvement Special Assessment Bonds, Series 2017D in the amount of \$11,575,000 of which \$8,875,000 was drawn in 2017. The remaining \$2,700,000 was drawn in 2018. In addition, the remaining \$1,495,000 of the \$10,520,000 Series 2016C Bond was drawn in 2017. The proceeds were used to fund certain improvement and rehabilitation projects for 2016 and 2017.

On September 28, 2017, the City's Housing and Redevelopment Authority issued Parking Revenue Refunding Bonds, Series 2017A in the amount of \$26,315,000 and Parking Revenue Refunding Bonds, Taxable Series 2017B in the amount of \$2,630,000. The proceeds were used to current refund the Parking Revenue Refunding Bonds, Series 2010B and advance refund the Parking Revenue Refunding Bonds, Series 2010A. The difference between the reacquisition price and the net carrying amount of the advance refunded debt was \$999,606, resulting in deferred outflows of resources. The net present value cash flow savings of refunding the Series 2010A and Series 2010B bonds was \$3,995,897. The refunding resulted in an economic gain of \$5,901,663 over the life of the Series 2017A and Series 2017B bonds.

Note Issue

On February 22, 2017, the City issued Recycling Note (Recycling Cart Project) Series 2017 in the amount of \$1,525,000 for the costs of acquisition and distribution of the recycling carts.

Note VI. Detailed Notes on All Funds (continued)

3. Bonds Payable - by Issue

Bonds payable at December 31, 2017, are composed of the following individual issues:

| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2017 |
|---|-----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| GENERAL OBLIGATION BONDS | | | | | | |
| <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 | \$ 390,000 |
| Series 2009A | 2.00 to 3.25% | (3/1; 9/1) | 6/1/09 | 3/1/19 | 4,500,000 | 780,000 |
| Series 2010B | 2.00 to 3.00% | (3/1; 9/1) | 3/11/10 | 3/1/20 | 7,350,000 | 855,000 |
| 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 | 7,070,000 |
| Series 2011A | 2.00 to 3.25% | (3/1; 9/1) | 9/1/11 | 3/1/21 | 15,040,000 | 4,265,000 |
| Series 2012A | 2.00 to 4.00% | (3/1; 9/1) | 4/2/12 | 3/1/22 | 5,735,000 | 2,920,000 |
| Series 2013B | 2.00 to 3.00% | (3/1; 9/1) | 4/8/13 | 3/1/23 | 6,325,000 | 3,950,000 |
| Series 2013E | 3.92% | (6/1;12/1) | 12/17/13 | 12/1/39 | 8,500,000 | 7,955,000 |
| Series 2014A | 2.00 to 5.00% | (3/1; 9/1) | 4/30/14 | 9/1/24 | 14,655,000 | 7,800,000 |
| Series 2015A | 2.00 to 5.00% | (3/1; 9/1) | 5/5/15 | 3/1/25 | 11,475,000 | 8,260,000 |
| Series 2016A | 2.00 to 5.00% | (3/1; 9/1) | 4/14/16 | 9/1/26 | 10,255,000 | 9,385,000 |
| Series 2016E | .80 to 5.00% | (6/1;12/1) | 12/15/16 | 12/1/31 | 8,580,000 | 7,500,000 |
| Series 2017A | 3.00 to 5.00% | (3/1; 9/1) | 4/6/17 | 3/1/27 | 9,960,000 | 9,960,000 |
| | | | | | 121,145,000 | 75,765,000 |
| 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 | 11,180,000 |
| Public Safety | | | | | | |
| Series 2008C | 3.00 to 4.375% | (5/1;11/1) | 3/1/08 | 5/1/33 | 10,510,000 | 7,760,000 |
| Series 2009D | 3.00 to 3.50% | (6/1;12/1) | 6/2/09 | 12/1/21 | 5,575,000 | 2,090,000 |
| 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 | 5,875,000 |
| Series 2017B | 2.50 to 5.00% | (6/1;12/1) | 4/6/17 | 12/1/41 | 23,405,000 | 22,790,000 |
| | | | | | 63,370,000 | 47,790,000 |
| Street Improvement | | | | | | |
| Series 2008B | 5.00% | (5/1;11/1) | 3/1/08 | 5/1/28 | 9,014,221 | 5,828,597 |
| Series 2009B | 3.00 to 5.00% | (5/1;11/1) | 6/1/09 | 5/1/29 | 7,557,911 | 5,052,157 |
| Series 2011B | 2.00 to 4.25% | (5/1;11/1) | 4/4/11 | 11/1/31 | 9,624,750 | 7,083,815 |
| Series 2012B | 2.00 to 4.50% | (5/1;11/1) | 4/2/12 | 5/1/32 | 6,971,774 | 5,444,588 |
| Series 2013C | 2.00 to 3.125% | (5/1;11/1) | 4/8/13 | 5/1/33 | 8,932,482 | 7,229,255 |
| Series 2014B | 3.00 to 5.00% | (5/1;11/1) | 4/30/14 | 11/1/34 | 19,731,655 | 16,763,955 |
| Series 2015C | .35 to 3.75% | Monthly | 7/8/15 | 5/1/25 | 18,625,200 | 15,669,429 |
| Series 2016C | .80 to 2.75% | Monthly | 7/21/16 | 5/1/36 | 7,854,020 | 6,883,466 |
| Series 2016F | 4.00 to 5.00% | Monthly | 12/15/16 | 5/1/29 | 9,089,361 | 9,089,361 |
| Series 2017D | .95 to 3.20% | Monthly | 7/27/17 | 5/1/37 | 6,951,341 | 6,951,341 |
| | | | | | 104,352,715 | 85,995,964 |
| Total General Obligation Bonds - Property Tax Supported | | | | | \$ 307,397,715 | \$ 224,430,964 |
| <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 | \$ 1,636,403 |
| Series 2009B | 3.00 to 5.00% | (5/1;11/1) | 6/1/09 | 5/1/29 | 2,667,089 | 1,782,843 |
| Series 2011B | 2.00 to 4.25% | (5/1;11/1) | 4/4/11 | 11/1/31 | 2,875,250 | 2,116,185 |
| Series 2012B | 2.00 to 4.50% | (5/1;11/1) | 4/2/12 | 5/1/32 | 2,318,226 | 1,810,412 |
| Series 2013C | 2.00 to 3.00% | (5/1;11/1) | 4/8/13 | 5/1/33 | 2,867,518 | 2,320,745 |
| Series 2014B | 3.00 to 5.00% | (5/1;11/1) | 4/30/14 | 11/1/34 | 8,643,345 | 5,531,045 |
| Series 2015C | .35 to 3.75% | Monthly | 7/8/15 | 5/1/25 | 4,199,800 | 4,340,571 |
| Series 2016C | .80 to 2.75% | Monthly | 7/21/16 | 5/1/36 | 2,665,980 | 2,336,534 |
| Series 2016F | 4.00 to 5.00% | Monthly | 12/15/16 | 5/1/29 | 2,870,639 | 2,870,639 |
| Series 2017D | .95 to 3.20% | Monthly | 7/27/17 | 5/1/37 | 1,923,659 | 1,923,659 |
| Total General Obligation Bonds - Special Assessment Debt with Governmental Commitment | | | | | \$ 33,562,285 | \$ 26,669,036 |

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 12/31/2017</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 | \$ 1,915,000 |
| US Bank Tax Increment Taxable Refunding Bonds Series 2011G | 2.00 to 4.00% | (2/1; 8/1) | 8/15/11 | 8/1/28 | <u>8,870,000</u> | <u>7,720,000</u> |
| Total General Obligation Bonds - HRA Tax Increment Bonds | | | | | <u>\$ 11,540,000</u> | <u>\$ 9,635,000</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>\$ 16,350,000</u> |
| Total General Obligation Bonds - HRA Parking Facilities Enterprise Fund Bonds | | | | | <u>\$ 20,695,000</u> | <u>\$ 16,350,000</u> |
| TOTAL GENERAL OBLIGATION BONDS | | | | | <u>\$ 373,195,000</u> | <u>\$ 277,085,000</u> |

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Note VI. Detailed Notes on All Funds (continued)

| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2017 |
|--|----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| REVENUE BONDS | | | | | | |
| <u>Sewer Utility Enterprise Fund</u> | | | | | | |
| Sewer Revenue Bonds - Series 2009I Refunding | 2.00 to 4.00% | (6/1; 12/1) | 10/1/09 | 12/1/18 | \$ 2,820,000 | \$ 590,000 |
| Sewer Revenue Bonds - Series 2010D | 3.00 to 4.00% | (6/1; 12/1) | 3/3/10 | 12/1/29 | 8,610,000 | 6,010,000 |
| Sewer Revenue Bonds - Series 2011C | 2.00 to 4.25% | (6/1; 12/1) | 4/4/11 | 12/1/30 | 8,900,000 | 6,590,000 |
| Sewer Revenue Bonds - Series 2012C | 2.00 to 4.00% | (6/1; 12/1) | 4/2/12 | 12/1/31 | 8,815,000 | 6,925,000 |
| Sewer Revenue Bonds - Series 2013D | 2.00 to 4.00% | (6/1; 12/1) | 4/8/13 | 12/1/32 | 11,515,000 | 8,180,000 |
| Sewer Revenue Bonds - Series 2014E | 2.25 to 4.00% | (6/1; 12/1) | 8/4/14 | 12/1/33 | 8,000,000 | 6,960,000 |
| Sewer Revenue Bonds - Series 2015B | 2.00 to 4.00% | (6/1; 12/1) | 5/5/15 | 12/1/34 | 8,700,000 | 7,965,000 |
| Sewer Revenue Bonds - Series 2016B | 2.00 to 5.00% | (6/1; 12/1) | 4/14/16 | 12/1/35 | 7,715,000 | 7,440,000 |
| Sewer Revenue Bonds - Series 2016D | 2.50 to 5.00% | (6/1; 12/1) | 12/1/16 | 12/1/28 | 21,225,000 | 19,310,000 |
| Sewer Revenue Bonds - Series 2017C | 3.00 to 3.375% | (6/1; 12/1) | 4/6/17 | 12/1/36 | 7,975,000 | 7,590,000 |
| | | | | | \$ 94,275,000 | \$ 77,560,000 |
| <u>City Revenue Bonds and Other Long-Term Debt – Debt Service Fund</u> | | | | | | |
| Taxable Sales Tax Revenue Bonds - | | | | | | |
| Series 2009 Refunding | 5.23% | (11/1) | 4/3/09 | 11/1/25 | \$ 65,455,000 | \$ 42,285,000 |
| Sales Tax Revenue Bonds - Taxable Series 2014F | 1.375 to 3.40% | (5/1; 11/1) | 12/9/14 | 11/1/23 | 8,070,000 | 5,100,000 |
| Sales Tax Revenue Bonds - Tax-Exempt Series 2014G | 3.75 to 5.00% | (5/1; 11/1) | 12/9/14 | 11/1/33 | 28,195,000 | 28,195,000 |
| Subordinate Sales Tax Revenue Refunding Bonds - | | | | | | |
| Series 2016G | 1.32 to 2.03% | (5/1; 11/1) | 12/16/16 | 11/1/30 | 10,380,000 | 10,275,000 |
| 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 | 8,720,000 |
| | | | | | \$ 122,010,000 | \$ 94,575,000 |

Note VI. Detailed Notes on All Funds (continued)

| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2017 |
|---|----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| <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 | \$ 805,000 |
| Phase II Bonds | | | | | | |
| Series 2002 | 7.00% | (2/15; 8/15) | 6/13/02 | 2/15/28 | 1,140,000 | 946,000 |
| Upper Landing Tax Increment | | | | | | |
| Bonds - Series 2012 HRA | 5.00% | (3/1; 9/1) | 12/20/12 | 3/1/29 | 15,790,000 | 13,105,000 |
| Drake Marble Tax Increment | | | | | | |
| Bonds -Series 2002A | 6.75% | (3/1; 9/1) | 11/15/02 | 3/1/28 | 1,800,000 | 811,000 |
| 9th St Lofts Tax Increment | | | | | | |
| Bonds, Series 2004 | 6.375% | (2/15; 8/15) | 4/14/04 | 2/15/28 | 1,335,000 | 963,000 |
| JJ Hill Tax Increment Bonds | | | | | | |
| Series 2004 | 6.25% | (3/1; 9/1) | 11/30/04 | 3/1/29 | 3,660,000 | 2,639,000 |
| 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>5,075,000</u> |
| Total HRA Tax Increment Revenue Bonds | | | | | <u>\$ 31,409,000</u> | <u>\$ 24,344,000</u> |

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Note VI. Detailed Notes on All Funds (continued)

| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2017 |
|---|----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| <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 | \$ 3,605,000 |
| Total HRA General Debt Service Fund | | | | | \$ 38,199,000 | \$ 27,949,000 |
| <u>HRA Parking System Revenue Bonds</u> | | | | | | |
| Refunding Bonds | | | | | | |
| Series 2017A | 3.00 to 5.00% | (2/1; 8/1) | 9/28/17 | 8/1/35 | \$ 26,315,000 | \$ 26,315,000 |
| Series 2017B | 1.68 to 2.08% | (2/1; 8/1) | 9/28/17 | 8/1/20 | 2,630,000 | 2,630,000 |
| Total HRA Parking System Revenue Bonds | | | | | \$ 28,945,000 | \$ 28,945,000 |
| TOTAL REVENUE BONDS | | | | | \$ 283,429,000 | \$ 229,029,000 |
| TOTAL BONDS PAYABLE | | | | | \$ 656,624,000 | \$ 506,114,000 |

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Note VI. Detailed Notes on All Funds (continued)

H. Operating Lease

From 1998 through 2017, the City entered into noncancelable operating leases for personal computers. Total payments made for the leases during 2017 were \$1,124,409. The following schedule presents the future minimum rental payments for these operating leases:

| Year Ending December 31 | |
|---------------------------------|---------------------|
| 2018 | \$ 920,690 |
| 2019 | 602,752 |
| 2020 | 259,870 |
| 2021 | 73,080 |
| 2022 | 6,514 |
| Total Minimum Payments Required | <u>\$ 1,862,906</u> |

I. Deferred Inflows of Resources – Unavailable Revenue

| Governmental Activities | General | Assessment Financing | Public Library General Fund | HRA | | HRA Debt Service | City Capital Projects | Other Governmental Funds | Total |
|-------------------------------------|---------------------|-------------------------|--------------------------------|------------------|----------------------|---------------------|-----------------------|--------------------------------|----------------------|
| | | | | General Fund | City Debt Service | | | | |
| Deferred Inflows of Resources: | | | | | | | | | |
| Property Taxes | \$ 1,886,998 | \$ - | \$ 416,861 | \$ 53,178 | \$ 313,469 | \$ 37,621 | \$ - | \$ 60,905 | \$ 2,769,032 |
| Operating Grants & Contributions | - | - | - | - | - | - | - | 1,800,517 | 1,800,517 |
| Accounts Receivable | 233,998 | - | - | 4,458 | - | - | 947,817 | 2,956,705 | 4,142,978 |
| Accrued Interest Receivable | 306,852 | - | - | 21,799 | 34,980 | 60,394 | 52,453 | 181,261 | 657,739 |
| Notes and Loans Receivable | - | - | - | 10,609 | - | - | - | 4,519,437 | 4,530,046 |
| Special Assessments | - | 28,349,391 | - | - | 13,306,129 | - | - | 14,239,347 | 55,894,867 |
| Capital Grants | - | - | - | - | - | - | 12,530,625 | - | 12,530,625 |
| Total Deferred Inflows of Resources | <u>\$ 2,427,848</u> | <u>\$ 28,349,391</u> | <u>\$ 416,861</u> | <u>\$ 90,044</u> | <u>\$ 13,654,578</u> | <u>\$ 98,015</u> | <u>\$ 13,530,895</u> | <u>\$ 23,758,172</u> | <u>\$ 82,325,804</u> |

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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, 2017, 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 | - | - | - | - | - | - | 31,413,061 | 265,069 | 31,678,130 |
| Highways and Streets | - | - | - | - | - | - | 13,647,142 | 522,622 | 14,169,764 |
| Sanitation | - | - | - | - | - | - | - | 18,841 | 18,841 |
| Culture and Recreation | - | - | - | - | - | - | 10,724,239 | 3,674,658 | 14,398,897 |
| Housing and Economic Development | - | - | - | - | - | - | - | 26,274,911 | 26,274,911 |
| Debt Service | - | - | - | - | 57,023,905 | 8,409,566 | - | - | 65,433,471 |
| Total | - | - | - | - | 57,023,905 | 8,409,566 | 55,784,442 | 30,756,101 | 151,974,014 |
| Committed To: | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | 626,105 | 626,105 |
| Public Safety | - | - | - | - | - | - | - | 115,010 | 115,010 |
| Culture and Recreation | - | - | 1,831,942 | - | - | - | - | 1,077,951 | 2,909,893 |
| Housing and Economic Development | - | - | - | 6,001,576 | - | - | - | 25,622,563 | 31,624,139 |
| Total | - | - | 1,831,942 | 6,001,576 | - | - | - | 27,441,629 | 35,275,147 |
| Assigned: | | | | | | | | | |
| General Government | - | 3,910,840 | - | - | - | - | - | 1,081,755 | 4,992,595 |
| Public Safety | - | - | - | - | - | - | - | 110,612 | 110,612 |
| Highways and Streets | - | - | - | - | - | - | - | 3,228,385 | 3,228,385 |
| Sanitation | - | - | - | - | - | - | - | 3,509,673 | 3,509,673 |
| Culture and Recreation | - | 1,552,002 | 438,209 | - | - | - | - | 1,971,280 | 3,961,491 |
| Housing and Economic Development | - | - | - | 4,536,574 | - | - | - | 3,099,809 | 7,636,383 |
| Total | - | 5,462,842 | 438,209 | 4,536,574 | - | - | - | 13,001,514 | 23,439,139 |
| Unassigned | 52,668,693 | - | - | - | - | - | (11,892,074) | (4,157,428) | 36,619,191 |
| Total | \$ 52,668,693 | \$ 5,462,842 | \$ 2,270,151 | \$ 10,538,150 | \$ 57,023,905 | \$ 8,409,566 | \$ 43,892,368 | \$ 67,076,816 | \$ 247,342,491 |

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 districts that follow and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2017, since all scheduled note payments have been made from the available tax increment. All expenditures under the notes are reported in the HRA 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, 2017. 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.

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Note VI. Detailed Notes on All Funds (continued)

| No. | Tax Increment Financing District – Project | Date Issued | Note Amount | Note | Note | Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2017 |
|-----|---|----------------|-----------------------|------------------------------------|------------------------------------|--|
| | | | | Principal Balance 12/31/2016 | Principal Balance 12/31/2017 | |
| 193 | Hubbard Site | 7/31/1999 | \$ 1,259,924 | \$ - | \$ - | \$ - |
| 194 | 1919 University | 11/7/1997 | 1,357,000 | 1,357,000 | 1,357,000 | - |
| 212 | Block 4-TIR Note, Series 2004 | 5/6/2004 | 17,800,000 | 14,663,002 | 13,609,908 | 1,881,965 |
| 212 | Block 4-Taxable TIR Note, Series 2004 | 5/6/2004 | 2,975,838 | - | - | - |
| 215 | Superior Street Cottages Series 1998 | 7/16/1998 | 311,341 | - | - | - |
| 215 | Superior Street Cottages Series 2016 | 5/6/2016 | 205,000 | 190,983 | 159,305 | 39,031 |
| 228 | Emerald Park Owner Occ. Ph I | 2/26/2003 | 3,067,000 | - | - | - |
| 232 | Straus Building | 12/26/2002 | 600,000 | 596,964 | 596,964 | 42,344 |
| 234 | Phalen Village Cub Foods Project | 3/1/2008 | 3,100,000 | 2,582,306 | 2,416,770 | 318,078 |
| 237 | Osceola Park Senior Housing | 11/4/2002 | 950,000 | 950,000 | 950,000 | 80,298 |
| 240 | Bridgescreek Senior Place Project | 6/30/2004 | 2,398,952 | 2,398,952 | 2,398,952 | 130,689 |
| 241 | Lyons Court Rental Project | 4/14/2004 | 682,000 | 682,000 | 682,000 | 40,576 |
| 243 | Shepard-Davern Ownership Housing | 11/1/2006 | 3,257,067 | 2,653,114 | 2,593,317 | 231,427 |
| 244 | Shepard Davern Rental Housing | 3/28/2006 | 4,820,000 | 3,032,052 | 2,581,616 | 599,797 |
| 245 | Shepard-Davern Gateway Senior | 12/2/2003 | 1,353,286 | 1,334,964 | 1,303,148 | 111,393 |
| 248 | Koch Mobil-Schmidt Rathskeller | 12/22/2017 | 1,290,260 | - | 1,290,260 | - |
| 257 | Phalen Senior Lofts Project | 2/10/2005 | 925,000 | 908,750 | 908,750 | 35,378 |
| 260 | North Quadrant Rental Phase I | 2/1/2001 | 2,140,000 | 2,140,000 | 2,140,000 | 181,454 |
| 266 | Emerald Park-Commercial/Metro | 6/21/2005 | 1,225,000 | - | - | - |
| 267 | Emerald Park Owner Occ. Ph II | 4/12/2005 | 2,074,000 | - | - | - |
| 267 | Emerald Park Rental | 10/16/2002 | 3,110,000 | 2,679,800 | 2,352,522 | 523,232 |
| 268 | North Quadrant Rental Phase II | 2/28/2002 | 1,500,000 | 1,500,000 | 1,500,000 | 155,641 |
| 268 | North Quadrant Shortfall TIR, Note II* | 6/20/2002 | 179,781 | 179,781 | - | - |
| 269 | Phalen Village Ames Lake | 8/1/2003 | 418,000 | 418,000 | 418,000 | 13,857 |
| 271 | Carlton Lofts | 10/1/2005 | 2,358,660 | 2,358,660 | 2,358,660 | 137,372 |
| 278 | River Pointe Lofts Project | 12/27/2007 | 1,829,000 | 1,433,981 | 1,294,399 | 213,314 |
| 279 | Minnesota Building | 6/9/2010 | 936,000 | 936,000 | 936,000 | 64,234 |
| 291 | Carondelet Village | 8/12/2010 | 3,104,000 | 3,104,000 | 3,104,000 | 222,619 |
| 299 | Cosseta | 11/4/2011 | 388,000 | 336,804 | 285,023 | 72,860 |
| 301 | Penfield | 6/22/2012 | 8,295,500 | - | - | - |
| 302 | Pioneer-Endicott Note #1 | 10/31/2012 | 2,500,000 | 2,500,000 | 2,500,000 | 344,053 |
| 302 | Pioneer-Endicott Note #2 (MMAA) | 12/15/2017 | 900,000 | - | 900,000 | - |
| 304 | Schmidt Brewery | 11/16/2012 | 3,770,000 | 3,770,000 | 3,770,000 | 194,290 |
| 305 | West Side Flats | 11/19/2012 | 3,800,000 | 3,800,000 | 3,695,631 | 336,650 |
| 313 | Hamline Station East | 12/12/2014 | 530,000 | 530,000 | 530,000 | 21,008 |
| 314 | Hamline Station West | 12/12/2014 | 1,559,000 | 1,559,000 | 1,559,000 | 33,033 |
| 317 | Custom House/Post Office | 11/12/2014 | 5,800,000 | 5,800,000 | 5,800,000 | 82,599 |
| 318 | East 7th-Bates Senior Housing | 6/2/2015 | 2,291,000 | 2,291,000 | 2,291,000 | 66,107 |
| 319 | 2700 University at Westgate Station | 6/29/2015 | 7,865,000 | 7,865,000 | 7,865,000 | 64,152 |
| 321 | Schmidt Keg House | 3/8/2017 | 1,700,000 | - | 1,700,000 | - |
| 324 | Wilson II Housing Project | 10/31/2016 | 1,720,000 | 1,720,000 | 1,720,000 | - |
| | Total | | <u>\$ 106,345,609</u> | <u>\$ 76,272,113</u> | <u>\$ 77,567,225</u> | <u>\$ 6,237,451</u> |

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 full 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, 2017, the RiverCentre Convention & Visitors Authority's deposits in checking and interest bearing accounts total \$5,596,816. 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, 2017, RCVA's investments include the following:

| <u>Type of Investment</u> | <u>Fair Value</u> |
|---|---------------------|
| Marketable Certificates of Deposit | \$ 267,028 |
| Mutual Fund Equities | 242,970 |
| Investments with the City's Cash and Investments Pool | 2,714,144 |
| Total | <u>\$ 3,224,142</u> |

Note VII. Discretely Presented Component Units (continued)

Recap

| | | | |
|-------------|-----------------------------|------------------------|---------------------|
| Deposits | \$ 5,596,816 | Cash and Investments | \$ 4,038,602 |
| Investments | 3,224,142 | Investments | 1,160,100 |
| | <u> </u> | Restricted Investments | <u>3,622,256</u> |
| Total | <u>\$ 8,820,958</u> | Total | <u>\$ 8,820,958</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, 2017, the Regional Water Services deposits in checking and interest bearing accounts and certificates of deposits total \$32,859,326. 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, 2017, 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 Regional Water Services exposure to credit risk as of December 31, 2017, is as follows:

| <u>Rating Agency</u> | <u>Rating</u> | <u>Fair Value</u> |
|----------------------|---------------|-------------------|
| Moody's | Aaa | \$ 16,756,680 |

Note VII. Discretely Presented Component Units (continued)

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, 2017, 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, 2017, 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, 2017, Regional Water Services had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 2 years</u> | <u>2-5 Years</u> | <u>6-10 Years</u> | <u>Over 10 Years</u> |
|------------------------|-------------------|------------------------------|----------------------|-----------------------|--------------------------|
| U.S. Agencies | \$ 16,756,680 | \$ - | \$ 983,440 | \$ 12,870,020 | \$ 2,903,220 |

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, 2017, Regional Water Services had a total fair value investments of \$16,756,680. 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.

Note VII. Discretely Presented Component Units (continued)

Recap

| | | | |
|-----------------------|----------------------|---------------------------------|----------------------|
| Deposits | \$ 32,859,326 | Cash and Investments | \$ 27,817,037 |
| Investments | 16,756,680 | Investments | 9,835,379 |
| Departmental Cash | 46,015 | Departmental Cash | 46,015 |
| Imprest Funds on Hand | 2,000 | Imprest Funds | 2,000 |
| | | Restricted Cash and Investments | 11,963,590 |
| | | | |
| Total | <u>\$ 49,664,021</u> | | <u>\$ 49,664,021</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 market 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.

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

Note VII. Discretely Presented Component Units (continued)

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, 2017, carried the following ratings:

| Rating | Fair Value |
|-----------|----------------------|
| AAA/Aaa | \$ 12,367,805 |
| AA/Aa | 716,406 |
| Not Rated | 1,943,441 |
| Total | <u>\$ 15,027,652</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.

At December 31, 2017, 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) | 25.2% |
| Federal Home Loan Mortgage Corporation (Freddie Mac) | 10.7% |
| Federal Home Loan Bank | 7.6% |

Note VII. Discretely Presented Component Units (continued)

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, 2017, 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) | \$ 1,606,739 | \$ 695,664 | \$ 822,188 | \$ 35,369 | \$ 53,518 |
| Federal National Mortgage Assoc. (Fannie Mae) | 3,793,177 | 808,157 | 1,289,569 | 1,521,057 | 174,394 |
| Federal Agri Mort Corp (Farmer Mac) | - | - | - | - | - |
| Governmental National Mortgage Assoc (Ginnie Mae) | 9,771 | - | - | 9,771 | - |
| Guaranteed Investment Contracts | - | - | - | - | - |
| Federal Home Loan Bank | 1,142,756 | - | 1,142,756 | - | - |
| Negotiable Certificates of Deposit | 100,000 | 100,000 | - | - | - |
| State & Local Obligations: | | | | | |
| Municipal Bonds | 1,300,578 | 645,540 | 655,038 | - | - |
| Tennessee Valley Authority | - | - | - | - | - |
| US Dept Agriculture Loan Certificates | - | - | - | - | - |
| US Treasury Notes | \$ 7,074,631 | 149,649 | 4,265,905 | 2,659,077 | - |
| Total | \$ 15,027,652 | \$ 2,399,010 | \$ 8,175,456 | \$ 4,225,274 | \$ 227,912 |

Recap

| | | | |
|--------------|----------------------|------------------------|----------------------|
| Deposits | \$ 23,634,726 | Cash and Investments | \$ 1,339,772 |
| Investments | 15,027,652 | Investments | 7,895,296 |
| | | Restricted Cash | 22,294,954 |
| | | Restricted Investments | 7,132,356 |
| Total | \$ 38,662,378 | Total | \$ 38,662,378 |

Note VII. Discretely Presented Component Units (continued)

C. Capital Assets

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

| | Balance 01/01/17 | Additions | Deductions | Balance 12/31/17 |
|---|---------------------|--------------------|-------------|---------------------|
| 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 | (244,815) | (46,771) | - | (291,586) |
| Total Accumulated Depreciation | (244,815) | (46,771) | - | (291,586) |
| Total Capital Assets Being Depreciated, Net | 173,005 | (46,771) | - | 126,234 |
| Capital Assets, Net | <u>\$173,005</u> | <u>\$ (46,771)</u> | <u>\$ -</u> | <u>\$126,234</u> |

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Note VII. Discretely Presented Component Units (continued)

Summary of Changes in Capital Assets of Regional Water Services:

| | Balance 01/01/17 | Additions | Deductions | Balance 12/31/17 |
|--|-----------------------|----------------------|------------------------|-----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 4,061,766 | \$ - | \$ - | \$ 4,061,766 |
| Construction in Progress | 13,878,140 | 19,366,383 | (15,146,881) | 18,097,642 |
| Total Capital Assets Not Being Depreciated | 17,939,906 | 19,366,383 | (15,146,881) | 22,159,408 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 57,586,478 | 16,760 | - | 57,603,238 |
| Public Improvements | 382,324,816 | 13,700,955 | (2,097,981) | 393,927,790 |
| Equipment | 56,853,568 | 1,571,261 | (589,461) | 57,835,368 |
| Total Capital Assets Being Depreciated | 496,764,862 | 15,288,976 | (2,687,442) | 509,366,396 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (23,713,066) | (2,153,149) | - | (25,866,215) |
| Public Improvements | (134,611,310) | (6,598,587) | 1,706,184 | (139,503,713) |
| Equipment | (32,234,868) | (1,259,137) | 550,180 | (32,943,825) |
| Total Accumulated Depreciation | (190,559,244) | (10,010,873) | 2,256,364 | (198,313,753) |
| Total Capital Assets Being Depreciated, Net | 306,205,618 | 5,278,103 | (431,078) | 311,052,643 |
| Capital Assets, Net | \$ 324,145,524 | \$ 24,644,486 | \$ (15,577,959) | \$ 333,212,051 |

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Note VII. Discretely Presented Component Units (continued)

Summary of Changes in Capital Assets of Port Authority:

| | Balance 01/01/17 | Additions | Deductions | Balance 12/31/17 |
|--|----------------------|----------------------|-----------------------|----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 8,029,466 | \$ - | \$ (900) | \$ 8,028,566 |
| Construction in Progress | 9,512,621 | 9,895,530 | (4,835,654) | 14,572,497 |
| Total Capital Assets Not Being Depreciated | 17,542,087 | 9,895,530 | (4,836,554) | 22,601,063 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 59,096,998 | 4,917,266 | - | 64,014,264 |
| Equipment | 3,922,607 | 94,301 | - | 4,016,908 |
| Total Capital Assets Being Depreciated | 63,019,605 | 5,011,567 | - | 68,031,172 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings | (35,056,250) | (1,266,791) | - | (36,323,041) |
| Equipment | (2,249,131) | (175,476) | - | (2,424,607) |
| Total Accumulated Depreciation | (37,305,381) | (1,442,267) | - | (38,747,648) |
| Total Capital Assets Being Depreciated, Net | 25,714,224 | 3,569,300 | - | 29,283,524 |
| Capital Assets, Net | \$ 43,256,311 | \$ 13,464,830 | \$ (4,836,554) | \$ 51,884,587 |

D. Long-Term Obligations

RiverCentre Convention & Visitors Authority:

At December 31, 2017, 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 | \$ 99,898 | \$ - | \$ 17,526 | \$ 82,372 | \$ 19,677 |

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Note VII. Discretely Presented Component Units (continued)

Regional Water Services:

At December 31, 2017, long-term obligations of Regional Water Services consisted of:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|----------------------|----------------------|---------------------|---------------------|----------------------|-----------------------------------|
| Revenue Bonds | \$ 13,781,616 | \$ - | \$ 2,837,341 | \$ 10,944,275 | \$ 2,625,000 |
| Revenue Notes | 25,310,416 | 4,734,462 | 1,270,516 | 28,774,362 | 1,634,067 |
| Compensated Absences | 1,713,155 | 889,770 | 853,211 | 1,749,714 | 39,438 |
| Claims and Judgments | 3,630,346 | 1,815,990 | 516,015 | 4,930,321 | 641,126 |
| Total | <u>\$ 44,435,533</u> | <u>\$ 7,440,222</u> | <u>\$ 5,477,083</u> | <u>\$ 46,398,672</u> | <u>\$ 4,939,631</u> |

Port Authority:

At December 31, 2017, long-term obligations of Port Authority consisted of:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--------------------------|-----------------------|----------------------|---------------------|-----------------------|-----------------------------------|
| General Obligation Bonds | \$ 36,744,081 | \$ - | \$ 2,280,191 | \$ 34,463,890 | \$ 2,310,000 |
| Revenue Bonds | 56,501,831 | 14,528,863 | 5,075,334 | 65,955,360 | 35,011,571 |
| Revenue Notes | 8,690,401 | 27,380,564 | 610,722 | 35,460,243 | 4,156,984 |
| Total | <u>\$ 101,936,313</u> | <u>\$ 41,909,427</u> | <u>\$ 7,966,247</u> | <u>\$ 135,879,493</u> | <u>\$ 41,478,555</u> |

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, 2017, were as follows:

| | Principal | Interest | Total |
|---------------|----------------------|---------------------|----------------------|
| Revenue Bonds | \$ 10,525,000 | \$ 836,300 | \$ 11,361,300 |
| Revenue Notes | 28,774,362 | 3,668,222 | 32,442,584 |
| Total | <u>\$ 39,299,362</u> | <u>\$ 4,504,522</u> | <u>\$ 43,803,884</u> |

Note VII. Discretely Presented Component Units (continued)

Port Authority:

Total principal and interest requirements relating to outstanding revenue bonds and notes at December 31, 2017, were as follows:

| | Principal | Interest | Total |
|--------------------------|-----------------------|----------------------|-----------------------|
| General Obligation Bonds | \$ 33,885,000 | \$ 6,761,173 | \$ 40,646,173 |
| Revenue Bonds | 65,240,049 | 15,257,160 | 80,497,209 |
| Revenue Notes | 35,460,243 | 5,893,770 | 41,354,013 |
| Total | <u>\$ 134,585,292</u> | <u>\$ 27,912,103</u> | <u>\$ 162,497,395</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, 2017, outstanding no-commitment debt totaled \$276 million.

F. Net Position – Restricted

As of December 31, 2017, net position was restricted for the following purposes:

| | RiverCentre Convention and Convention Visitors | Regional Water Services | Port Authority | Total |
|--------------------------|--|----------------------------|---------------------|----------------------|
| For Economic Development | \$ - | \$ - | \$ 3,344,623 | \$ 3,344,623 |
| For Debt Service | - | 11,900,846 | 3,711,152 | 15,611,998 |
| Total | <u>\$ -</u> | <u>\$ 11,900,846</u> | <u>\$ 7,055,775</u> | <u>\$ 18,956,621</u> |

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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, 2017:

CONDENSED STATEMENT OF NET POSITION

| | RiverCentre Convention and Visitors Authority | Regional Water Services | Port Authority | Total |
|--|---|----------------------------|----------------------|-----------------------|
| ASSETS | | | | |
| Current Assets | \$ 7,013,558 | \$ 54,756,275 | \$ 41,823,584 | \$ 103,593,417 |
| Restricted Assets | 3,227,491 | 6,921,301 | - | 10,148,792 |
| Other Assets | - | 91,095 | 115,741,285 | 115,832,380 |
| Capital Assets, Net | 126,234 | 333,212,051 | 51,884,587 | 385,222,872 |
| Total Assets | 10,367,283 | 394,980,722 | 209,449,456 | 614,797,461 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Loss on Debt Refunding | - | - | 354,545 | 354,545 |
| Deferred Pension Outflow s | - | 3,813,972 | 334,319 | 4,148,291 |
| Total Deferred Outflow s of Resources | - | 3,813,972 | 688,864 | 4,502,836 |
| LIABILITIES | | | | |
| Current Liabilities | 1,894,582 | 17,054,933 | 90,872,103 | 109,821,618 |
| Noncurrent Liabilities | 62,695 | 61,841,351 | 96,355,068 | 158,259,114 |
| Total Liabilities | 1,957,277 | 78,896,284 | 187,227,171 | 268,080,732 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension Inflow s | - | 2,963,272 | 382,111 | 3,345,383 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 126,234 | 293,493,414 | 15,473,263 | 309,092,911 |
| Restricted | - | 11,900,846 | 7,055,775 | 18,956,621 |
| Unrestricted | 8,283,772 | 11,540,878 | - | 19,824,650 |
| TOTAL NET POSITION | \$ 8,410,006 | \$ 316,935,138 | \$ 22,529,038 | \$ 347,874,182 |

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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 | \$ 12,837,069 | \$ 62,445,006 | \$ 21,278,397 | \$ 96,560,472 |
| Operating Expenses | 20,315,908 | 40,943,100 | 32,280,652 | 93,539,660 |
| Depreciation | 46,711 | 9,441,217 | 1,442,267 | 10,930,195 |
| Operating Income (Loss) | (7,525,550) | 12,060,689 | (12,444,522) | (7,909,383) |
| Total Nonoperating Revenues (Expenses) | 2,378,542 | 941,799 | 8,937,524 | 12,257,865 |
| Capital Contributions | 2,843,633 | 667,490 | 1,250,000 | 4,761,123 |
| Changes in Net Position | (2,303,375) | 13,669,978 | (2,256,998) | 9,109,605 |
| Net Position, January 1 | 10,713,381 | 303,265,160 | 24,786,036 | 338,764,577 |
| Net Position, December 31 | \$ 8,410,006 | \$ 316,935,138 | \$ 22,529,038 | \$ 347,874,182 |

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 2017 or 2016. Retirement plan contribution expense was \$37,998 and \$34,960 for 2017 and 2016 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.

Regional Water Services total contributions for the General Employees Retirement Plan for the year ended December 31, 2017, were \$1,184,859. The contributions are equal to the contractually required contributions as set by state statute PERA pension plan.

Note VII. Discretely Presented Component Units (continued)

Pension Costs

At December 31, 2017, Regional Water reported a liability of \$15,439,693 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, Regional Water's proportion was 0.2419%. It was 0.2410% measured as of June 30, 2016. Regional Water recognized pension expense of \$2,213,907 for its proportionate share of the General Employees Retirement Plan's pension expense.

Regional Water also recognized \$5,607 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 required the State of Minnesota to contribute \$6 million to the General Employee Retirement Plan for the fiscal year ended June 30, 2017.

| | |
|---|----------------------|
| Regional Water's proportionate share of the net pension liability | \$ 15,439,693 |
| State of Minnesota's proportionate share of the net position liability associated with Regional Water | <u>194,141</u> |
| Total | <u>\$ 15,633,834</u> |

Regional Water reported its proportionate share of the General Employees Retirement Plan'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 | \$ 508,845 | \$ 993,117 |
| Changes in actuarial assumptions | 2,554,773 | 1,547,831 |
| Difference between projected and actual investment earnings | 99,532 | - |
| Changes in proportion | 49,120 | 422,324 |
| Contributions paid to PERA subsequent to the measurement date | <u>601,702</u> | <u>-</u> |
| Total | <u>\$ 3,813,972</u> | <u>\$ 2,963,272</u> |

Note VII. Discretely Presented Component Units (continued)

The \$601,702 reported as deferred outflows of resources related to pensions resulting from Regional Water contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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 |
|---------------------------|---------------------------|
| 2018 | \$ 320,611 |
| 2019 | 862,147 |
| 2020 | (278,375) |
| 2021 | (655,385) |

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 | \$ 23,948,111 | \$ 15,439,693 | \$ 8,474,007 |

Port Authority:

All employees hired after June 30, 2003, as well as certain other employees, are participants in the General Employees Retirement Plan, 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 GERP. 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 \$36,747 in 2017.

Note VII. Discretely Presented Component Units (continued)

General Employees Retirement Plan: 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 the General Employees Retirement Plan, are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan, 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 \$105,054 in 2017. The contributions are equal to the contractually required contributions as set by state statute PERA pension plan.

Pension Costs

At December 31, 2017, the Port Authority a liability of \$1,353,394 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportion of the net pension liability was based on the Port Authority's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Port Authority's proportion was 0.0212%. It was 0.0237% measured as of June 30, 2016. The Port Authority recognized pension expense of \$131,636 for its proportionate share of the General Employees Retirement Plan's pension expense.

The Port Authority reported its proportionate share of the General Employees Retirement Plan'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 | \$ 44,604 | \$ 87,067 |
| Changes in actuarial assumptions | 224,693 | 135,678 |
| Difference between projected and actual investment earnings | 8,741 | - |
| Changes in proportion | - | 159,366 |
| Contributions paid to PERA subsequent to the measurement date | 56,281 | - |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 334,319</u> | <u>\$ 382,111</u> |

Note VII. Discretely Presented Component Units (continued)

The \$56,281 reported as deferred outflows of resources related to pensions resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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 |
|---------------------------|---------------------------|
| 2018 | \$ (11,474) |
| 2019 | 25,780 |
| 2020 | (60,930) |
| 2021 | (57,449) |

Pension Liability Sensitivity

The following presents the Port Authority'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 | \$ 2,099,215 | \$ 1,353,394 | \$ 742,804 |

I. Postemployment Benefits Other than Pension

RiverCentre Convention & Visitors Authority:

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

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Note VII. Discretely Presented Component Units (continued)

Regional Water Services:

Plan Description

In addition to providing the pension benefits described in Note VII.H 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

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

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Note VII. Discretely Presented Component Units (continued)

Membership

As of the actuarial valuation date of December 31, 2016, the membership consisted of:

| | Family Coverage | Single Coverage | Total |
|--|--------------------|--------------------|-------------------|
| Retired Participants and Beneficiaries | | | |
| Under Age 65 (Early Retirees) | 0 | 19 | 19 |
| Over Age 65 (Regular Retirees) | 29 | 105 | 134 |
| Total Retired Participants | <u>29</u> | <u>124</u> | <u>153</u> |
| Active Participants | | | |
| Eligible to receive benefits | <u>96</u> | <u>119</u> | <u>215</u> |
| Total Active Participants | | | |
| Total Participants | <u><u>125</u></u> | <u><u>243</u></u> | <u><u>368</u></u> |

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 2017 were as follows:

| | Age | Average Monthly Regional Water Contribution | Average Monthly Retiree Contribution |
|------------------|--------------|---|--|
| Health Insurance | Less than 65 | \$343 | \$258 |
| | 65 and older | \$320 | \$16 |
| Life Insurance | Less than 65 | \$ - | 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 2017 expense totaled \$630,529 for approximately 163 retirees. Retirees contributed \$83,939; active employees do not contribute to the plan until retirement.

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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 December 31, 2016, 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, 2017. Regional Water's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 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, 2015 | \$ 1,032,345 | \$ 743,605 | 72.03% | \$ 4,422,010 |
| December 31, 2016 | 1,034,283 | 736,139 | 71.17% | 4,720,154 |
| December 31, 2017 | 905,996 | 683,533 | 75.45% | 4,942,617 |

The net OPEB obligation (NOPEBO) as of December 31, 2017, was calculated as follows:

| | |
|--|---------------------|
| Annual Required Contribution (ARC) | \$ 997,432 |
| Interest on Net OPEB Obligation | 165,205 |
| Adjustment to Annual Required Contribution | (256,641) |
| Annual OPEB cost | <u>905,996</u> |
| Contributions Made | |
| Direct | 630,529 |
| Indirect Implicit Subsidy | <u>53,004</u> |
| Total Contributions Made | <u>683,533</u> |
| Increase (Decrease) in Net OPEB Obligation | 222,463 |
| Net OPEB Obligation Beginning of Year | <u>4,720,154</u> |
| Net OPEB Obligation End of Year | <u>\$ 4,942,617</u> |

Funded Status and Funding Progress

The actuarial accrued liability for benefits, as of December 31, 2016, the most recent actuarial valuation date, was \$14,237,369. This liability will be phased in over 30 years based on the requirements of the Governmental Accounting Standards Board Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

As of the actuarial valuation date of December 31, 2016, the funded status of the plan was as follows:

| Actuarial Valuation Date | Actuarial Value of Plan Assets | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Covered Payroll Active Members | UAAL as a Percentage of Covered Payroll |
|--------------------------|--------------------------------|-----------------------------------|---|--------------|--------------------------------|---|
| December 31, 2016 | \$ - | \$ 14,237,369 | \$ 14,237,369 | 0.00% | \$ 15,057,192 | 94.6% |

Note VII. Discretely Presented Component Units (continued)

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 December 31, 2016, actuarial valuation, the Entry Age Normal level percent of pay actuarial cost method was used. The actuarial assumptions included 3.50% discount rate and an annual healthcare cost trend rate of beginning at 6.80% for fiscal year 2017 for Non-Medicare eligible retirees and 6.80% for Medicare eligible retirees and declining over 5 years to 5.2%. Both rates include a 2.75% inflation assumption. The actuarial value of assets was \$ 0, as Regional Water 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).

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, 2017, 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.

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.

Note VII. Discretely Presented Component Units (continued)

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) | \$ 47,083 |
| Interest on Net OPEB Obligation | 1,000 |
| Adjustment to Annual Required Contribution | (12,954) |
| Annual OPEB cost | <u>35,129</u> |
| Contributions Made | <u>45,904</u> |
| Increase (Decrease) in Net OPEB Obligation | (10,775) |
| Net OPEB Obligation Beginning of Year | 611,511 |
| Net OPEB Obligation End of Year | <u><u>\$ 600,736</u></u> |

The beginning balance was restated by \$522,590.

The Port Authority's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligations for 2017:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage Of Cost Contributed Cost</u> | <u>Net OPEB Obligation</u> |
|--------------------------|-------------------------|--|----------------------------|
| December 31, 2015 | \$ 43,900 | 84.8% | \$ 606,541 |
| December 31, 2016 | 45,114 | 89.0% | 611,511 |
| December 31, 2017 | 35,129 | 130.7% | 600,736 |

Funded Status and Funding Progress

The actuarial accrued liability for benefits as of December 31, 2017, the most recent actuarial valuation date, was \$600,736. The annual payroll for active employees covered by the plan was \$1,836,573, for a ratio of UAAL to covered payroll of 32.7%. This liability will be phased in over 30 years based on the requirements of GASB Statement No. 45.

| | |
|---|-------------------|
| Actuarial Accrued Liability (AAL) | \$ 600,736 |
| Actuarial Value of Plan Assets | - |
| Unfunded Actuarial Accrued Liability (UAAL) | <u>\$ 600,736</u> |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00% |
| Active Members Covered Payroll | \$ 1,836,573 |
| UAAL as a Percentage of Covered Payroll | 32.71% |

Note VII. Discretely Presented Component Units (continued)

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 6.3% and a 3% present value assumption. Alternative measurement calculations assume a level of percentage projected payroll 30-year open amortization period.

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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 Plan and the Public Employees Police and Fire Plan, 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.

The General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or The Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employee Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Retirement Plan in 2015. 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 prorated basis 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. General Employees Retirement Plan and Public Employees Police and Fire Plan benefit recipients receive a future annual 1.0% for the 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.

Note VIII. Other Information (continued)

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 Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive 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 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. Minneapolis Employees Retirement Fund members have an annuity accrual rate of 2.0% of average salary for each of the first ten years of service and 2.5% for each remaining year. 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 Plan 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 Plan members, normal retirement 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 Plan Basic members, Coordinated members, and Minneapolis Employees Retirement Fund members were required to contribute 9.10%, 6.50%, and 9.75%, respectively, of their annual covered salary in 2017. Public Employees Police and Fire Plan members were required to contribute 10.80% of their annual covered salary in 2017.

In 2017, the City was required to contribute the following percentages of annual covered salary:

| | |
|---|--------|
| General Employees Retirement Plan | |
| Basic Plan members | 11.78% |
| Coordinated Plan members | 7.50% |
| Minneapolis Employees Retirement Fund members | 9.75% |
| Public Employees Police and Fire Plan | 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, 2017, to the pension plans were:

| | |
|---------------------------------------|--------------|
| General Employees Retirement Plan | \$ 7,775,599 |
| Public Employees Police and Fire Plan | 14,685,894 |

Note VIII. Other Information (continued)

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

d. Pension Costs

General Employees Retirement Plan

At December 31, 2017, the City reported a liability of \$101,322,460 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportion was 1.5871%. It was 1.5819% measured as of June 30, 2016. The City recognized pension expense of \$5,077,964 for its proportionate share of the General Employees Retirement Plan's pension expense.

The City also recognized \$36,796 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 required the State of Minnesota to contribute \$6 million to the General Employees Retirement Plan for the fiscal year ending June 30, 2017.

| | |
|--|------------------------------|
| City of Saint Paul's proportionate share of the net pension liability | \$ 101,322,460 |
| State of Minnesota's proportionate share of the net pension liability associated with the City of Saint Paul | <u>1,274,040</u> |
| Total | <u>\$ 102,596,500</u> |

The City reported its proportionate share of the General Employees Retirement Plan'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 | \$ 3,339,280 | \$ 6,517,294 |
| Changes in actuarial assumptions | 16,765,610 | 10,157,586 |
| Difference between projected and actual investment earnings | 653,174 | - |
| Changes in proportion | 322,347 | 2,771,484 |
| Contributions paid to PERA subsequent to the measurement date | <u>3,948,648</u> | <u>-</u> |
| Total | <u>\$ 25,029,059</u> | <u>\$ 19,446,364</u> |

The \$3,948,648 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Note VIII. Other Information (continued)

| Year Ended December 31 | Pension Expense Amount |
|---------------------------|------------------------------|
| 2018 | \$ 2,104,012 |
| 2019 | 5,657,810 |
| 2020 | (1,826,830) |
| 2021 | <u>(4,300,945)</u> |
| Total | <u>\$ 1,634,047</u> |

Public Employees Police and Fire Plan

At December 31, 2017, the City reported a liability of \$118,445,940 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportion was 8.773%. It was 9.058% measured as of June 30, 2016. The City recognized pension expense of \$14,592,204 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

The City also recognized \$789,570 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 Plan. Legislation requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan 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 Plan'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 | \$ 2,726,385 | \$ 32,921,618 |
| Changes in actuarial assumptions | 160,045,802 | 168,163,847 |
| Difference between projected and actual investment earnings | 3,104,489 | - |
| Changes in proportion | 901,834 | 11,593,363 |
| Contributions paid to PERA subsequent to the measurement date | <u>7,456,833</u> | <u>-</u> |
| Total | <u>\$ 174,235,343</u> | <u>\$ 212,678,828</u> |

The \$7,456,833 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Note VIII. Other Information (continued)

| Year Ended December 31 | Pension Expense Amount |
|---------------------------|------------------------------|
| 2018 | \$ 1,439,193 |
| 2019 | 1,439,193 |
| 2020 | (3,145,792) |
| 2021 | (10,538,831) |
| 2022 | (35,094,081) |
| Total | <u>\$ (45,900,318)</u> |

Total Pension Expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2017, was \$19,670,168.

e. Actuarial Assumptions

The total pension liability in the June 30, 2017, 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 for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Plan and the Public Employees Police and Fire Plan, cost of living benefit increases for retirees are assumed to be 1.0% through 2044 and 2064, respectively, and 2.5% thereafter.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Plan was dated June 30, 2015. The experience study for the Public Employees Police and Fire Plan was dated August 30, 2016.

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Note VIII. Other Information (continued)

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 | 39% | 5.10% |
| International stocks | 19 | 5.30 |
| Bonds | 20 | 0.75 |
| Alternative assets | 20 | 5.90 |
| Cash | 2 | 0.00 |

f. Discount Rate

The discount rate used to measure the total pension liability was 7.50% in 2017 which remained consistent with 2016. 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 and the Public Employees Police and Fire Plan were 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.

g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2017:

1. General Employees Retirement Plan
 - A. The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members (30% for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability, and 3.0% for non-vested deferred member liability.
 - B. The assumed post-retirement benefit increase rate was changed from 1.0% per year for all future years to 1.0% per year through 2044 and 2.5% per year thereafter.
 - C. Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The State's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

Note VIII. Other Information (continued)

2. Public Employees Police and Fire Plan
 - A. The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
 - B. The assumed rates of retirement were changed, resulting in fewer retirements.
 - C. The CSA load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2.0% for non-vested members.
 - D. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generation table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table assumed for healthy retirees.
 - E. The assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
 - F. The assumed percentage of married female members was decreased from 65% to 60%.
 - G. The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
 - H. The assumed percentage of female members electing joint and survivor annuities was increased.
 - I. The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.
 - J. The single discount rate was changed from 5.60% per annum to 7.50% per annum.

h. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability calculated using the discount rate disclosed, 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 | \$ 157,158,664 | 4.60 | \$ 223,068,264 |
| Current | 7.50 | 101,322,460 | 5.60 | 118,445,940 |
| 1% Increase | 8.50 | 55,610,385 | 6.60 | 32,074,439 |

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; 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.

Note VIII. Other Information (continued)

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.

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</u> (early retiree) | <u>Over Age 65</u> (regular retiree) |
|---|--|---|
| 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 |

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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, 2017, the membership consisted of:

| | Family Coverage | Single Coverage | Total |
|--|--------------------|--------------------|-------|
| Retired Participants and Beneficiaries | | | |
| Under Age 65 (Early Retirees) | 92 | 401 | 493 |
| Over Age 65 (Regular Retirees) | 505 | 1,184 | 1,689 |
| Total Retired Participants | 597 | 1,585 | 2,182 |
| Total Active Participants | 1,476 | 546 | 2,022 |
| Total Participants | 2,073 | 2,131 | 4,204 |

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, 2017, retirees contributed \$2,529,282 and the City contributed \$8,783,269. Active employees do not contribute to the plan until retirement.

The average monthly premium contributions for 2017 were as follows:

| | Age | Average Monthly City Contribution ¹ | Average Monthly Retiree Contribution ² |
|------------------|--------------|--|---|
| Health Insurance | Less than 65 | \$ 233,368 ¹ | \$ 169,286 ² |
| | 65 and older | \$ 498,410 ¹ | \$ 41,488 ² |
| Life Insurance | Less than 65 | \$ 155 ³ | Not applicable |
| | 65 and older | \$ 6 ³ | Not applicable |

(1) The average monthly City contribution for health insurance for retirees less than 65 is \$473 and \$295 for retirees 65 and older.

(2) The average monthly retiree contribution for health insurance for retirees less than 65 is \$343 and \$25 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 December 31, 2016, 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, 2017. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 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, 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 |
| December 31, 2017 | 15,710,981 | 9,865,402 | 62.79% | 58,719,919 |

The net OPEB obligation (NOPEBO) as of December 31, 2017, was calculated as follows:

| | |
|--|----------------------|
| Annual Required Contribution (ARC) | \$ 16,735,227 |
| Interest on Net OPEB Obligation | 1,850,602 |
| Adjustment to Annual Required Contribution | (2,874,848) |
| Annual OPEB cost | <u>15,710,981</u> |
| Contributions Made | |
| Direct | 8,227,544 |
| Indirect Implicit Subsidy | <u>1,637,858</u> |
| Total Contributions Made | <u>9,865,402</u> |
| Increase (Decrease) in Net OPEB Obligation | 5,845,579 |
| Net OPEB Obligation Beginning of Year | <u>52,874,340</u> |
| Net OPEB Obligation End of Year | <u>\$ 58,719,919</u> |

6. Funded Status and Funding Progress

As of the actuarial valuation date of December 31, 2017, the funded status of the plan was as follows:

| | |
|---|----------------|
| Actuarial Accrued Liability (AAL) | \$ 215,106,787 |
| Actuarial Value of Plan Assets | <u>-</u> |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 215,106,787 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00% |
| Active Members Covered Payroll | \$ 210,907,706 |
| UAAL as a Percentage of Covered Payroll | 101.99% |

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 December 31, 2016, actuarial valuation, the Entry Age Normal level percent of pay actuarial cost method was used. The actuarial assumptions included 3.50% discount rate and an annual healthcare cost trend rate of beginning at 6.80% for fiscal year 2017 for Non-Medicare eligible retirees and 6.80% for Medicare eligible retirees and declining over 5 years to 5.20%. Both rates include a 2.75% inflation assumption. The actuarial value of assets was \$0, 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).

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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 2016 and 2017.

| | Year Ended December 31, 2017 | Year Ended December 31, 2016 |
|--|---------------------------------|---------------------------------|
| Beginning of Fiscal Year Liability | \$ 55,776,702 | \$ 48,637,082 |
| Current Year Claims and Changes in Estimates | 22,052,470 | 16,878,659 |
| Claim Payments | <u>(14,039,327)</u> | <u>(9,739,039)</u> |
| End of Fiscal Year Liability | <u>\$ 63,789,845</u> | <u>\$ 55,776,702</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, 2017, the City had commitments for the following major construction projects:

| Project Title | Remaining Construction Committed |
|-----------------------------|--|
| Kellogg Bridges | \$ 515,376 |
| Grand Rounds | 732,081 |
| Snelling Ave S Medians 8-80 | 904,559 |
| Total | \$ 2,152,016 |

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, 2017 (gains shown as positive amounts, losses as negative).

| Governmental Activities | 2017 Change in Fair Value | | Fair Value at December 31, 2017 | | Notional |
|--------------------------------|---------------------------|--------------|---------------------------------|----------------|---------------|
| | Classification | Amount | Classification | Amount | |
| Effective Cash Flow hedges | | | | | |
| Interest Rate Derivatives: | | | | | |
| Pay-fixed swaps, interest rate | Deferred Outflow | \$ 1,779,864 | Derivative | \$ (6,307,826) | \$ 42,285,000 |

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.

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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, 2017 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, 2017, all of the City's variable-rate debt is effectively hedged.

| Year Ending | Net | | | |
|-------------------|----------------------|---------------------|---------------------------|----------------------|
| December 31, 2017 | Principal | Interest | Payment on Derivatives | Total |
| 2018 | \$ 3,395,000 | \$ 654,574 | \$ 1,527,339 | \$ 5,576,913 |
| 2019 | 3,580,000 | 600,822 | 1,401,919 | 5,582,741 |
| 2020 | 3,780,000 | 544,129 | 1,269,635 | 5,593,764 |
| 2021 | 3,990,000 | 484,272 | 1,129,968 | 5,604,240 |
| 2022 | 4,210,000 | 421,093 | 982,551 | 5,613,644 |
| 2023-2025 | 23,330,000 | 753,617 | 1,758,440 | 25,842,057 |
| Totals | <u>\$ 42,285,000</u> | <u>\$ 3,458,507</u> | <u>\$ 8,069,852</u> | <u>\$ 53,813,359</u> |

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.

Regions Hospital Parking Ramp Contingent Lease

During 2006, the Port Authority of the City of Saint Paul (Port) issued revenue bonds to finance construction of a parking ramp at the Regions Hospital complex. The bonds are 30 year bonds with final scheduled retirement in 2036. The Port will lease the ramp for years 2008 through 2030 to Regions Hospital after construction is completed. The HRA agreed to a lease commitment in an amount equal to the annual debt service on the Port bonds for the years 2031 through 2036. The scheduled principal balance on the bonds is \$6,045,000 in 2031 prior to the 2031 through 2036 debt payments. The HRA lease is not triggered and no payments are made by the HRA if any one of the following takes place:

1. Regions Hospital continues to need the ramp for their business and extends the lease with the Port from 2031 through 2036.
2. Sometime during the period of 2008 through 2030, Regions Hospital elects to purchase the ramp for the greater of the outstanding debt or fair market value of the ramp.
3. Regions Hospital defaults on the Port lease and the bond trustee determines on behalf of the bondholders to sell the ramp to a third party and cancels the HRA lease commitment.

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. Willow Reserve Property - Contamination

In 2009, the Exxon-Mobil property site was purchased which was 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 Funds 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. On March 27, 2017, the HRA received a letter from the Minnesota Pollution Control Agency stating that the HRA has adequately addressed the petroleum tank release for the Exxon Mobil site and that such

Note VIII. Other Information (continued)

case file has been closed. In response to the letter received on March 27, 2017, from the Minnesota Pollution Control Agency the estimated maximum future cost of \$50,000 is included with the Pollution Remediation Obligation identified on the Government-wide Statement of Net Position. This pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

The Willow Reserve property is comprised of 11 single family homes, to be constructed by Habitat for Humanity, a public alley, and public space. The public alley and space is in the HRA's possession. During excavation in 2017, construction debris was discovered and excavation stopped. The former use of the site included a greenhouse/garden center, out buildings and one or more residential structures. Several additional borings were conducted by Habitat for Humanity in 2017 and contaminants discovered include asbestos containing waste materials, buried debris and solid waste, arsenic, lead and benzo(a)pyrene (a carcinogen). Habitat for Humanity conducted the site investigation, development of a Phase I and Phase II report, and Response Action Plan. The method of investigation and the proposed course of action have been approved by the Minnesota Pollution Control Agency. The investigation covers the entire site and has been done, in part, on behalf of the HRA. The estimated costs for cleanup for the homes, public alley, and public space are \$700,000. The HRA portion of the costs is estimated to be \$350,000 and is included with the Pollution Remediation Obligation identified on the Government-wide Statement of Net Position. This pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

G. Subsequent Events

Bond Issues

On May 16, 2018, the City issued General Obligation Various Purpose Bonds, Series 2018A in the amount of \$12,765,000. The proceeds were used to: (i) provide financing for capital improvement projects identified in the City's approved Capital Improvement Budget for the years 2018 through 2022; and (ii) provide financing for certain equipment, including, but not limited to, public safety vehicles and other capital equipment.

On May 16, 2018, the City issued General Obligation Street Improvement Special Assessment Refunding Bonds, Series 2018B in the amount of \$26,120,000. The proceeds were used to current refund (i) the City's General Obligation Variable Rate Street Improvement Special Assessment Bonds, Series 2015C, issued in the original aggregate principal amount of \$22,825,000 and outstanding as of May 1, 2018, in the amount of \$18,845,000; and (ii) the General Obligation Variable Rate Street Improvement Special Assessment Bonds, Series 2016C, issued in the original aggregate principal amount of \$10,520,000 and outstanding as of May 1, 2018, in the amount of \$8,750,000.

On May 16, 2018, the City issued General Obligation Tax Increment Refunding Bonds, Series 2018C in the amount of \$13,175,000. The proceeds were used to current refund the City's General Obligation Tax Increment Refunding Bonds, Series 2009G, issued in the original aggregate principal amount of \$20,695,000 and outstanding in the amount of \$14,500,000.

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Note VIII. Other Information (continued)

RiverCentre Parking Ramp

In mid-May 2018, some debris came loose from the ceiling on one of the levels of the RiverCentre parking ramp. As a precautionary measure, the City made the decision to close the ramp. Management of the RiverCentre Convention & Visitors Authority engaged a contractor to undertake a detailed inspection of the ramp and to determine what repairs or improvements are needed for the safe operation of the ramp. Management is currently evaluating the proposed plans. Accordingly, there is uncertainty as to the length of time the ramp will be closed.

H. Future Change in Accounting Standard

Effective for financial statements for the year ending December 31, 2018, the City will be implementing Governmental Accounting Standards Board (GASB) Statements No. 75.

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* will do to Other Post Employment Benefits (OPEB) what GASB Statement 68 did for pensions.

GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses, and will include new note disclosures and required supplementary information for OPEB plans. GASB Statement No. 75 affects the City as it provides OPEB and reports a liability related to these benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2017

Schedule 1
 (Page 1 of 1)

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
|---|------------------|---------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | \$ 80,988,299 | \$ 80,988,299 | \$ 81,588,131 | \$ 599,832 |
| Gross Earnings Franchise Fees | 25,466,879 | 25,466,879 | 26,329,251 | 862,372 |
| Hotel-Motel Tax | 1,770,800 | 1,770,800 | 1,942,319 | 171,519 |
| Other Taxes | 500,000 | 500,000 | 5,079 | (494,921) |
| Total Taxes | 108,725,978 | 108,725,978 | 109,864,780 | 1,138,802 |
| Licenses and Permits | 11,752,899 | 11,752,899 | 13,300,099 | 1,547,200 |
| Intergovernmental Revenue | 74,583,282 | 74,583,282 | 74,837,972 | 254,690 |
| Fees, Sales and Services | 42,798,359 | 42,933,614 | 45,223,221 | 2,289,607 |
| Assessment Financing | 77,000 | 77,000 | 140,293 | 63,293 |
| Investment Income | | | | |
| Interest Earned On Investments | 2,365,034 | 2,365,034 | 2,988,722 | 623,688 |
| Increase (Decrease) in Fair Value of Investments | - | - | (532,434) | (532,434) |
| Interest Earned - Other | - | - | (40,136) | (40,136) |
| Miscellaneous Revenue | 702,864 | 975,571 | 967,881 | (7,690) |
| Total Revenues | 241,005,416 | 241,413,378 | 246,750,398 | 5,337,020 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| City Council | 3,436,051 | 3,447,602 | 3,315,185 | 132,417 |
| Mayor | 1,943,290 | 1,959,123 | 2,004,592 | (45,469) |
| City Attorney | 8,284,478 | 8,322,116 | 7,940,272 | 381,844 |
| Financial Services | 4,049,174 | 4,142,306 | 3,618,728 | 523,578 |
| Human Resources | 4,730,209 | 4,327,954 | 4,371,076 | (43,122) |
| Human Rights | 2,331,985 | 2,338,874 | 2,091,296 | 247,578 |
| Technology | 11,673,672 | 12,424,223 | 11,613,775 | 810,448 |
| Other | 10,410,338 | 9,393,250 | 10,607,080 | (1,213,830) |
| Total General Government | 46,859,197 | 46,355,448 | 45,562,004 | 793,444 |
| Public Safety | | | | |
| Police | 90,146,089 | 89,826,864 | 90,542,368 | (715,504) |
| Fire and Safety Services | 60,114,617 | 60,725,965 | 61,334,477 | (608,512) |
| Safety and Inspection | 18,930,630 | 18,982,600 | 18,645,371 | 337,229 |
| Emergency Management | 428,046 | 428,046 | 458,180 | (30,134) |
| Total Public Safety | 169,619,382 | 169,963,475 | 170,980,396 | (1,016,921) |
| Highways and Streets | 3,193,024 | 2,384,024 | 2,250,027 | 133,997 |
| Culture and Recreation | 30,910,152 | 29,679,212 | 29,381,549 | 297,663 |
| Capital Outlay | 416,246 | 825,044 | 657,907 | 167,137 |
| Debt Service | | | | |
| Principal - Other Debt | 62,926 | 62,926 | - | 62,926 |
| Interest - Other Debt | 4,011 | 4,011 | 2,009 | 2,002 |
| Total Expenditures | 251,064,938 | 249,274,140 | 248,833,892 | 440,248 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (10,059,522) | (7,860,762) | (2,083,494) | 5,777,268 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 9,106,206 | 9,106,206 | 9,733,736 | 627,530 |
| Transfers Out | (1,826,529) | (6,197,323) | (6,197,692) | (369) |
| Sale of Capital Assets | 2,274,000 | 2,274,000 | 2,270,890 | (3,110) |
| Total Other Financing Sources (Uses) | 9,553,677 | 5,182,883 | 5,806,934 | 624,051 |
| Net Change in Fund Balance | (505,845) | (2,677,879) | 3,723,440 | 6,401,319 |
| FUND BALANCE, January 1 | 48,945,253 | 48,945,253 | 48,945,253 | - |
| FUND BALANCE, December 31 | \$ 48,439,408 | \$ 46,267,374 | \$ 52,668,693 | \$ 6,401,319 |

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 BALANCES - BUDGET AND ACTUAL
 ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 2017

| | Assessment Financing | | | |
|--|----------------------|--------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | | | | |
| Current Taxpayer | \$ - | \$ - | \$ - | \$ - |
| Delinquent Taxpayer | - | - | - | - |
| Total Property Taxes | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - |
| Fees, Sales and Services | - | - | - | - |
| Assessment Financing | 6,720,000 | 6,720,000 | 6,990,135 | 270,135 |
| Investment Income | | | | |
| Interest Earned on Investments | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - |
| Miscellaneous - Other | - | - | - | - |
| Total Revenues | 6,720,000 | 6,720,000 | 6,990,135 | 270,135 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 2,077,620 | 2,077,620 | 1,828,967 | 248,653 |
| Public Safety | 472,800 | 620,004 | 376,152 | 243,852 |
| Culture and Recreation | - | - | - | - |
| Housing and Economic Development | - | - | - | - |
| Total Expenditures | 2,550,420 | 2,697,624 | 2,205,119 | 492,505 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,169,580 | 4,022,376 | 4,785,016 | 762,640 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 472,798 | 472,798 | 511,323 | 38,525 |
| Transfers Out | (6,026,930) | (6,026,930) | (5,009,604) | 1,017,326 |
| Total Other Financing Sources (Uses) | (5,554,132) | (5,554,132) | (4,498,281) | 1,055,851 |
| Net Change in Fund Balances | (1,384,552) | (1,531,756) | 286,735 | 1,818,491 |
| FUND BALANCES, January 1 - as restated (Note III.C.13.) | 5,176,107 | 5,176,107 | 5,176,107 | - |
| FUND BALANCES, December 31 | \$ 3,791,555 | \$ 3,644,351 | \$ 5,462,842 | \$ 1,818,491 |

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 | | |
| \$ 17,368,694 | \$ 17,368,694 | \$ 17,329,651 | \$ (39,043) | \$ 3,475,665 | \$ 3,475,665 | \$ 3,496,158 | \$ 20,493 |
| 19,412 | 19,412 | 185,876 | 166,464 | - | - | 10,183 | 10,183 |
| 17,388,106 | 17,388,106 | 17,515,527 | 127,421 | 3,475,665 | 3,475,665 | 3,506,341 | 30,676 |
| - | - | 18,401 | 18,401 | - | - | - | - |
| - | - | - | - | 1,632,149 | 1,632,149 | 3,011,924 | 1,379,775 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 280,000 | 280,000 | 265,649 | (14,351) |
| - | - | - | - | - | - | 31,396 | 31,396 |
| 261,000 | 261,000 | 8,595 | (252,405) | - | - | - | - |
| 17,649,106 | 17,649,106 | 17,542,523 | (106,583) | 5,387,814 | 5,387,814 | 6,815,310 | 1,427,496 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 17,623,595 | 17,648,709 | 17,473,366 | 175,343 | - | - | - | - |
| - | - | - | - | 5,878,192 | 8,098,192 | 7,184,987 | 913,205 |
| 17,623,595 | 17,648,709 | 17,473,366 | 175,343 | 5,878,192 | 8,098,192 | 7,184,987 | 913,205 |
| 25,511 | 397 | 69,157 | 68,760 | (490,378) | (2,710,378) | (369,677) | 2,340,701 |
| 2,500 | 2,500 | 175,000 | 172,500 | - | - | 76,486 | 76,486 |
| (43,990) | (43,990) | (248,622) | (204,632) | (2,823,959) | (603,959) | (582,499) | 21,460 |
| (41,490) | (41,490) | (73,622) | (32,132) | (2,823,959) | (603,959) | (506,013) | 97,946 |
| (15,979) | (41,093) | (4,465) | 36,628 | (3,314,337) | (3,314,337) | (875,690) | 2,438,647 |
| 2,274,616 | 2,274,616 | 2,274,616 | - | 11,413,840 | 11,413,840 | 11,413,840 | - |
| \$ 2,258,637 | \$ 2,233,523 | \$ 2,270,151 | \$ 36,628 | \$ 8,099,503 | \$ 8,099,503 | \$ 10,538,150 | \$ 2,438,647 |

CITY OF SAINT PAUL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFITS PLAN
 YEAR ENDED DECEMBER 31, 2017

| 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% |
| December 31, 2016 | - | 215,106,787 | 0.00% | 215,106,787 | 210,907,706 | 101.99% |

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, 2017

| 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% |
| 2017 | 9,865,402 | 16,735,227 | 58.95% |

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*)**

| Fiscal Year Ending | Actual Contributions in | | | | Actual Contributions as a Percentage of Covered Payroll (b/d) |
|---------------------------|---|---|---|--------------------------------------|--|
| | Statutorily Required Contributions (a) | Relation to the Statutorily Required Contributions (b) | Contribution Deficiency (Excess) (a-b) | Covered Payroll** (d) | |
| 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% |
| December 31, 2017 | 7,775,599 | 7,775,599 | - | 103,674,650 | 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% |
| June 30, 2017 | 1.5871% | 101,322,460 | 1,274,040 | 102,596,500 | 102,173,596 | 99.17% | 75.90% |

* 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% |
| December 31, 2017 | 14,685,894 | 14,685,894 | - | 90,653,667 | 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, 2017

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*)**

| Fiscal Year Ending | Employer's Proportion of the Net Pension Liability (Asset) | Employer's Proportionate Share of the Net Pension Liability (Asset) (a) | Employer's Covered Payroll** (b) | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------------------------|---|--|---|---|---|
| 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% |
| June 30, 2017 | 8.773% | 118,445,940 | 89,946,790 | 131.68% | 85.43% |

* 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, 2017

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 Mayor (\$45,469), Human Resources (\$43,122), Other (\$1,213,830), Police (\$715,504), Fire and Safety Services (\$608,512), and Emergency Management (\$30,134).

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, 2017:

General Employees Retirement Plan

2017

The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members (30% for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability, and 3.0% for non-vested deferred member liability.

The assumed post-retirement benefit increase rate was changed from 1.0% per year for all future years to 1.0% per year through 2044 and 2.5% per year thereafter.

Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

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 percent. 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

2017

The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.

The assumed rates of retirement were changed, resulting in fewer retirements.

The CSA load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2.0% for non-vested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generation table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.

The assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

The assumed percentage of married female members was decreased from 65% to 60%.

The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities was increased.

The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.

The single discount rate was changed from 5.60% per annum to 7.50% per annum.

2016

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 also 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%.

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditures 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.

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| | Special Revenue | Capital Projects | Parks Memorial Permanent | Total Nonmajor Governmental Funds |
|---|----------------------|----------------------|--------------------------------|--|
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 31,129,969 | \$ 36,704,115 | \$ 87,641 | \$ 67,921,725 |
| Cash and Investments with Trustees | 278,178 | - | - | 278,178 |
| Imprest Funds | 58,760 | - | - | 58,760 |
| Accrued Interest Receivable on Investments | 158,804 | 203,205 | 464 | 362,473 |
| Property Tax Receivable: | | | | |
| Due from Ramsey County | - | 427,819 | - | 427,819 |
| Delinquent | - | 60,902 | - | 60,902 |
| Accounts Receivable (Net of Allowance) | 1,959,398 | - | - | 1,959,398 |
| Assessments Receivable | 19,888,440 | - | - | 19,888,440 |
| Due from Other Governmental Units | 13,719,085 | - | - | 13,719,085 |
| Notes and Loans Receivable | 4,589,185 | 1,348,044 | - | 5,937,229 |
| Due from Component Units | 282,289 | - | - | 282,289 |
| Land Held for Resale | 4,514,620 | 1,948,295 | - | 6,462,915 |
| Restricted Cash and Cash Equivalents | - | 250,300 | - | 250,300 |
| Advances to Other Funds | 9,360,000 | 4,668,390 | - | 14,028,390 |
| TOTAL ASSETS | \$ 85,938,728 | \$ 45,611,070 | \$ 88,105 | \$ 131,637,903 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accrued Salaries Payable | \$ 1,899,297 | \$ - | \$ - | \$ 1,899,297 |
| Accounts Payable | 5,299,047 | 1,049,541 | - | 6,348,588 |
| Due to Other Funds | 5,186,072 | - | - | 5,186,072 |
| Due to Other Governmental Units | 1,352,046 | 1,562,997 | - | 2,915,043 |
| Advance from Other Funds | 1,750,000 | 15,380,162 | - | 17,130,162 |
| Unearned Revenue | 6,178,567 | 1,145,186 | - | 7,323,753 |
| Total Liabilities | 21,665,029 | 19,137,886 | - | 40,802,915 |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 22,253,872 | 1,504,172 | 128 | 23,758,172 |
| Fund Balance | | | | |
| Nonspendable | - | - | 35,000 | 35,000 |
| Restricted | 5,734,112 | 24,969,012 | 52,977 | 30,756,101 |
| Committed | 27,441,629 | - | - | 27,441,629 |
| Assigned | 13,001,514 | - | - | 13,001,514 |
| Unassigned | (4,157,428) | - | - | (4,157,428) |
| Total Fund Balances | 42,019,827 | 24,969,012 | 87,977 | 67,076,816 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 85,938,728 | \$ 45,611,070 | \$ 88,105 | \$ 131,637,903 |

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CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 14
 (Page 1 of 1)

| | Special Revenue | Capital Projects | Parks Memorial Permanent | Total Nonmajor Governmental Funds |
|--|----------------------|----------------------|--------------------------------|--|
| REVENUES | | | | |
| Taxes | | | | |
| Current Tax Increment | \$ - | \$ 13,239,956 | \$ - | \$ 13,239,956 |
| City Sales Tax | 18,911,281 | - | - | 18,911,281 |
| Hotel-Motel Tax | 2,236,872 | - | - | 2,236,872 |
| Other Taxes | 208,825 | - | - | 208,825 |
| Licenses and Permits | 2,060,080 | - | - | 2,060,080 |
| Intergovernmental Revenue | 37,315,523 | 441,799 | - | 37,757,322 |
| Fees, Sales and Services | 25,098,372 | 69,513 | - | 25,167,885 |
| Assessment Financing | 14,997,024 | - | - | 14,997,024 |
| Investment Income | | | | |
| Interest Earned on Investments | 137,177 | 547,159 | 1,577 | 685,913 |
| Increase (Decrease) in Fair Value of Investments | 5,386 | 49,230 | (19) | 54,597 |
| Interest Earned - Other | 546,802 | - | - | 546,802 |
| Miscellaneous Revenue | | | | |
| Program Income | 67,490 | - | - | 67,490 |
| Other | 9,365,607 | 343,749 | - | 9,709,356 |
| Total Revenues | <u>110,950,439</u> | <u>14,691,406</u> | <u>1,558</u> | <u>125,643,403</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 4,942,002 | - | - | 4,942,002 |
| Public Safety | 14,188,700 | - | - | 14,188,700 |
| Highways and Streets | 45,179,705 | - | - | 45,179,705 |
| Sanitation | 5,449,642 | - | - | 5,449,642 |
| Health | 2,769,500 | - | - | 2,769,500 |
| Culture and Recreation | 12,268,621 | - | 103 | 12,268,724 |
| Housing and Economic Development | 23,641,473 | 9,765,992 | - | 33,407,465 |
| Capital Outlay | 3,149,528 | 1,274,290 | - | 4,423,818 |
| Debt Service | | | | |
| Other Debt Principal | - | 208,140 | - | 208,140 |
| Interest - Other Debt | 153 | 4,013,353 | - | 4,013,506 |
| Total Expenditures | <u>111,589,324</u> | <u>15,261,775</u> | <u>103</u> | <u>126,851,202</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(638,885)</u> | <u>(570,369)</u> | <u>1,455</u> | <u>(1,207,799)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 30,140,906 | 3,642,136 | - | 33,783,042 |
| Transfers Out | (32,591,915) | (10,221,755) | - | (42,813,670) |
| Note Issued | 1,525,000 | - | - | 1,525,000 |
| Sale of Capital Assets | 762,332 | - | - | 762,332 |
| Total Other Financing Sources (Uses) | <u>(163,677)</u> | <u>(6,579,619)</u> | <u>-</u> | <u>(6,743,296)</u> |
| Net Change in Fund Balances | (802,562) | (7,149,988) | 1,455 | (7,951,095) |
| FUND BALANCES, January 1-as restated (Note III.C.13.) | <u>42,822,389</u> | <u>32,119,000</u> | <u>86,522</u> | <u>75,027,911</u> |
| FUND BALANCES, December 31 | <u>\$ 42,019,827</u> | <u>\$ 24,969,012</u> | <u>\$ 87,977</u> | <u>\$ 67,076,816</u> |

| | City Grants | General Government Special Projects | Fire Responsive Services |
|---|---------------------|--|--------------------------------|
| ASSETS | | | |
| Cash and Investments with Treasurer | \$ 847,905 | \$ 1,629,811 | \$ - |
| Cash and Investments with Trustees | - | - | - |
| Imprest Funds | 26,000 | 50 | - |
| Accrued Interest Receivable on Investments | 1,160 | - | - |
| Accounts Receivable (Net of Allowance) | 97,667 | 1,004,142 | - |
| Assessments Receivable | - | - | - |
| Due from Other Governmental Units | 3,441,625 | 703,144 | 1,161,681 |
| Notes and Loans Receivable | - | - | - |
| Due from Component Units | - | - | - |
| Land Held for Resale | - | - | - |
| Advance to Other Funds | - | - | - |
| TOTAL ASSETS | \$ 4,414,357 | \$ 3,337,147 | \$ 1,161,681 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accrued Salaries Payable | \$ 130,756 | \$ 30,064 | \$ 15,212 |
| Accounts Payable | 2,047,055 | 904,894 | 7,623 |
| Due to Other Funds | - | - | 774,948 |
| Due to Other Governmental Units | 36,755 | 3,772 | 1,161,245 |
| Advance from Other Funds | - | - | - |
| Unearned Revenue | - | - | - |
| Total Liabilities | 2,214,566 | 938,730 | 1,959,028 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 922,309 | 616,168 | - |
| Fund Balance | | | |
| Restricted | 1,334,007 | 74,389 | - |
| Committed | - | 626,105 | 96,756 |
| Assigned | - | 1,081,755 | - |
| Unassigned | (56,525) | - | (894,103) |
| Total Fund Balances | 1,277,482 | 1,782,249 | (797,347) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 4,414,357 | \$ 3,337,147 | \$ 1,161,681 |

| Police Special Projects | Charitable Gambling | Right of Way Maintenance | Street Lighting Districts | Recycling and Solid Waste | Public Health |
|-------------------------------|------------------------|--------------------------------|---------------------------------|---------------------------------|-------------------|
| \$ - | \$ 380,657 | \$ - | \$ 527,800 | \$ 3,844,480 | \$ - |
| - | - | - | - | - | - |
| 30,000 | - | 200 | - | - | - |
| 3,181 | - | 7,799 | - | - | - |
| 145,460 | - | 439,966 | - | - | 102,253 |
| - | - | 11,619,370 | - | 8,269,070 | - |
| 1,970,839 | - | 1,469,817 | - | - | 306,843 |
| - | - | - | - | - | - |
| - | - | 282,289 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 2,149,480</u> | <u>\$ 380,657</u> | <u>\$ 13,819,441</u> | <u>\$ 527,800</u> | <u>\$ 12,113,550</u> | <u>\$ 409,096</u> |
| \$ 296,745 | \$ 5,154 | \$ 1,038,541 | \$ - | \$ 9,783 | \$ 140,199 |
| 290,602 | 8,000 | 593,442 | 5,178 | 438,531 | - |
| 223,179 | - | 1,118,947 | - | - | 207,037 |
| 24,547 | 609 | 83,975 | - | 757 | 8,363 |
| - | - | - | - | - | - |
| - | 11,143 | - | - | - | - |
| <u>835,073</u> | <u>24,906</u> | <u>2,834,905</u> | <u>5,178</u> | <u>449,071</u> | <u>355,599</u> |
| <u>1,426,203</u> | <u>-</u> | <u>7,756,151</u> | <u>-</u> | <u>8,154,806</u> | <u>101,902</u> |
| - | - | - | 522,622 | - | - |
| - | 18,254 | - | - | - | - |
| - | 337,497 | 3,228,385 | - | 3,509,673 | - |
| (111,796) | - | - | - | - | (48,405) |
| <u>(111,796)</u> | <u>355,751</u> | <u>3,228,385</u> | <u>522,622</u> | <u>3,509,673</u> | <u>(48,405)</u> |
| <u>\$ 2,149,480</u> | <u>\$ 380,657</u> | <u>\$ 13,819,441</u> | <u>\$ 527,800</u> | <u>\$ 12,113,550</u> | <u>\$ 409,096</u> |

| | Parks and Recreation Special Projects | Como Campus | Parkland Replacement |
|---|--|--------------------|-------------------------|
| ASSETS | | | |
| Cash and Investments with Treasurer | \$ 1,671,536 | \$ - | \$ 1,580,935 |
| Cash and Investments with Trustees | - | - | - |
| Imprest Funds | 2,210 | 300 | - |
| Accrued Interest Receivable on Investments | - | - | 4,360 |
| Accounts Receivable (Net of Allowance) | 48,887 | 289 | - |
| Assessments Receivable | - | - | - |
| Due from Other Governmental Units | - | - | - |
| Notes and Loans Receivable | - | - | - |
| Due from Component Units | - | - | - |
| Land Held for Resale | - | - | - |
| Advance to Other Funds | - | - | - |
| TOTAL ASSETS | \$ 1,722,633 | \$ 589 | \$ 1,585,295 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accrued Salaries Payable | \$ 68,764 | \$ 159,990 | \$ - |
| Accounts Payable | 97,110 | 11,827 | - |
| Due to Other Funds | - | 2,861,961 | - |
| Due to Other Governmental Units | 4,030 | 9,593 | - |
| Advance from Other Funds | - | - | - |
| Unearned Revenue | - | 3,817 | - |
| Total Liabilities | 169,904 | 3,047,188 | - |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | - | - | 1,203 |
| Fund Balance | | | |
| Restricted | 769,518 | - | 1,584,092 |
| Committed | 783,211 | - | - |
| Assigned | - | - | - |
| Unassigned | - | (3,046,599) | - |
| Total Fund Balances | 1,552,729 | (3,046,599) | 1,584,092 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 1,722,633 | \$ 589 | \$ 1,585,295 |

| Lowertown Ballpark | Public Library Special Projects | City HUD Grants | City Sales Tax | HRA Grants | Total Nonmajor Special Revenue Funds |
|-----------------------|--|-----------------------|----------------------|------------------|---|
| \$ - | \$ 1,964,922 | \$ 2,334,926 | \$ 16,282,466 | \$ 64,531 | \$ 31,129,969 |
| 278,178 | - | - | - | - | 278,178 |
| - | - | - | - | - | 58,760 |
| - | - | 18,944 | 123,360 | - | 158,804 |
| - | 108,502 | - | 12,232 | - | 1,959,398 |
| - | - | - | - | - | 19,888,440 |
| - | - | 1,520,153 | 3,144,983 | - | 13,719,085 |
| - | - | 1,417,791 | 3,171,394 | - | 4,589,185 |
| - | - | - | - | - | 282,289 |
| - | - | 4,514,620 | - | - | 4,514,620 |
| - | - | - | 9,360,000 | - | 9,360,000 |
| <u>\$ 278,178</u> | <u>\$ 2,073,424</u> | <u>\$ 9,806,434</u> | <u>\$ 32,094,435</u> | <u>\$ 64,531</u> | <u>\$ 85,938,728</u> |
| \$ - | \$ 4,089 | \$ - | \$ - | \$ - | \$ 1,899,297 |
| - | 143,188 | 632,283 | 119,314 | - | 5,299,047 |
| - | - | - | - | - | 5,186,072 |
| - | 378 | 18,022 | - | - | 1,352,046 |
| - | - | 1,750,000 | - | - | 1,750,000 |
| - | - | 6,163,607 | - | - | 6,178,567 |
| - | 147,655 | 8,563,912 | 119,314 | - | 21,665,029 |
| - | - | 22,381 | 3,252,749 | - | 22,253,872 |
| - | 164,812 | 1,220,141 | - | 64,531 | 5,734,112 |
| - | 294,740 | - | 25,622,563 | - | 27,441,629 |
| 278,178 | 1,466,217 | - | 3,099,809 | - | 13,001,514 |
| - | - | - | - | - | (4,157,428) |
| <u>278,178</u> | <u>1,925,769</u> | <u>1,220,141</u> | <u>28,722,372</u> | <u>64,531</u> | <u>42,019,827</u> |
| <u>\$ 278,178</u> | <u>\$ 2,073,424</u> | <u>\$ 9,806,434</u> | <u>\$ 32,094,435</u> | <u>\$ 64,531</u> | <u>\$ 85,938,728</u> |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 16
 (Page 1 of 4)

| | City Grants | General Government Special Projects | Fire Responsive Services |
|--|---------------------|--|--------------------------------|
| REVENUES | | | |
| Taxes | | | |
| City Sales Tax | \$ - | \$ - | \$ - |
| Hotel-Motel Tax | - | 2,236,872 | - |
| Other Taxes | - | - | - |
| Total Taxes | <u>-</u> | <u>2,236,872</u> | <u>-</u> |
| Licenses and Permits | - | - | - |
| Intergovernmental Revenue | 19,038,046 | 294,550 | - |
| Fees, Sales and Services | 11,104 | 364,480 | 1,826,444 |
| Assessment Financing | - | - | - |
| Investment Income | | | |
| Interest Earned on Investments | 6,845 | - | 575 |
| Increase (Decrease) in Fair Value of Investments | (539) | - | - |
| Interest Earned - Other | - | - | - |
| Miscellaneous Revenue | | | |
| Program Income | - | - | 156 |
| Other | 1,978,473 | 1,462,316 | 13,848 |
| Total Revenues | <u>21,033,929</u> | <u>4,358,218</u> | <u>1,841,023</u> |
| EXPENDITURES | | | |
| Current | | | |
| General Government | 675,191 | 4,266,811 | - |
| Public Safety | 3,858,923 | - | 1,471,396 |
| Highways and Streets | 1,619,873 | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Culture and Recreation | 3,066,479 | - | - |
| Housing and Economic Development | 11,450,230 | - | - |
| Capital Outlay | 1,323,690 | - | 418,958 |
| Debt Service | | | |
| Interest - Other Debt | - | - | - |
| Total Expenditures | <u>21,994,386</u> | <u>4,266,811</u> | <u>1,890,354</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(960,457)</u> | <u>91,407</u> | <u>(49,331)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 565,232 | 819,540 | - |
| Transfers Out | (162,321) | - | - |
| Note Issued | - | - | - |
| Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | <u>402,911</u> | <u>819,540</u> | <u>-</u> |
| Net Change in Fund Balances | (557,546) | 910,947 | (49,331) |
| FUND BALANCES, January 1 | <u>1,835,028</u> | <u>871,302</u> | <u>(748,016)</u> |
| FUND BALANCES, December 31 | <u>\$ 1,277,482</u> | <u>\$ 1,782,249</u> | <u>\$ (797,347)</u> |

| Police Special Projects | Charitable Gambling | Right of Way Maintenance | Street Lighting Districts | Recycling and Solid Waste | Public Health |
|-------------------------------|------------------------|--------------------------------|---------------------------------|---------------------------------|------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | 208,825 | - | - | - | - |
| - | 208,825 | - | - | - | - |
| 267,902 | - | 1,792,178 | - | - | - |
| 659,375 | - | 7,133,767 | - | 745,493 | - |
| 7,629,241 | - | 5,360,511 | - | - | 2,787,145 |
| - | - | 8,961,388 | 65,175 | 5,970,461 | - |
| 14,904 | - | (55,201) | - | - | - |
| (1,818) | 1,870 | (8,863) | - | - | - |
| 327 | (794) | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,478,583 | - | 419,148 | - |
| 8,569,931 | 209,901 | 24,662,363 | 65,175 | 7,135,102 | 2,787,145 |
| - | - | - | - | - | - |
| 8,739,458 | 118,923 | - | - | - | - |
| - | - | 43,334,262 | 225,570 | - | - |
| - | - | - | - | 5,449,642 | - |
| - | - | - | - | - | 2,769,500 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,179,851 | - | 227,029 | - | - | - |
| - | - | 153 | - | - | - |
| 9,919,309 | 118,923 | 43,561,444 | 225,570 | 5,449,642 | 2,769,500 |
| (1,349,378) | 90,978 | (18,899,081) | (160,395) | 1,685,460 | 17,645 |
| 858,849 | - | 13,332,958 | - | 16,064 | - |
| (270,804) | (11,834) | (2,234,201) | - | (602,611) | - |
| - | - | - | - | 1,525,000 | - |
| - | - | 762,332 | - | - | - |
| 588,045 | (11,834) | 11,861,089 | - | 938,453 | - |
| (761,333) | 79,144 | (7,037,992) | (160,395) | 2,623,913 | 17,645 |
| 649,537 | 276,607 | 10,266,377 | 683,017 | 885,760 | (66,050) |
| \$ (111,796) | \$ 355,751 | \$ 3,228,385 | \$ 522,622 | \$ 3,509,673 | \$ (48,405) |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 16
 (Page 3 of 4)

| | Parks and Recreation Special Projects | Como Campus | Parkland Replacement |
|--|--|----------------|-------------------------|
| REVENUES | | | |
| Taxes | | | |
| City Sales Tax | \$ - | \$ - | \$ - |
| Hotel-Motel Tax | - | - | - |
| Other Taxes | - | - | - |
| Total Taxes | - | - | - |
| Licenses and Permits | - | - | - |
| Intergovernmental Revenue | 1,375,014 | - | - |
| Fees, Sales and Services | 2,340,141 | 1,543,712 | 2,100 |
| Assessment Financing | - | - | - |
| Investment Income | | | |
| Interest Earned on Investments | 79 | - | 15,207 |
| Increase (Decrease) in Fair Value of Investments | (213) | - | (4,543) |
| Interest Earned - Other | - | - | - |
| Miscellaneous Revenue | | | |
| Program Income | - | - | - |
| Other | 162,155 | 2,135,581 | 349,715 |
| Total Revenues | 3,877,176 | 3,679,293 | 362,479 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | - | - | - |
| Public Safety | - | - | - |
| Highways and Streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Culture and Recreation | 3,355,783 | 3,813,994 | 1,354 |
| Housing and Economic Development | - | - | - |
| Capital Outlay | - | - | - |
| Debt Service | | | |
| Interest - Other Debt | - | - | - |
| Total Expenditures | 3,355,783 | 3,813,994 | 1,354 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 521,393 | (134,701) | 361,125 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 38,831 | 438,489 | - |
| Transfers Out | (964,072) | (106,832) | - |
| Note Issued | - | - | - |
| Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | (925,241) | 331,657 | - |
| Net Change in Fund Balances | (403,848) | 196,956 | 361,125 |
| FUND BALANCES, January 1 | 1,956,577 | (3,243,555) | 1,222,967 |
| FUND BALANCES, December 31 | \$ 1,552,729 | \$ (3,046,599) | \$ 1,584,092 |

| Lowertown Ballpark | Public Library Special Projects | City HUD Grants | City Sales Tax | HRA Grants | Total Nonmajor Special Revenue Funds |
|-----------------------|--|-----------------------|----------------------|---------------|---|
| \$ - | \$ - | \$ - | \$ 18,911,281 | \$ - | \$ 18,911,281 |
| - | - | - | - | - | 2,236,872 |
| - | - | - | - | - | 208,825 |
| - | - | - | 18,911,281 | - | 21,356,978 |
| - | - | - | - | - | 2,060,080 |
| - | 258,093 | 7,811,185 | - | - | 37,315,523 |
| 419,830 | 348,465 | 1,691,846 | 773,353 | - | 25,098,372 |
| - | - | - | - | - | 14,997,024 |
| - | (932) | - | 155,700 | - | 137,177 |
| - | 2,417 | - | 17,075 | - | 5,386 |
| 662 | - | 410,587 | 136,020 | - | 546,802 |
| - | - | 66,330 | 1,004 | - | 67,490 |
| 560,556 | 805,232 | - | - | - | 9,365,607 |
| 981,048 | 1,413,275 | 9,979,948 | 19,994,433 | - | 110,950,439 |
| - | - | - | - | - | 4,942,002 |
| - | - | - | - | - | 14,188,700 |
| - | - | - | - | - | 45,179,705 |
| - | - | - | - | - | 5,449,642 |
| - | - | - | - | - | 2,769,500 |
| 620,603 | 1,410,408 | - | - | - | 12,268,621 |
| - | - | 8,351,375 | 3,839,868 | - | 23,641,473 |
| - | - | - | - | - | 3,149,528 |
| - | - | - | - | - | 153 |
| 620,603 | 1,410,408 | 8,351,375 | 3,839,868 | - | 111,589,324 |
| 360,445 | 2,867 | 1,628,573 | 16,154,565 | - | (638,885) |
| 61,340 | - | 78,615 | 13,930,988 | - | 30,140,906 |
| (328,623) | - | (863,864) | (26,784,504) | (262,249) | (32,591,915) |
| - | - | - | - | - | 1,525,000 |
| - | - | - | - | - | 762,332 |
| (267,283) | - | (785,249) | (12,853,516) | (262,249) | (163,677) |
| 93,162 | 2,867 | 843,324 | 3,301,049 | (262,249) | (802,562) |
| 185,016 | 1,922,902 | 376,817 | 25,421,323 | 326,780 | 42,822,389 |
| \$ 278,178 | \$ 1,925,769 | \$ 1,220,141 | \$ 28,722,372 | \$ 64,531 | \$ 42,019,827 |

| | 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 | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Hotel-Motel Tax | \$ 1,930,400 | \$ 1,930,400 | \$ 2,236,872 | \$ 306,472 | \$ - | \$ - | \$ - | \$ - |
| Other Taxes | - | - | - | - | - | - | - | - |
| Total Taxes | 1,930,400 | 1,930,400 | 2,236,872 | 306,472 | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | 71,748 | 71,748 | 294,550 | 222,802 | - | - | - | - |
| Fees, Sales and Services | 81,737 | 81,737 | 364,480 | 282,743 | 1,608,346 | 1,608,346 | 1,826,444 | 218,098 |
| Assessment Financing | - | - | - | - | - | - | - | - |
| Investment Income | - | - | - | - | - | - | - | - |
| Interest Earned on Investments | - | - | - | - | - | - | 575 | 575 |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue | - | - | - | - | - | - | 156 | 156 |
| Other | 123,500 | 225,096 | 1,462,316 | 1,237,220 | 90,488 | 95,488 | 13,848 | (81,640) |
| Total Revenues | 2,207,385 | 2,308,981 | 4,358,218 | 2,049,237 | 1,698,834 | 1,703,834 | 1,841,023 | 137,189 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 3,450,179 | 3,585,090 | 4,266,811 | (681,721) | - | - | - | - |
| Public Safety | - | - | - | - | 2,238,291 | 1,951,118 | 1,471,396 | 479,722 |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - |
| Capital Outlay | 21,000 | 21,000 | - | 21,000 | 2,513,334 | 2,126,428 | 418,958 | 1,707,470 |
| Debt Service | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 3,471,179 | 3,606,090 | 4,266,811 | (660,721) | 4,751,625 | 4,077,546 | 1,890,354 | 2,187,192 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,263,794) | (1,297,109) | 91,407 | 1,388,516 | (3,052,791) | (2,373,712) | (49,331) | 2,324,381 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 833,806 | 833,806 | 819,540 | (14,266) | 56,516 | 56,516 | - | (56,516) |
| Transfers Out | - | - | - | - | - | - | - | - |
| Note Issued | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Capital Lease | - | - | - | - | 1,986,061 | 1,693,888 | - | (1,693,888) |
| Total Other Financing Sources (Uses) | 833,806 | 833,806 | 819,540 | (14,266) | 2,042,577 | 1,750,404 | - | (1,750,404) |
| Net Change in Fund Balances | (429,988) | (463,303) | 910,947 | 1,374,250 | (1,010,214) | (623,308) | (49,331) | 573,977 |
| FUND BALANCES, January 1 | 871,302 | 871,302 | 871,302 | - | (748,016) | (748,016) | (748,016) | - |
| FUND BALANCES, December 31 | \$ 441,314 | \$ 407,999 | \$ 1,782,249 | \$ 1,374,250 | \$ (1,758,230) | \$ (1,371,324) | \$ (797,347) | \$ 573,977 |

| 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 | \$ 208,825 | \$ 43,310 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 165,515 | 165,515 | 208,825 | 43,310 | - | - | - | - |
| 520,268 | 520,268 | 267,902 | (252,366) | - | - | - | - | 1,531,500 | 1,531,500 | 1,792,178 | 260,678 |
| 200,000 | 200,000 | 659,375 | 459,375 | - | - | - | - | 6,154,135 | 6,154,135 | 7,133,767 | 979,632 |
| 6,634,600 | 6,754,600 | 7,629,241 | 874,641 | - | - | - | - | 6,621,959 | 18,364,350 | 5,360,511 | (13,003,839) |
| - | - | - | - | - | - | - | - | 32,309,429 | 478,972 | 8,961,388 | 8,482,416 |
| 10,000 | 10,000 | 14,904 | 4,904 | - | - | - | - | - | - | (55,201) | (55,201) |
| - | - | (1,818) | (1,818) | - | - | 1,870 | 1,870 | - | - | (8,863) | (8,863) |
| - | - | 327 | 327 | - | - | (794) | (794) | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 660,467 | 648,467 | - | (648,467) | - | - | - | - | 180,000 | 180,000 | 1,478,583 | 1,298,583 |
| 8,025,335 | 8,133,335 | 8,569,931 | 436,596 | 165,515 | 165,515 | 209,901 | 44,386 | 46,797,023 | 26,708,957 | 24,662,363 | (2,046,594) |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 9,663,068 | 9,884,159 | 8,739,458 | 1,144,701 | 280,100 | 280,100 | 118,923 | 161,177 | - | - | - | - |
| - | - | - | - | - | - | - | - | 44,208,316 | 43,211,346 | 43,334,262 | (122,916) |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 1,810,121 | 2,155,927 | 1,179,851 | 976,076 | - | - | - | - | 515,000 | 527,669 | 227,029 | 300,640 |
| - | - | - | - | - | - | - | - | 100,121 | 83,752 | 153 | 83,599 |
| 11,473,189 | 12,040,086 | 9,919,309 | 2,120,777 | 280,100 | 280,100 | 118,923 | 161,177 | 44,823,437 | 43,822,767 | 43,561,444 | 261,323 |
| (3,447,854) | (3,906,751) | (1,349,378) | 2,557,373 | (114,585) | (114,585) | 90,978 | 205,563 | 1,973,586 | (17,113,810) | (18,899,081) | (1,785,271) |
| 1,474,756 | 918,430 | 858,849 | (59,581) | - | - | - | - | 199,636 | 15,195,278 | 13,332,958 | (1,862,320) |
| (653,369) | (653,369) | (270,804) | 382,565 | (11,834) | (11,834) | (11,834) | - | (2,383,456) | (2,882,456) | (2,234,201) | 648,255 |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 804,316 | 1,096,489 | - | (1,096,489) | - | - | - | - | - | 750,000 | 762,332 | 12,332 |
| 1,625,703 | 1,361,550 | 588,045 | (773,505) | (11,834) | (11,834) | (11,834) | - | (2,183,820) | 13,062,822 | 11,861,089 | (1,201,733) |
| (1,822,151) | (2,545,201) | (761,333) | 1,783,868 | (126,419) | (126,419) | 79,144 | 205,563 | (210,234) | (4,050,988) | (7,037,992) | (2,987,004) |
| 649,537 | 649,537 | 649,537 | - | 276,607 | 276,607 | 276,607 | - | 10,266,377 | 10,266,377 | 10,266,377 | - |
| \$ (1,172,614) | \$ (1,895,664) | \$ (111,796) | \$ 1,783,868 | \$ 150,188 | \$ 150,188 | \$ 355,751 | \$ 205,563 | \$ 10,056,143 | \$ 6,215,389 | \$ 3,228,385 | \$ (2,987,004) |

| | 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 | - | - | - | - | 727,685 | 727,685 | 745,493 | 17,808 |
| Fees, Sales and Services | - | - | - | - | - | - | - | - |
| Assessment Financing | 389,106 | 389,106 | 65,175 | (323,931) | 5,943,029 | 5,943,029 | 5,970,461 | 27,432 |
| Investment Income | - | - | - | - | - | - | - | - |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | 419,148 | 419,148 |
| Total Revenues | 389,106 | 389,106 | 65,175 | (323,931) | 6,670,714 | 6,670,714 | 7,135,102 | 464,388 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | 389,106 | 389,106 | 225,570 | 163,536 | - | - | - | - |
| Sanitation | - | - | - | - | 6,401,859 | 6,709,666 | 5,449,642 | 1,260,024 |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 389,106 | 389,106 | 225,570 | 163,536 | 6,401,859 | 6,709,666 | 5,449,642 | 1,260,024 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | (160,395) | (160,395) | 268,855 | (38,952) | 1,685,460 | 1,724,412 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | 16,064 | 16,064 |
| Transfers Out | - | - | - | - | (665,363) | (665,363) | (602,611) | 62,752 |
| Note Issued | - | - | - | - | - | - | 1,525,000 | 1,525,000 |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Capital Lease | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | (665,363) | (665,363) | 938,453 | 1,603,816 |
| Net Change in Fund Balances | - | - | (160,395) | (160,395) | (396,508) | (704,315) | 2,623,913 | 3,328,228 |
| FUND BALANCES, January 1 | 683,017 | 683,017 | 683,017 | - | 885,760 | 885,760 | 885,760 | - |
| FUND BALANCES, December 31 | \$ 683,017 | \$ 683,017 | \$ 522,622 | \$ (160,395) | \$ 489,252 | \$ 181,445 | \$ 3,509,673 | \$ 3,328,228 |

| 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 | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | 1,556,702 | 1,556,702 | 1,375,014 | (181,688) | - | - | - | - |
| 3,010,399 | 3,010,399 | 2,787,145 | (223,254) | 2,679,163 | 2,679,163 | 2,340,141 | (339,022) | 1,753,974 | 1,753,974 | 1,543,712 | (210,262) |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 79 | 79 | - | - | - | - |
| - | - | - | - | - | - | (213) | (213) | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | 262,594 | 262,594 | 162,155 | (100,439) | 2,244,954 | 2,244,954 | 2,135,581 | (109,373) |
| 3,010,399 | 3,010,399 | 2,787,145 | (223,254) | 4,498,459 | 4,498,459 | 3,877,176 | (621,283) | 3,998,928 | 3,998,928 | 3,679,293 | (319,635) |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 3,010,399 | 3,010,399 | 2,769,500 | 240,899 | - | - | - | - | - | - | - | - |
| - | - | - | - | 3,542,594 | 3,625,485 | 3,355,783 | 269,702 | 4,259,655 | 4,261,462 | 3,813,994 | 447,468 |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | 115,000 | 115,000 | - | 115,000 | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 3,010,399 | 3,010,399 | 2,769,500 | 240,899 | 3,657,594 | 3,740,485 | 3,355,783 | 384,702 | 4,259,655 | 4,261,462 | 3,813,994 | 447,468 |
| - | - | 17,645 | 17,645 | 840,865 | 757,974 | 521,393 | (236,581) | (260,727) | (262,534) | (134,701) | 127,833 |
| - | - | - | - | 100,000 | 100,000 | 38,831 | (61,169) | 407,489 | 407,489 | 438,489 | 31,000 |
| - | - | - | - | (929,241) | (929,241) | (964,072) | (34,831) | (106,832) | (106,832) | (106,832) | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | (829,241) | (829,241) | (925,241) | (96,000) | 300,657 | 300,657 | 331,657 | 31,000 |
| - | - | 17,645 | 17,645 | 11,624 | (71,267) | (403,848) | (332,581) | 39,930 | 38,123 | 196,956 | 158,833 |
| (66,050) | (66,050) | (66,050) | - | 1,956,577 | 1,956,577 | 1,956,577 | - | (3,243,555) | (3,243,555) | (3,243,555) | - |
| \$ (66,050) | \$ (66,050) | \$ (48,405) | \$ 17,645 | \$ 1,968,201 | \$ 1,885,310 | \$ 1,552,729 | \$ (332,581) | \$ (3,203,625) | \$ (3,205,432) | \$ (3,046,599) | \$ 158,833 |

| | Parkland Replacement | | | | Lowertown Ballpark | | | |
|--|----------------------|--------------|-------------------|----------------------------------|--------------------|------------|-------------------|----------------------------------|
| | 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 | 200,000 | 200,000 | - | (200,000) | - | - | - | - |
| Fees, Sales and Services | - | - | 2,100 | 2,100 | 419,850 | 419,850 | 419,830 | (20) |
| Assessment Financing | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | 15,207 | 15,207 | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | (4,543) | (4,543) | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | 662 | 662 |
| Miscellaneous Revenue | - | - | - | - | - | - | - | - |
| Other | - | - | 349,715 | 349,715 | 250,000 | 250,000 | 560,556 | 310,556 |
| Total Revenues | 200,000 | 200,000 | 362,479 | 162,479 | 669,850 | 669,850 | 981,048 | 311,198 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | 1,354 | (1,354) | 559,263 | 559,263 | 620,603 | (61,340) |
| Housing and Economic Development | - | - | - | - | - | - | - | - |
| Capital Outlay | 200,000 | 200,000 | - | 200,000 | - | - | - | - |
| Debt Service | | | | | | | | |
| Interest - Other Debt | - | - | - | - | 61,340 | 61,340 | - | 61,340 |
| Total Expenditures | 200,000 | 200,000 | 1,354 | 198,646 | 620,603 | 620,603 | 620,603 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 361,125 | 361,125 | 49,247 | 49,247 | 360,445 | 311,198 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 61,340 | 61,340 | 61,340 | - |
| Transfers Out | - | - | - | - | (110,587) | (110,587) | (328,623) | (218,036) |
| Note Issued | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Capital Lease | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | (49,247) | (49,247) | (267,283) | (218,036) |
| Net Change in Fund Balances | - | - | 361,125 | 361,125 | - | - | 93,162 | 93,162 |
| FUND BALANCES, January 1 | 1,222,967 | 1,222,967 | 1,222,967 | - | 185,016 | 185,016 | 185,016 | - |
| FUND BALANCES, December 31 | \$ 1,222,967 | \$ 1,222,967 | \$ 1,584,092 | \$ 361,125 | \$ 185,016 | \$ 185,016 | \$ 278,178 | \$ 93,162 |

| Public Library Special Projects | | | |
|---------------------------------|--------------|----------------|----------------------------|
| Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| Original | Final | | |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | - | - | - |
| 184,871 | 184,871 | 258,093 | 73,222 |
| 409,879 | 409,879 | 348,465 | (61,414) |
| - | - | - | - |
| 19,433 | 19,433 | (932) | (20,365) |
| - | - | 2,417 | 2,417 |
| - | - | - | - |
| - | - | - | - |
| 724,188 | 907,691 | 805,232 | (102,459) |
| 1,338,371 | 1,521,874 | 1,413,275 | (108,599) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 1,456,967 | 1,775,265 | 1,410,408 | 364,857 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 1,456,967 | 1,775,265 | 1,410,408 | 364,857 |
| (118,596) | (253,391) | 2,867 | 256,258 |
| - | - | - | - |
| (2,500) | (2,500) | - | 2,500 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| (2,500) | (2,500) | - | 2,500 |
| (121,096) | (255,891) | 2,867 | 258,758 |
| 1,922,902 | 1,922,902 | 1,922,902 | - |
| \$ 1,801,806 | \$ 1,667,011 | \$ 1,925,769 | \$ 258,758 |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2017

Statement 18
 (Page 1 of 1)

| | HRA Development Capital Projects | HRA Tax Increment Capital Projects | Total Nonmajor Capital Projects Funds |
|---|--|--|--|
| ASSETS | | | |
| Cash and Investments with Treasurer | \$ 5,792,939 | \$ 30,911,176 | \$ 36,704,115 |
| Accrued Interest Receivable | 84 | 203,121 | 203,205 |
| Property Tax Receivable: | | | |
| Due from Ramsey County | - | 427,819 | 427,819 |
| Delinquent | - | 60,902 | 60,902 |
| Notes and Loans Receivable | 292,290 | 1,055,754 | 1,348,044 |
| Land Held for Resale | 965,967 | 982,328 | 1,948,295 |
| Restricted Cash and Cash Equivalents | - | 250,300 | 250,300 |
| Advance to Other Funds | 4,623,879 | 44,511 | 4,668,390 |
| TOTAL ASSETS | \$ 11,675,159 | \$ 33,935,911 | \$ 45,611,070 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ 92,001 | \$ 957,540 | \$ 1,049,541 |
| Due to Other Governmental Units | - | 1,562,997 | 1,562,997 |
| Advance from Other Funds | 9,660,000 | 5,720,162 | 15,380,162 |
| Unearned Revenue | 1,145,186 | - | 1,145,186 |
| Total Liabilities | 10,897,187 | 8,240,699 | 19,137,886 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 292,373 | 1,211,799 | 1,504,172 |
| Fund Balances | | | |
| Restricted | 485,599 | 24,483,413 | 24,969,012 |
| Total Fund Balances | 485,599 | 24,483,413 | 24,969,012 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 11,675,159 | \$ 33,935,911 | \$ 45,611,070 |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 19
 (Page 1 of 1)

| | HRA Development Capital Projects | HRA Tax Increment Capital Projects | Total Nonmajor Capital Projects Funds |
|--|--|--|--|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | | | |
| Current Tax Increment | \$ - | \$ 13,239,956 | \$ 13,239,956 |
| Intergovernmental Revenue | 441,799 | - | 441,799 |
| Fees, Sales and Services | 21,163 | 48,350 | 69,513 |
| Investment Income | | | |
| Interest Earned on Investments | - | 547,159 | 547,159 |
| Increase (Decrease) in Fair Value of Investments | - | 49,230 | 49,230 |
| Miscellaneous Revenue - Other | 343,749 | - | 343,749 |
| | <u>806,711</u> | <u>13,884,695</u> | <u>14,691,406</u> |
| EXPENDITURES | | | |
| Current | | | |
| Housing and Economic Development | 1,869,281 | 7,896,711 | 9,765,992 |
| Capital Outlay | 1,274,290 | - | 1,274,290 |
| Debt Service | | | |
| Other Debt Principal | - | 208,140 | 208,140 |
| Interest - Other Debt | - | 4,013,353 | 4,013,353 |
| | <u>3,143,571</u> | <u>12,118,204</u> | <u>15,261,775</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,336,860)</u> | <u>1,766,491</u> | <u>(570,369)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 500,372 | 3,141,764 | 3,642,136 |
| Transfers Out | (382,009) | (9,839,746) | (10,221,755) |
| | <u>118,363</u> | <u>(6,697,982)</u> | <u>(6,579,619)</u> |
| Net Change in Fund Balances | (2,218,497) | (4,931,491) | (7,149,988) |
| FUND BALANCES, January 1-as restated (Note III.C.13.) | <u>2,704,096</u> | <u>29,414,904</u> | <u>32,119,000</u> |
| FUND BALANCES, December 31 | <u>\$ 485,599</u> | <u>\$ 24,483,413</u> | <u>\$ 24,969,012</u> |

CITY OF SAINT PAUL, MINNESOTA
BALANCE SHEET
NONMAJOR PERMANENT FUND
DECEMBER 31, 2017

Statement 20
(Page 1 of 1)

| | <u>Parks Memorial</u> |
|--|---------------------------|
| ASSETS | |
| Cash and Investments with Treasurer | \$ 87,641 |
| Accrued Interest Receivable on Investments | <u>464</u> |
| TOTAL ASSETS | <u><u>\$ 88,105</u></u> |
| DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | |
| Deferred Inflows of Resources | |
| Unavailable Revenue | <u>\$ 128</u> |
| Fund Balances | |
| Nonspendable | 35,000 |
| Restricted | <u>52,977</u> |
| Total Fund Balances | <u>87,977</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u><u>\$ 88,105</u></u> |

CITY OF SAINT PAUL, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUND
 YEAR ENDED DECEMBER 31, 2017

Statement 21
 (Page 1 of 1)

| | <u>Parks Memorial</u> |
|--|---------------------------|
| REVENUES | |
| Investment Income | |
| Interest Earned on Investments | \$ 1,577 |
| Increase (Decrease) in Fair Value of Investments | <u>(19)</u> |
| Total Revenues | <u>1,558</u> |
| EXPENDITURES | |
| Culture and Recreation | <u>103</u> |
| Net Change in Fund Balances | 1,455 |
| FUND BALANCES, January 1 | <u>86,522</u> |
| FUND BALANCES, December 31 | <u><u>\$ 87,977</u></u> |

CITY OF SAINT PAUL, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR PERMANENT FUND
 YEAR ENDED DECEMBER 31, 2017

| | Parks Memorial | | | Variance with Final Budget |
|--|------------------|-----------|-------------------|----------------------------------|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Investment Income | | | | |
| Interest Earned on Investments | \$ 2,000 | \$ 2,000 | \$ 1,577 | \$ (423) |
| Increase (Decrease) in Fair Value of Investments | - | - | (19) | (19) |
| Total Revenues | 2,000 | 2,000 | 1,558 | (442) |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | 2,000 | 2,000 | 103 | 1,897 |
| Net Change in Fund Balances | - | - | 1,455 | 1,455 |
| FUND BALANCES, January 1 | 86,522 | 86,522 | 86,522 | - |
| FUND BALANCES, December 31 | \$ 86,522 | \$ 86,522 | \$ 87,977 | \$ 1,455 |

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.

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CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2017

Statement 23
 (Page 1 of 1)

| | Parks Special Services | Impound Lot | River Print | Total Nonmajor Enterprise Funds |
|--|------------------------------|-----------------------|---------------------|---------------------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Imprest Funds | \$ 600 | \$ 1,000 | \$ - | \$ 1,600 |
| Accounts Receivable (Net of Allowance) | 99,557 | - | - | 99,557 |
| Due from Other Governmental Units | - | - | 91,126 | 91,126 |
| Inventories | 26,723 | 119,700 | 76,874 | 223,297 |
| Total Current Assets | 126,880 | 120,700 | 168,000 | 415,580 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Land | 3,505,372 | - | - | 3,505,372 |
| Buildings and Structures | 2,670,040 | 13,395 | - | 2,683,435 |
| Less: Accumulated Depreciation | (2,057,269) | (13,395) | - | (2,070,664) |
| 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 | (2,062,075) | (74,097) | (506,410) | (2,642,582) |
| Total Noncurrent Assets | 4,249,930 | - | - | 4,249,930 |
| TOTAL ASSETS | 4,376,810 | 120,700 | 168,000 | 4,665,510 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Pension Outflows | \$ 456,779 | \$ 1,178,023 | \$ 79,151 | \$ 1,713,953 |
| LIABILITIES | | | | |
| Current Liabilities (Payable from Current Assets) | | | | |
| Accrued Salaries Payable | 50,230 | 74,644 | 12,439 | 137,313 |
| Accounts Payable | 21,345 | 41,171 | 51,104 | 113,620 |
| Due to Other Funds | 8,654,212 | 2,437,556 | 10,921 | 11,102,689 |
| Due to Other Governmental Units | 3,493 | 6,065 | 1,083 | 10,641 |
| Unearned Revenue | 13,460 | - | - | 13,460 |
| Compensated Absences Payable | 15,750 | - | - | 15,750 |
| Total Current Liabilities | 8,758,490 | 2,559,436 | 75,547 | 11,393,473 |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 135,383 | 89,319 | 49,233 | 273,935 |
| Net Other Postemployment Benefits Obligation | 423,641 | 211,582 | 88,752 | 723,975 |
| Net Pension Liability | 1,162,027 | 1,488,992 | 230,043 | 2,881,062 |
| Total Noncurrent Liabilities | 1,721,051 | 1,789,893 | 368,028 | 3,878,972 |
| TOTAL LIABILITIES | 10,479,541 | 4,349,329 | 443,575 | 15,272,445 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension Inflows | \$ 369,646 | \$ 928,832 | \$ 68,922 | \$ 1,367,400 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 4,249,930 | - | - | 4,249,930 |
| Unrestricted | (10,265,528) | (3,979,438) | (265,346) | (14,510,312) |
| TOTAL NET POSITION | \$ (6,015,598) | \$ (3,979,438) | \$ (265,346) | \$ (10,260,382) |

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CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 24
 (Page 1 of 1)

| | Parks Special Services | Impound Lot | River Print | Total Nonmajor Enterprise Funds |
|--|------------------------------|------------------|------------------|---------------------------------------|
| OPERATING REVENUES | | | | |
| Fees, Sales and Services | \$ 2,078,470 | \$ 1,746,275 | \$ 719,827 | \$ 4,544,572 |
| Rents and Leases | 708,200 | - | - | 708,200 |
| Miscellaneous | 27 | - | - | 27 |
| Total Operating Revenues | 2,786,697 | 1,746,275 | 719,827 | 5,252,799 |
| OPERATING EXPENSES | | | | |
| Cost of Merchandise Sold | 178,909 | - | - | 178,909 |
| Salaries | 1,028,277 | 996,111 | 185,634 | 2,210,022 |
| Employee Fringe Benefits | 586,969 | 369,491 | 89,707 | 1,046,167 |
| Services | 478,871 | 922,881 | 593,197 | 1,994,949 |
| Materials and Supplies | 274,831 | 28,891 | 208,198 | 511,920 |
| Depreciation | 155,279 | 514 | - | 155,793 |
| Miscellaneous | 140,048 | - | - | 140,048 |
| Total Operating Expenses | 2,843,184 | 2,317,888 | 1,076,736 | 6,237,808 |
| OPERATING INCOME (LOSS) | (56,487) | (571,613) | (356,909) | (985,009) |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment Income | | | | |
| Increase (Decrease) in Fair Value of Investments | (29) | - | - | (29) |
| Interest Earned - Other | (323) | - | - | (323) |
| Miscellaneous Other Revenue (Expenses) | (278) | - | - | (278) |
| Total Non-Operating Revenues (Expenses) | (630) | - | - | (630) |
| Income (Loss) Before Transfers | (57,117) | (571,613) | (356,909) | (985,639) |
| Transfers In | 90,380 | - | - | 90,380 |
| Transfers Out | (317,589) | (1,990) | - | (319,579) |
| Change in Net Position | (284,326) | (573,603) | (356,909) | (1,214,838) |
| NET POSITION, January 1 | (5,731,272) | (3,405,835) | 91,563 | (9,045,544) |
| NET POSITION, December 31 | \$ (6,015,598) | \$ (3,979,438) | \$ (265,346) | \$ (10,260,382) |

| | Parks Special Services | Impound Lot | River Print | Total Nonmajor Enterprise Funds |
|--|------------------------------|------------------|-----------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers | \$ 2,735,650 | \$ 1,756,281 | \$ 717,793 | \$ 5,209,724 |
| Receipts from Other Funds for Services Provided | - | - | 441,071 | 441,071 |
| Payment to Suppliers | (995,625) | (919,946) | (783,777) | (2,699,348) |
| Payment to Employees | (1,049,294) | (1,037,012) | (187,129) | (2,273,435) |
| Payment for Fringe Benefits and Payroll Taxes | (502,352) | (361,912) | (71,338) | (935,602) |
| Payment to Other Funds for Services Used | (98,614) | (169,077) | (41,703) | (309,394) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>89,765</u> | <u>(731,666)</u> | <u>74,917</u> | <u>(566,984)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers In from Other Funds | 90,380 | - | - | 90,380 |
| Transfers Out to Other Funds | (317,589) | (1,990) | - | (319,579) |
| Advance Received from Other Funds | 137,473 | 733,656 | - | 871,129 |
| Repayment of Advance Received from Other Funds | - | - | (74,917) | (74,917) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>(89,736)</u> | <u>731,666</u> | <u>(74,917)</u> | <u>567,013</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Increase (Decrease) in Fair Value of Investments | (29) | - | - | (29) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(29)</u> | <u>-</u> | <u>-</u> | <u>(29)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>600</u> | <u>1,000</u> | <u>-</u> | <u>1,600</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 600</u> | <u>\$ 1,000</u> | <u>\$ -</u> | <u>\$ 1,600</u> |

| | Parks Special Services | Impound Lot | River Print | Total Nonmajor Enterprise Funds |
|--|------------------------------|---------------------|------------------|---------------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (56,487) | \$ (571,613) | \$ (356,909) | \$ (985,009) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | |
| Depreciation | 155,279 | 514 | - | 155,793 |
| Non-Operating Miscellaneous Revenue (Expense) | (278) | - | - | (278) |
| Changes in Assets and Liabilities | | | | |
| (Increase) Decrease in | | | | |
| Accounts Receivable | (55,792) | 9,630 | 474,032 | 427,870 |
| Due from Other Governmental Units | - | 376 | (34,995) | (34,619) |
| Deferred Pension Outflows | 105,278 | 206,744 | 18,753 | 330,775 |
| Inventories | (10,302) | 84,781 | (16,012) | 58,467 |
| Increase (Decrease) in | | | | |
| Accrued Salaries Payable | (21,017) | (40,901) | (1,495) | (63,413) |
| Accounts Payable | (9,906) | (219,649) | (8,236) | (237,791) |
| Due to Other Governmental Units | (1,094) | (2,383) | 163 | (3,314) |
| Unearned Revenue | 4,745 | - | - | 4,745 |
| Net Pension Liability | (254,148) | (789,273) | (45,271) | (1,088,692) |
| Deferred Pension Inflows | 196,528 | 653,373 | 35,008 | 884,909 |
| Compensated Absences Payable | (74,970) | (44,318) | 7,634 | (111,654) |
| Net Other Postemployment Benefits Obligation | 111,929 | (18,947) | 2,245 | 95,227 |
| Total Adjustments | 146,252 | (160,053) | 431,826 | 418,025 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 89,765</u> | <u>\$ (731,666)</u> | <u>\$ 74,917</u> | <u>\$ (566,984)</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>\$ 1,600</u> |

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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 |
|--|---------------------|--|-----------------------|-----------------------------------|---|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments with Treasurer | \$ 9,932,511 | \$ - | \$ - | \$ 1,707,320 | \$ 5,511,323 |
| Imprest Funds | - | 200 | - | 200 | - |
| Accounts Receivable (Net of Allowance) | 90,922 | 15,418 | - | - | 6,203 |
| Due from Other Governmental Units | 213,213 | - | - | - | 3,577 |
| Due from Other Funds | - | - | 260,093 | - | - |
| Due from Component Units | 73,692 | - | - | - | - |
| Inventories | - | 415,609 | - | - | 872,822 |
| Total Current Assets | 10,310,338 | 431,227 | 260,093 | 1,707,520 | 6,393,925 |
| Non-Current Assets | | | | | |
| Long-Term Receivables (Net of Allowances) | - | - | 950,001 | - | - |
| Advance to Other Funds | - | - | 2,789,868 | - | - |
| Capital Assets | | | | | |
| Land | - | - | - | - | 25,243 |
| Construction in Progress | - | - | - | - | 53,153 |
| Buildings and Structures | 10,814,382 | 1,166,048 | - | - | 2,108,781 |
| Less: Accumulated Depreciation | (8,343,461) | (968,689) | - | - | (1,643,421) |
| Equipment | 3,315,465 | 275,079 | - | 106,777 | 26,242,359 |
| Less: Accumulated Depreciation | (1,322,541) | (228,113) | - | (99,092) | (17,906,875) |
| Total Noncurrent Assets | 4,463,845 | 244,325 | 3,739,869 | 7,685 | 8,879,240 |
| TOTAL ASSETS | 14,774,183 | 675,552 | 3,999,962 | 1,715,205 | 15,273,165 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Pension Outflows | \$ 870,147 | \$ 383,707 | \$ - | \$ 619,111 | \$ 594,038 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accrued Salaries Payable | 169,052 | 73,459 | - | 103,908 | 107,649 |
| Accounts Payable | 201,715 | 129,595 | 11,903 | 19,866 | 195,633 |
| Due to Other Funds | - | 1,112,087 | 1,951,424 | - | - |
| Due to Other Governmental Units | 11,285 | 6,433 | - | 9,907 | 11,490 |
| Unearned Revenue | - | - | 63,144 | - | - |
| Compensated Absences Payable | 8,400 | - | - | - | - |
| General Obligation Bonds Payable | - | - | - | - | 150,000 |
| Capital Lease Payable | 1,074,038 | - | - | - | 698,017 |
| Accrued Interest Payable | 8,691 | - | - | - | 8,025 |
| Total Current Liabilities | 1,473,181 | 1,321,574 | 2,026,471 | 133,681 | 1,170,814 |
| Noncurrent Liabilities | | | | | |
| General Obligation Bonds Payable | - | - | - | - | 901,577 |
| Capital Lease Payable | 522,210 | - | - | - | 1,609,334 |
| Advance from Other Funds | 1,081,581 | 15,690 | 312,727 | - | - |
| Compensated Absences Payable | 274,179 | 108,452 | - | 198,966 | 184,494 |
| Net Other Postemployment Benefits Obligation | 712,257 | 203,223 | - | 509,590 | 489,452 |
| Net Pension Liability | 2,092,461 | 900,439 | - | 1,436,587 | 1,447,545 |
| Total Noncurrent Liabilities | 4,682,688 | 1,227,804 | 312,727 | 2,145,143 | 4,632,402 |
| TOTAL LIABILITIES | 6,155,869 | 2,549,378 | 2,339,198 | 2,278,824 | 5,803,216 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Pension Inflows | \$ 743,328 | \$ 342,488 | \$ - | \$ 572,209 | \$ 512,986 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 2,867,597 | 244,325 | - | 7,685 | 5,520,312 |
| Unrestricted | 5,877,536 | (2,076,932) | 1,660,764 | (524,402) | 4,030,689 |
| TOTAL NET POSITION | \$ 8,745,133 | \$ (1,832,607) | \$ 1,660,764 | \$ (516,717) | \$ 9,551,001 |

| Public Works Engineering | Asphalt Plant | Traffic Warehouse | Parks Supply and Maintenance | Planning and Economic Development Administration | Total Internal Service Funds |
|--------------------------|---------------|-------------------|------------------------------|--|------------------------------|
| \$ 2,262,838 | \$ 2,597,869 | \$ 1,144,633 | \$ 1,016,479 | \$ 2,689,356 | \$ 26,862,329 |
| 150 | 100 | 100 | - | 200 | 950 |
| 20,039 | 20,835 | 178,685 | 11,522 | - | 343,624 |
| - | 26,334 | 14,847 | - | - | 257,971 |
| - | - | - | - | - | 260,093 |
| - | - | - | - | - | 73,692 |
| - | 277,233 | 1,552,665 | 32,138 | - | 3,150,467 |
| 2,283,027 | 2,922,371 | 2,890,930 | 1,060,139 | 2,689,556 | 30,949,126 |
| 3,470,469 | - | - | - | - | 4,420,470 |
| - | - | - | - | - | 2,789,868 |
| 32,000 | 23,664 | - | 6,436 | - | 87,343 |
| - | - | - | - | - | 53,153 |
| - | 817,401 | 59,649 | 26,558 | 176,721 | 15,169,540 |
| - | (707,059) | (58,021) | (24,650) | (54,980) | (11,800,281) |
| 726,700 | 343,947 | 41,564 | 2,347,014 | 137,116 | 33,536,021 |
| (655,028) | (343,947) | (41,564) | (1,364,502) | (131,958) | (22,093,620) |
| 3,574,141 | 134,006 | 1,628 | 990,856 | 126,899 | 22,162,494 |
| 5,857,168 | 3,056,377 | 2,892,558 | 2,050,995 | 2,816,455 | 53,111,620 |
| \$ 1,715,436 | \$ 115,104 | \$ 54,288 | \$ 831,050 | \$ 2,110,467 | \$ 7,293,348 |
| 287,725 | 22,496 | 11,056 | 122,858 | 417,824 | 1,316,027 |
| 82,047 | 87,435 | 277,418 | 149,326 | 8,496 | 1,163,434 |
| - | - | - | - | - | 3,063,511 |
| 21,541 | 1,891 | 637 | 11,221 | 32,299 | 106,704 |
| 3,110,453 | - | - | - | - | 3,173,597 |
| 54,600 | - | - | 17,850 | 7,350 | 88,200 |
| - | - | - | - | - | 150,000 |
| - | - | - | - | - | 1,772,055 |
| - | - | - | - | - | 16,716 |
| 3,556,366 | 111,822 | 289,111 | 301,255 | 465,969 | 10,850,244 |
| - | - | - | - | - | 901,577 |
| - | - | - | - | - | 2,131,544 |
| - | - | - | - | - | 1,409,998 |
| 483,464 | 37,977 | 11,780 | 108,104 | 668,712 | 2,076,128 |
| 1,057,053 | 89,349 | 36,300 | 412,996 | 1,270,050 | 4,780,270 |
| 3,983,568 | 265,517 | 116,035 | 2,002,741 | 5,160,129 | 17,405,022 |
| 5,524,085 | 392,843 | 164,115 | 2,523,841 | 7,098,891 | 28,704,539 |
| 9,080,451 | 504,665 | 453,226 | 2,825,096 | 7,564,860 | 39,554,783 |
| \$ 1,433,704 | \$ 100,301 | \$ 49,716 | \$ 665,002 | \$ 1,893,181 | \$ 6,312,915 |
| 103,672 | 134,006 | 1,628 | 990,856 | 126,899 | 9,996,980 |
| (3,045,223) | 2,432,509 | 2,442,276 | (1,598,909) | (4,658,018) | 4,540,290 |
| \$ (2,941,551) | \$ 2,566,515 | \$ 2,443,904 | \$ (608,053) | \$ (4,531,119) | \$ 14,537,270 |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 27
 (Page 1 of 2)

| | Central Services | Equipment Services Fire - Police | Internal Borrowing | Public Works Administration | Public Works Equipment Service |
|--|---------------------|--|-----------------------|-----------------------------------|---|
| OPERATING REVENUES | | | | | |
| Fees, Sales and Services | \$ 12,457,090 | \$ 3,352,810 | \$ - | \$ 3,322,014 | \$ 7,440,836 |
| Rents and Leases | 2,020,818 | - | - | - | - |
| Interest Earned on Loans | - | - | 212,018 | - | - |
| Miscellaneous | 196 | - | - | 42 | 6,056 |
| Total Operating Revenues | 14,478,104 | 3,352,810 | 212,018 | 3,322,056 | 7,446,892 |
| OPERATING EXPENSES | | | | | |
| Cost of Merchandise Sold | - | - | - | - | - |
| Salaries | 2,100,028 | 939,950 | - | 1,707,574 | 1,444,893 |
| Employee Fringe Benefits | 1,019,128 | 562,691 | - | 864,575 | 777,996 |
| Services | 5,564,096 | 310,576 | - | 435,676 | 1,161,906 |
| Materials and Supplies | 770,169 | 1,692,682 | - | 16,158 | 2,178,630 |
| Depreciation | 1,054,670 | 31,614 | - | 5,550 | 1,290,981 |
| Miscellaneous | 50,173 | - | - | 1,138 | - |
| Total Operating Expenses | 10,558,264 | 3,537,513 | - | 3,030,671 | 6,854,406 |
| OPERATING INCOME (LOSS) | 3,919,840 | (184,703) | 212,018 | 291,385 | 592,486 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Intergovernmental Revenue | - | - | - | - | - |
| Gain on Sale of Capital Assets | - | - | - | - | 102,752 |
| Investment Income | | | | | |
| Interest Earned on Investments | - | - | (45,418) | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | (447) | - | - |
| Interest Earned - Other | - | - | - | - | 843 |
| Miscellaneous Other Revenue (Expense) | - | (556) | (204) | - | - |
| Interest Expense on General Obligation Bonds | - | - | - | - | (27,596) |
| Interest Expense on Capital Lease | (66,771) | - | - | - | (49,570) |
| Interest Expense on Advance from Other Funds | (576) | - | (9,293) | - | (175) |
| Total Non-Operating Revenues (Expenses) | (67,347) | (556) | (55,362) | - | 26,254 |
| Income (Loss) Before Transfers | 3,852,493 | (185,259) | 156,656 | 291,385 | 618,740 |
| Transfers In | 147,115 | - | - | - | 713,451 |
| Transfers Out | (4,675,167) | (20,143) | (162,525) | (440,725) | - |
| Change in Net Position | (675,559) | (205,402) | (5,869) | (149,340) | 1,332,191 |
| NET POSITION, January 1 | 9,420,692 | (1,627,205) | 1,666,633 | (367,377) | 8,218,810 |
| NET POSITION, December 31 | \$ 8,745,133 | \$ (1,832,607) | \$ 1,660,764 | \$ (516,717) | \$ 9,551,001 |

| Public Works Engineering | Asphalt Plant | Traffic Warehouse | Parks Supply and Maintenance | Planning and Economic Development Administration | Total Internal Service Funds |
|--------------------------|---------------|-------------------|------------------------------|--|------------------------------|
| \$ 8,075,640 | \$ 2,976,328 | \$ 2,986,193 | 3,948,635 | 9,410,328 | \$ 53,969,874 |
| 17,900 | - | - | - | - | 2,038,718 |
| - | - | - | - | - | 212,018 |
| - | - | 22,545 | 6,702 | - | 35,541 |
| 8,093,540 | 2,976,328 | 3,008,738 | 3,955,337 | 9,410,328 | 56,256,151 |
| - | - | - | 281,420 | - | 281,420 |
| 4,203,874 | 281,400 | 152,615 | 1,877,783 | 5,647,196 | 18,355,313 |
| 2,119,921 | 155,396 | 70,937 | 891,006 | 2,524,590 | 8,986,240 |
| 2,098,725 | 165,648 | 295,061 | 698,012 | 1,661,792 | 12,391,492 |
| 92,580 | 2,336,391 | 2,957,697 | 179,539 | 29,415 | 10,253,261 |
| 17,901 | 4,663 | 1,954 | 122,927 | 16,170 | 2,546,430 |
| - | - | - | - | 1,831 | 53,142 |
| 8,533,001 | 2,943,498 | 3,478,264 | 4,050,687 | 9,880,994 | 52,867,298 |
| (439,461) | 32,830 | (469,526) | (95,350) | (470,666) | 3,388,853 |
| - | - | - | 16,336 | - | 16,336 |
| 1,500 | - | - | - | - | 104,252 |
| - | - | - | - | - | (45,418) |
| - | - | - | - | - | (447) |
| - | - | - | - | - | 843 |
| 40 | - | - | 5,500 | 114 | 4,894 |
| - | - | - | - | - | (27,596) |
| - | - | - | - | - | (116,341) |
| - | - | - | - | - | (10,044) |
| 1,540 | - | - | 21,836 | 114 | (73,521) |
| (437,921) | 32,830 | (469,526) | (73,514) | (470,552) | 3,315,332 |
| - | - | - | - | 397,960 | 1,258,526 |
| (45,514) | (251,503) | (300,000) | (61,283) | (192,165) | (6,149,025) |
| (483,435) | (218,673) | (769,526) | (134,797) | (264,757) | (1,575,167) |
| (2,458,116) | 2,785,188 | 3,213,430 | (473,256) | (4,266,362) | 16,112,437 |
| \$ (2,941,551) | \$ 2,566,515 | \$ 2,443,904 | \$ (608,053) | \$ (4,531,119) | \$ 14,537,270 |

CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 28
 (Page 1 of 4)

| | Central Services | Equipment Services Fire - Police | Internal Borrowing | Public Works Administration | Public Works Equipment Service |
|---|---------------------|--|-----------------------|-----------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Loan Recipients and Other Customers | \$ 2,869,033 | \$ 16,294 | \$ 252,560 | \$ 42 | \$ 24,839 |
| Receipts from Other Funds for Services Provided | 11,513,805 | 3,336,648 | 52,700 | 3,322,014 | 7,434,054 |
| Payments to Suppliers | (6,630,810) | (1,828,896) | - | (70,201) | (3,607,043) |
| Payments to Employees | (2,094,666) | (941,436) | - | (1,716,238) | (1,466,460) |
| Payments for Fringe Benefits and Payroll Taxes | (716,747) | (461,273) | - | (627,369) | (638,488) |
| Payments to Other Funds for Services Used | - | (187,172) | - | (378,202) | (308,392) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 4,940,615 | (65,835) | 305,260 | 530,046 | 1,438,510 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers In from Other Funds | 147,115 | - | - | - | 713,451 |
| Transfers Out to Other Funds | (4,675,167) | (20,143) | (162,525) | (440,725) | - |
| Intergovernmental | - | - | - | - | - |
| Advance Received from Other Funds | 1,081,581 | 90,881 | 524,493 | - | - |
| Advance Paid to Other Funds | - | - | (1,081,581) | - | - |
| Collection of Advance Made to Other Funds | - | - | 544,533 | - | - |
| Repayment of Advance Received from Other Funds | (63,520) | (4,903) | (78,182) | - | (17,700) |
| Interest Paid on Advance Received from Other Funds | (576) | - | (9,293) | - | (175) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | (3,510,567) | 65,835 | (262,555) | (440,725) | 695,576 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Proceeds from Sale of Capital Assets | - | - | - | - | 102,752 |
| Principal Paid on General Obligation Bonds | - | - | - | - | (157,763) |
| Principal Paid on Capital Lease | (1,023,238) | - | - | - | (685,960) |
| Payments for Acquisition and Construction of Capital Assets | | | | | |
| Buildings and Structures | (133,954) | - | - | - | - |
| Equipment | (586,308) | - | - | - | (1,294,436) |
| Interest Paid on General Obligation Bonds | - | - | - | - | (27,596) |
| Interest Paid on Capital Lease | (73,788) | - | - | - | (48,430) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (1,817,288) | - | - | - | (2,111,433) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest and Dividends on Investments Received | - | - | (42,258) | - | 843 |
| Increase (Decrease) in Fair Value of Investments | - | - | (447) | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | - | - | (42,705) | - | 843 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (387,240) | - | - | 89,321 | 23,496 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 10,319,751 | 200 | - | 1,618,199 | 5,487,827 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 9,932,511 | \$ 200 | \$ - | \$ 1,707,520 | \$ 5,511,323 |

| Public Works Engineering | Asphalt Plant | Traffic Warehouse | Parks Supply and Maintenance | Planning and Economic Development Administration | Total Internal Service Funds |
|--------------------------|---------------|-------------------|------------------------------|--|------------------------------|
| \$ 166,133 | \$ 1,216,819 | \$ 484,717 | \$ 858,487 | \$ 371,469 | \$ 6,260,393 |
| 8,029,621 | 1,866,782 | 2,738,131 | 3,142,929 | 9,038,859 | 50,475,543 |
| (479,944) | (2,137,922) | (2,593,819) | (514,277) | (907,310) | (18,770,222) |
| (4,103,183) | (279,552) | (153,109) | (1,893,381) | (5,624,595) | (18,272,620) |
| (1,541,902) | (130,858) | (66,203) | (826,406) | (1,983,118) | (6,992,364) |
| (1,663,925) | (108,946) | (224,052) | (521,508) | (787,743) | (4,179,940) |
| 406,800 | 426,323 | 185,665 | 245,844 | 107,562 | 8,520,790 |
| - | - | - | - | 397,960 | 1,258,526 |
| (45,514) | (251,503) | (300,000) | (61,283) | (192,165) | (6,149,025) |
| - | - | - | 16,336 | - | 16,336 |
| - | - | - | - | - | 1,696,955 |
| - | - | - | - | - | (1,081,581) |
| - | - | - | - | - | 544,533 |
| - | - | - | - | - | (164,305) |
| - | - | - | - | - | (10,044) |
| (45,514) | (251,503) | (300,000) | (44,947) | 205,795 | (3,888,605) |
| 1,500 | - | - | - | - | 104,252 |
| - | - | - | - | - | (157,763) |
| - | - | - | - | - | (1,709,198) |
| - | - | - | - | - | (133,954) |
| (64,157) | - | - | (284,397) | - | (2,229,298) |
| - | - | - | - | - | (27,596) |
| - | - | - | - | - | (122,218) |
| (62,657) | - | - | (284,397) | - | (4,275,775) |
| - | - | - | - | - | (41,415) |
| - | - | - | - | - | (447) |
| - | - | - | - | - | (41,862) |
| 298,629 | 174,820 | (114,335) | (83,500) | 313,357 | 314,548 |
| 1,964,359 | 2,423,149 | 1,259,068 | 1,099,979 | 2,376,199 | 26,548,731 |
| \$ 2,262,988 | \$ 2,597,969 | \$ 1,144,733 | \$ 1,016,479 | \$ 2,689,556 | \$ 26,863,279 |

| | 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) | \$ 3,919,840 | \$ (184,703) | \$ 212,018 | \$ 291,385 | \$ 592,486 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | |
| Depreciation | 1,054,670 | 31,614 | - | 5,550 | 1,290,981 |
| Non-Operating Miscellaneous Revenue (Expense) | - | (556) | (204) | - | - |
| Changes in Assets and Liabilities | | | | | |
| (Increase) Decrease in | | | | | |
| Accounts Receivable | (90,922) | 379 | 2,764 | - | (6,203) |
| Notes and Loans Receivable | - | - | 237,500 | - | - |
| Due from Component Units | (18,000) | - | - | - | - |
| Due from Other Governmental Units | 13,656 | - | - | - | 18,204 |
| Deferred Pension Outflows | 226,036 | 107,832 | - | 184,048 | 155,712 |
| Inventories | - | (21,891) | - | - | 16,098 |
| Prepaid Items | - | - | - | - | 3,723 |
| Increase (Decrease) in | | | | | |
| Accrued Salaries Payable | 5,362 | (1,486) | - | (8,664) | (21,567) |
| Accounts Payable | (90,818) | 7,622 | - | 2,302 | (591,278) |
| Due to Other Governmental Units | (155,554) | 2,015 | - | 2,267 | (3,442) |
| Net Pension Liability | (545,666) | (260,314) | - | (444,304) | (375,898) |
| Deferred Pension Inflows | 421,954 | 201,297 | - | 343,573 | 290,676 |
| Unearned Revenue | - | (247) | (146,818) | - | - |
| Compensated Absences Payable | (5,793) | 21,741 | - | 10,411 | 39,147 |
| Net Other Postemployment Benefits Obligation | 205,850 | 30,862 | - | 143,478 | 29,871 |
| Total Adjustments | 1,020,775 | 118,868 | 93,242 | 238,661 | 846,024 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 4,940,615</u> | <u>\$ (65,835)</u> | <u>\$ 305,260</u> | <u>\$ 530,046</u> | <u>\$ 1,438,510</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION | | | | | |
| Cash and Investments with Treasurer | \$ 9,932,511 | \$ - | \$ - | \$ 1,707,320 | \$ 5,511,323 |
| Imprest Funds | - | 200 | - | 200 | - |
| TOTAL CASH AND CASH EQUIVALENTS | <u>\$ 9,932,511</u> | <u>\$ 200</u> | <u>\$ -</u> | <u>\$ 1,707,520</u> | <u>\$ 5,511,323</u> |

| Public Works Engineering | Asphalt Plant | Traffic Warehouse | Parks Supply and Maintenance | Planning and Economic Development Administration | Total Internal Service Funds |
|--------------------------|---------------|-------------------|------------------------------|--|------------------------------|
| \$ (439,461) | \$ 32,830 | \$ (469,526) | \$ (95,350) | \$ (470,666) | \$ 3,388,853 |
| 17,901 | 4,663 | 1,954 | 122,927 | 16,170 | 2,546,430 |
| 40 | - | - | 5,500 | 114 | 4,894 |
| 31,777 | 79,578 | 185,902 | 40,579 | - | 243,854 |
| 161,643 | - | - | - | - | 399,143 |
| - | - | - | - | - | (18,000) |
| 8,516 | 27,696 | 28,208 | - | - | 96,280 |
| 439,538 | 31,498 | 16,530 | 194,828 | 584,853 | 1,940,875 |
| - | 202,305 | 251,106 | (3,119) | - | 444,499 |
| - | - | - | - | - | 3,723 |
| 20,889 | 1,848 | (494) | (15,598) | 22,601 | 2,891 |
| 5,824 | 52,491 | 183,786 | 127,575 | (8,304) | (310,800) |
| 14 | 375 | (5) | (1,270) | 6,175 | (149,425) |
| (1,061,076) | (76,039) | (39,904) | (470,328) | (1,411,876) | (4,685,405) |
| 820,511 | 58,800 | 30,857 | 363,696 | 1,091,779 | 3,623,143 |
| 61,881 | - | - | - | - | (85,184) |
| 58,206 | 3,494 | 1,696 | (89,216) | 99,452 | 139,138 |
| 280,597 | 6,784 | (4,445) | 65,620 | 177,264 | 935,881 |
| 846,261 | 393,493 | 655,191 | 341,194 | 578,228 | 5,131,937 |
| \$ 406,800 | \$ 426,323 | \$ 185,665 | \$ 245,844 | \$ 107,562 | \$ 8,520,790 |
| \$ 2,262,838 | \$ 2,597,869 | \$ 1,144,633 | \$ 1,016,479 | \$ 2,689,356 | \$ 26,862,329 |
| 150 | 100 | 100 | - | 200 | 950 |
| \$ 2,262,988 | \$ 2,597,969 | \$ 1,144,733 | \$ 1,016,479 | \$ 2,689,556 | \$ 26,863,279 |

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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.

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CITY OF SAINT PAUL, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 DECEMBER 31, 2017

Statement 29
 (Page 1 of 1)

| | Employee Withholding | Minnesota Sales and Use Tax | City Agency | Total Agency Funds |
|--|-------------------------|-----------------------------------|---------------------|--------------------------|
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 839,920 | \$ 300,742 | \$ 2,168,109 | \$ 3,308,771 |
| Receivables | | | | |
| Accounts (net of allowance for estimated uncollectibles) | - | - | 12,068 | 12,068 |
| TOTAL ASSETS | \$ 839,920 | \$ 300,742 | \$ 2,180,177 | \$ 3,320,839 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 160,606 | \$ - | \$ 1,979,812 | \$ 2,140,418 |
| Due to Other Governmental Units | 679,314 | 300,742 | 200,365 | 1,180,421 |
| TOTAL LIABILITIES | \$ 839,920 | \$ 300,742 | \$ 2,180,177 | \$ 3,320,839 |

CITY OF SAINT PAUL, MINNESOTA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2017

Statement 30
 (Page 1 of 2)

| Employee Withholding | January 1, 2017 | Additions | Deductions | December 31, 2017 |
|--|------------------------|----------------------|----------------------|--------------------------|
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 779,243 | \$ 91,221,448 | \$ 91,160,771 | \$ 839,920 |
| TOTAL ASSETS | \$ 779,243 | \$ 91,221,448 | \$ 91,160,771 | \$ 839,920 |
| LIABILITIES | | | | |
| Accrued Salaries Payable | \$ - | \$ 43,059,152 | \$ 43,059,152 | \$ - |
| Accounts Payable | 138,050 | 160,606 | 138,050 | 160,606 |
| Due to Other Governmental Units | 641,193 | 49,408,523 | 49,370,402 | 679,314 |
| TOTAL LIABILITIES | \$ 779,243 | \$ 92,628,281 | \$ 92,567,604 | \$ 839,920 |
| Minnesota Sales and Use Tax | | | | |
| | January 1, 2017 | Additions | Deductions | December 31, 2017 |
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 316,211 | \$ 463,772 | \$ 479,241 | \$ 300,742 |
| TOTAL ASSETS | \$ 316,211 | \$ 463,772 | \$ 479,241 | \$ 300,742 |
| LIABILITIES | | | | |
| Due to Other Governmental Units | \$ 316,211 | \$ 464,697 | \$ 480,166 | \$ 300,742 |
| TOTAL LIABILITIES | \$ 316,211 | \$ 464,697 | \$ 480,166 | \$ 300,742 |
| City Agency | | | | |
| | January 1, 2017 | Additions | Deductions | December 31, 2017 |
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 1,436,402 | \$ 9,775,337 | \$ 9,043,630 | \$ 2,168,109 |
| Receivables | | | | |
| Property Taxes - Due from Ramsey County | 45,052 | - | 45,052 | - |
| Accounts (net of allowance for estimated uncollectibles) | - | 12,068 | - | 12,068 |
| TOTAL ASSETS | \$ 1,481,454 | \$ 9,787,405 | \$ 9,088,682 | \$ 2,180,177 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 1,287,942 | \$ 4,552,978 | \$ 3,861,108 | \$ 1,979,812 |
| Due to Other Governmental Units | 193,512 | 5,347,920 | 5,341,067 | 200,365 |
| TOTAL LIABILITIES | \$ 1,481,454 | \$ 9,900,898 | \$ 9,202,175 | \$ 2,180,177 |

CITY OF SAINT PAUL, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

Statement 30
(Page 2 of 2)

| Agency Funds Total | January 1, 2017 | Additions | Deductions | December 31, 2017 |
|--|---------------------|-----------------------|-----------------------|---------------------|
| ASSETS | | | | |
| Cash and Investments with Treasurer | \$ 2,531,856 | \$ 101,460,557 | \$ 100,683,642 | \$ 3,308,771 |
| Receivables | | | | |
| Property Taxes - Due from Ramsey County | 45,052 | - | 45,052 | - |
| Accounts (net of allowance for estimated uncollectibles) | - | 12,068 | - | 12,068 |
| TOTAL ASSETS | \$ 2,576,908 | \$ 101,472,625 | \$ 100,728,694 | \$ 3,320,839 |
| LIABILITIES | | | | |
| Accrued Salaries Payable | \$ - | \$ 43,059,152 | \$ 43,059,152 | \$ - |
| Accounts Payable | 1,425,992 | 4,713,584 | 3,999,158 | 2,140,418 |
| Due to Other Governmental Units | 1,150,916 | 55,221,140 | 55,191,635 | 1,180,421 |
| TOTAL LIABILITIES | \$ 2,576,908 | \$ 102,993,876 | \$ 102,249,945 | \$ 3,320,839 |

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OTHER SUPPLEMENTARY INFORMATION

CITY OF SAINT PAUL, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 ALL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 9
 (Page 1 of 3)

| | Federal | State | County | Other | Total |
|---|---------|------------|---------|---------|------------|
| GOVERNMENTAL FUNDS | | | | | |
| Major Governmental Funds | | | | | |
| General Fund | | | | | |
| City Share County Pilot | - | - | 83,893 | - | 83,893 |
| City Share of State Court Fines | - | 2,706,398 | - | - | 2,706,398 |
| Pre-court Diversion | - | 39,455 | - | - | 39,455 |
| City Share of State Highway Rent | - | 10,503 | - | - | 10,503 |
| Fire Pension Amortization and Insurance Premium Aid | - | 2,476,774 | - | - | 2,476,774 |
| Local Government Aid | - | 62,561,686 | - | - | 62,561,686 |
| Paramedic Reimbursement for Services | - | 1,160,657 | - | - | 1,160,657 |
| Police Pension Amortization Aid | - | 5,011,087 | - | - | 5,011,087 |
| Police/Fire Disability Benefit Act | - | 270,007 | - | - | 270,007 |
| Public Employees Retirement Association - Pension Aid | - | 517,512 | - | - | 517,512 |
| Total General Fund | - | 74,754,079 | 83,893 | - | 74,837,972 |
| Public Library General Fund | | | | | |
| City Share County Pilot | - | - | 18,401 | - | 18,401 |
| City Debt Service | | | | | |
| Build America Bonds Interest Subsidy | - | - | - | 464,321 | 464,321 |
| City Share County Pilot | - | - | 24,603 | - | 24,603 |
| Minnesota Department of Management and Budget | - | 2,700,000 | - | - | 2,700,000 |
| Total City Debt Service | - | 2,700,000 | 24,603 | 464,321 | 3,188,924 |
| City Capital Projects | | | | | |
| City Share County Pilot | - | - | 710,235 | - | 710,235 |
| Federal Highway Administration - State Administered | 681,467 | - | - | - | 681,467 |
| Metropolitan Council | - | 4,598,531 | - | - | 4,598,531 |
| Minnesota Trunk Highway Funds | - | 510,371 | - | - | 510,371 |
| Municipal State Aid - Construction | - | 5,533,969 | - | - | 5,533,969 |
| Total City Capital Projects | 681,467 | 10,642,871 | 710,235 | - | 12,034,573 |
| Total Major Governmental Funds | 681,467 | 88,096,950 | 837,132 | 464,321 | 90,079,870 |

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CITY OF SAINT PAUL, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 ALL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 9
 (Page 2 of 3)

| | Federal | State | County | Other | Total |
|--|------------------|-------------------|------------------|------------------|-------------------|
| Nonmajor Governmental Funds | | | | | |
| Special Revenue Funds | | | | | |
| City Grants | | | | | |
| 2014 Assistance to Firefighters Grant | 334,141 | - | - | - | 334,141 |
| 2015 Assistance to Firefighters Grant | 16,746 | - | - | - | 16,746 |
| 2015 Urban Area Security Initiative (UASI) Grant | 680,808 | - | - | - | 680,808 |
| 2016 Hazardous Materials Emergency Preparedness Grant | 11,973 | 45,190 | - | - | 57,163 |
| 2016 Urban Area Security Initiative (UASI) Grant | 240,520 | - | - | - | 240,520 |
| 2017 Emergency Management Performance Grant Program | 12,737 | - | - | - | 12,737 |
| AmeriCorps VISTA - CNCS | 232,231 | - | - | - | 232,231 |
| COPS Hiring - Justice | 386,108 | - | - | - | 386,108 |
| Environmental Protection Agency Coalition Assessment | 110,299 | - | - | - | 110,299 |
| Homeland Security - State Administered | 124,945 | - | - | - | 124,945 |
| Justice Assistance - Justice | 198,819 | - | - | - | 198,819 |
| Metropolitan Council - Parks Projects | - | - | - | 318,957 | 318,957 |
| Metropolitan Council - Planning Economic Development Projects | - | - | - | 3,435,341 | 3,435,341 |
| Minnesota Auto Theft Prevention Program | - | 276,243 | - | - | 276,243 |
| Minnesota Department of Administration | - | 1,525,704 | - | - | 1,525,704 |
| Minnesota Department of Employment and Economic Development - Parks Projects | - | 776,358 | - | - | 776,358 |
| Minnesota Department of Human Services - Dorothy Day | - | 6,000,000 | - | - | 6,000,000 |
| Minnesota Department of Justice Crime Victim Services | 48,270 | 19,837 | - | - | 68,107 |
| Minnesota Department of Justice ICAC Task Force | 440 | - | - | - | 440 |
| Minnesota Department of Natural Resources - Environmental and Conservation | - | 161,980 | - | - | 161,980 |
| Minnesota Department of Public Safety - Department of Transportation | - | 386 | - | - | 386 |
| Minnesota Department of Public Safety - National Forensic Sciences Improvement | 6,378 | - | - | - | 6,378 |
| Minnesota Department of Public Safety - Sex Trafficking Investigations | - | 99,788 | - | - | 99,788 |
| Minnesota Department of Transportation - 2016 Tiger CP Spur Design | 27,397 | - | - | - | 27,397 |
| Minnesota Pollution Control Agency | - | 46,406 | - | - | 46,406 |
| Port Security - Homeland Security | 281,789 | - | - | - | 281,789 |
| Ramsey County Public Entity Innovation Grant 2017 | - | - | 677,963 | - | 677,963 |
| Ramsey County Sheriff - Toward Zero Deaths | 242,587 | - | - | - | 242,587 |
| Saint Paul and Ramsey County Domestic Abuse Intervention | 99,864 | - | - | - | 99,864 |
| ServeMinnesota Americorp | 75,885 | - | - | - | 75,885 |
| State of Minnesota - Special Project | - | 1,758,305 | - | - | 1,758,305 |
| United States Department of Justice - Body Worn Camera | 600,000 | - | - | - | 600,000 |
| United States Department of Justice - Mental Health Collaboration | 1,954 | - | - | - | 1,954 |
| United States National Parks Service - Great River Passage | 40,797 | - | - | - | 40,797 |
| Violent Crime Enforcement | - | 120,900 | - | - | 120,900 |
| Total City Grants | 3,774,688 | 10,831,097 | 677,963 | 3,754,298 | 19,038,046 |
| General Government Special Projects | | | | | |
| HUD Fair Housing Funds Workshare Agreement | 294,550 | - | - | - | 294,550 |
| Police Special Projects | | | | | |
| Peace Officers Standards Board | - | 196,479 | - | - | 196,479 |
| United States Department of Justice - Equitable Sharing | 246,132 | - | - | - | 246,132 |
| United States Department of Treasury - Equitable Sharing | 216,764 | - | - | - | 216,764 |
| Total Police Special Projects | 462,896 | 196,479 | - | - | 659,375 |
| Right Of Way Maintenance | | | | | |
| Municipal State Aid | - | 3,699,031 | - | - | 3,699,031 |
| Ramsey County Aid | - | - | 1,903,638 | - | 1,903,638 |
| State Trunk Highway | - | 1,531,098 | - | - | 1,531,098 |
| Total Right of Way Maintenance | - | 5,230,129 | 1,903,638 | - | 7,133,767 |

CITY OF SAINT PAUL, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 ALL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 9
 (Page 3 of 3)

| | Federal | State | County | Other | Total |
|---|------------|-------------|-----------|-----------|-------------|
| Recycling And Solid Waste | | | | | |
| Ramsey County Recycling Program | - | - | 745,493 | - | 745,493 |
| Parks And Recreation Special Projects | | | | | |
| Metropolitan Council | - | 1,375,014 | - | - | 1,375,014 |
| Public Library Special Projects | | | | | |
| Minnesota Historical Society Digitization | - | 17,007 | - | - | 17,007 |
| Metropolitan Library Service Agency (MELSA) | - | 241,086 | - | - | 241,086 |
| Total Public Library Special Projects | - | 258,093 | - | - | 258,093 |
| City HUD Grants | | | | | |
| Community Development Block Grant - HUD | 7,119,327 | - | - | - | 7,119,327 |
| Emergency Solutions Grant - HUD | 538,817 | - | - | - | 538,817 |
| Home Investment Partnerships Program - HUD | 153,041 | - | - | - | 153,041 |
| Total City HUD Grants | 7,811,185 | - | - | - | 7,811,185 |
| Total Special Revenue Funds | 12,343,319 | 17,890,812 | 3,327,094 | 3,754,298 | 37,315,523 |
| Capital Projects | | | | | |
| HRA Development Capital Projects | | | | | |
| Minnesota Department of Employment and Economic Development Palace Theatre | - | 153,917 | - | - | 153,917 |
| Minnesota Housing Agency Economic Development and Housing Challenge | - | 287,882 | - | - | 287,882 |
| Total Capital Projects | - | 441,799 | - | - | 441,799 |
| Total Nonmajor Governmental Funds | 12,343,319 | 18,332,611 | 3,327,094 | 3,754,298 | 37,757,322 |
| Total Governmental Funds | 13,024,786 | 106,429,561 | 4,164,226 | 4,218,619 | 127,837,192 |
| PROPRIETARY FUNDS | | | | | |
| Major Enterprise Funds | | | | | |
| Sewer Utility | | | | | |
| Ramsey County Aid | - | - | 73,212 | - | 73,212 |
| HRA Loan Enterprise | | | | | |
| Housing Counseling Assistance Program - Minnesota Home Ownership Center | 18,215 | - | - | - | 18,215 |
| National Foreclosure Mitigation Counseling Program - Minnesota Housing Finance Agency | 6,938 | - | - | - | 6,938 |
| Homeowner Loan Program - State Administered | - | 189,209 | - | - | 189,209 |
| Mortgage Foreclosure Prevention Assistance Program - State Administered | - | - | - | 840 | 840 |
| Total HRA Loan Enterprise | 25,153 | 189,209 | - | 840 | 215,202 |
| Total Major Enterprise Funds | 25,153 | 189,209 | 73,212 | 840 | 288,414 |
| Nonmajor Internal Service Fund | | | | | |
| Parks Supply and Maintenance | | | | | |
| Minnesota Department of Natural Resources | - | 16,336 | - | - | 16,336 |
| Total Nonmajor Internal Service Fund | - | 16,336 | - | - | 16,336 |
| Total Proprietary Funds | 25,153 | 205,545 | 73,212 | 840 | 304,750 |
| TOTAL ALL FUNDS | 13,049,939 | 106,635,106 | 4,237,438 | 4,219,459 | 128,141,942 |

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CITY OF SAINT PAUL, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Schedule 10
(Page 1 of 3)

| Federal Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Agreement Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|--|------------------|------------------------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Direct Grants | | | | |
| CDBG - Entitlement Grants Cluster | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | \$ 8,124,389 | \$ 2,391,961 |
| Emergency Solutions Grant Program | 14.231 | | 538,817 | 471,102 |
| Home Investment Partnerships Program | 14.239 | | 286,655 | - |
| Neighborhood Stabilization Program – ARRA | 14.256 | | 62,256 | - |
| Fair Housing Assistance Program State and Local | 14.401 | | 294,550 | - |
| Passed Through Minnesota Home Ownership Center | | | | |
| Housing Counseling Assistance Program | 14.169 | FY2017-11 | 18,215 | - |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 02-2009-14B-NSP | 203,122 | - |
| Total U.S. Department of Housing and Urban Development | | | <u>9,528,004</u> | <u>2,863,063</u> |
| U.S. Department of the Interior National Park Service | | | | |
| Direct Grants | | | | |
| Mississippi National River and Recreation Area State and Local Assistance | 15.941 | | <u>40,797</u> | - |
| U.S. Department of Justice | | | | |
| Direct Grants | | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | | 386,108 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | 600,000 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | <u>204,688</u> | <u>12,448</u> |
| Total CFDA # 16.738 | | | 804,688 | 12,448 |
| Criminal and Juvenile Justice and Mental Health Collaboration Program | 16.745 | | 1,954 | - |
| Equitable Sharing Program | 16.922 | | 28,999 | - |
| Passed Through Minnesota Department of Public Safety | | | | |
| Missing Children's Assistance | 16.543 | SWIFT 109610, 2016-MC-FX-K007 | 440 | - |
| Crime Victim Assistance | 16.575 | A-CVSP-2017-STPAULAO-0039 | 48,270 | - |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | A-NFSIA-2017-SPPD-00006 | 6,378 | - |
| Passed through Saint Paul and Ramsey County Domestic Abuse Intervention | | | | |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 16.590 | 2016-WE-AX-0013 | 104,846 | - |
| Total U.S. Department of Justice | | | <u>1,381,683</u> | <u>12,448</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, 2017

Schedule 10
 (Page 2 of 3)

| Federal Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Agreement Number | Expenditures | Passed Through to Subrecipients |
|--|---------------------------|--|------------------|------------------------------------|
| U.S. Department of Transportation | | | | |
| Passed Through Minnesota Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703 | A-HMEP-2016-STPFIRE-010 | 10,118 | - |
| Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster | | | | |
| Highway Planning and Construction | 20.205 | SP 091-090-080 | 681,467 | - |
| Highway Planning and Construction | 20.205 | SP 164-070-014 | 81,520 | - |
| Total CFDA # 20.205 | | | <u>762,987</u> | - |
| Passed Through Ramsey County Highway Safety Cluster | | | | |
| State and Community Highway Safety | 20.600 | Not Provided | 59,327 | - |
| National Priority Safety Programs | 20.616 | Not Provided | 9,669 | - |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | Not Provided | 173,591 | - |
| Total U.S. Department of Transportation | | | <u>1,015,692</u> | - |
| U.S. Department of Treasury | | | | |
| Passed Through Minnesota Housing Finance Agency National Foreclosure Mitigation Counseling Program | 21.000 | PL113-76X1350 | (1,279) | - |
| National Foreclosure Mitigation Counseling Program | 21.000 | PL113-235X1350 | 165 | - |
| National Foreclosure Mitigation Counseling Program | 21.000 | PL114-113X1350 | 8,052 | - |
| Total U.S. Department of Treasury | | | <u>6,938</u> | - |
| U.S. Environmental Protection Agency | | | | |
| Direct Grants | | | | |
| Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements | 66.814 | | 87,507 | - |
| Brownfields Assessment and Cleanup Cooperative Agreements | 66.818 | | 25,777 | - |
| Total U.S. Environmental Protection Agency | | | <u>113,284</u> | - |
| Corporation for National and Community Service | | | | |
| Direct Grants | | | | |
| Volunteers in Service to America | 94.013 | | 232,231 | - |
| Passed Through ServeMinnesota AmeriCorps | 94.006 | 17ACHMN0010001-17 | 75,885 | - |
| Total Corporation for National and Community Service | | | <u>308,116</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, 2017

Schedule 10
 (Page 3 of 3)

| Federal Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Agreement Number | Expenditures | Passed Through to Subrecipients |
|--|---------------------------|--|----------------------|------------------------------------|
| U.S. Department of Homeland Security | | | | |
| Direct Grants | | | | |
| Assistance to Firefighters Grant - Regional | 97.044 | | 314,464 | - |
| Assistance to Firefighters Grant | 97.044 | | 110,632 | - |
| Total CFDA # 97.044 | | | <u>425,096</u> | - |
| Port Security Grant Program | 97.056 | | 281,789 | - |
| Passed through Minnesota Department of Public Safety | | | | |
| Emergency Management Performance Grants | 97.042 | A-EMPG-2014-STPAULEERMGT-0772 | 29,772 | - |
| Pre-Disaster Mitigation | 97.047 | A-HM-PDM-2016-STPAULCI-02 | 8,991 | - |
| Homeland Security Grant Program | 97.067 | A-UASI-2015-STPAULCI-0012 | 642,290 | - |
| Homeland Security Grant Program | 97.067 | A-UASI-2016-STPAULCI-012 | 395,512 | - |
| Homeland Security Grant Program | 97.067 | A-SHSP-2014-STPBOMB-00017 | 87,905 | - |
| Homeland Security Grant Program | 97.067 | A-SHSP-2015-STPAULCI-0019 | 35,742 | - |
| Total CFDA # 97.067 | | | <u>1,161,449</u> | - |
| Total U.S. Department of Homeland Security | | | <u>1,907,097</u> | - |
| Total Federal Awards | | | <u>\$ 14,301,611</u> | <u>\$ 2,875,511</u> |
| Totals by Cluster | | | | |
| Total expenditures for CDBG - Entitlement Grants Cluster | | | 8,124,389 | |
| Total expenditures for Highway Planning and Construction Cluster | | | 762,987 | |
| Total expenditures for Highway Safety Cluster | | | 68,996 | |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the City of Saint Paul. The City's reporting entity is defined in Note II to the basic financial statements. This schedule does not include \$5,139,783 and \$6,721,340 in federal awards expended by the Saint Paul Regional Water Services and the Port Authority of the City of Saint Paul, respectively, discretely presented component units of the City, which had separate single audits.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Saint Paul under programs of the federal government for the year ended December 31, 2017. 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, 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.

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. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the full 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City of Saint Paul has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

4. Reconciliation to Schedule of Intergovernmental Revenue

| | |
|---|----------------------|
| Federal grant revenue per Schedule of Intergovernmental Revenue | \$ 13,049,939 |
| Expenditures of Program Income | |
| Community Development Block Grants/Entitlement Grants | 2,060,827 |
| Community Development Block Grant/ State's Program and Non-Entitlement Grants in Hawaii | 203,122 |
| Edward Byrne Memorial Justice Assistance Grant Program 2013 | 5,869 |
| Home Investment Partnerships Program | 133,614 |
| Expenditures occurring in 2016, but revenue recognized in 2017 | |
| Community Development Block Grants/Entitlement Grants | (1,048,686) |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | (1,855) |
| Expenditures occurring in 2017, but revenue deferred until 2018 | |
| Assistance to Firefighters Grant | 74,209 |
| Emergency Management Performance Grants | 17,035 |
| Brownfields Assessment and Cleanup Cooperative Agreements | 2,985 |
| Highway Planning and Construction | 54,123 |
| Homeland Security Grant Program | 124,167 |
| Neighborhood Stabilization Program – ARRA | 62,256 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 4,982 |
| Unspent forfeitures awarded | |
| United States Department of Justice - Equitable Sharing | (217,133) |
| United States Department of Treasury - Equitable Sharing | (216,764) |
| Reclassification of prior year expenditures | |
| Community Development Block Grants/Entitlement Grants | (7,079) |
| Expenditures per Schedule of Expenditures of Federal Awards | <u>\$ 14,301,611</u> |

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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.

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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 | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$ 830,322,656 | \$ 845,478,082 | \$ 870,207,402 | \$ 897,144,181 | \$ 914,831,518 |
| Restricted | 12,098,432 | 14,382,290 | 10,840,072 | 126,716,782 | 106,610,744 |
| Unrestricted | 61,063,557 | 79,548,174 | 65,908,623 | (70,428,738) | (70,857,529) |
| Total Governmental Activities Net Position | <u>903,484,645</u> | <u>939,408,546</u> | <u>946,956,097</u> | <u>953,432,225</u> | <u>950,584,733</u> |
| Business-Type Activities | | | | | |
| Net Investment in Capital Assets | 237,900,645 | 232,402,369 | 230,341,576 | 229,596,222 | 228,206,967 |
| Restricted | 9,894,269 | 11,941,383 | 17,257,081 | 13,808,890 | 14,927,767 |
| Unrestricted | 82,854,646 | 78,582,035 | 75,358,398 | 73,495,906 | 65,783,952 |
| Total Business-Type Activities Net Position | <u>330,649,560</u> | <u>322,925,787</u> | <u>322,957,055</u> | <u>316,901,018</u> | <u>308,918,686</u> |
| Primary Government | | | | | |
| Net Investment in Capital Assets | 1,068,223,301 | 1,077,880,451 | 1,100,548,978 | 1,126,740,403 | 1,143,038,485 |
| Restricted | 21,992,701 | 26,323,673 | 28,097,153 | 140,525,672 | 121,538,511 |
| Unrestricted | 143,918,203 | 158,130,209 | 141,267,021 | 3,067,168 | (5,073,577) |
| Total Primary Government Net Position | <u>\$ 1,234,134,205</u> | <u>\$ 1,262,334,333</u> | <u>\$ 1,269,913,152</u> | <u>\$ 1,270,333,243</u> | <u>\$ 1,259,503,419</u> |
| Governmental Activities | | | | | |
| Fiscal Year | | | | | |
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Net Investment in Capital Assets | \$ 927,971,657 | \$ 884,350,146 | \$ 927,886,682 | \$ 924,717,220 | \$ 942,140,801 |
| Restricted | 126,429,482 | 149,764,160 | 152,709,015 | 165,968,764 | 152,061,991 |
| Unrestricted | (116,737,173) | (49,197,886) | (235,688,769) | (267,550,032) | (276,916,443) |
| Total Governmental Activities Net Position | <u>937,663,966</u> | <u>984,916,420</u> | <u>844,906,928</u> | <u>823,135,952</u> | <u>817,286,349</u> |
| Business-Type Activities | | | | | |
| Net Investment in Capital Assets | 251,126,046 | 249,527,566 | 250,610,829 | 242,687,846 | 242,228,344 |
| Restricted | 14,870,191 | 16,703,820 | 16,779,825 | 14,223,605 | 14,101,649 |
| Unrestricted | 53,283,956 | 54,042,676 | 52,163,584 | 59,265,066 | 64,841,447 |
| Total Business-Type Activities Net Position | <u>319,280,193</u> | <u>320,274,062</u> | <u>319,554,238</u> | <u>316,176,517</u> | <u>321,171,440</u> |
| Primary Government | | | | | |
| Net Investment in Capital Assets | 1,179,097,703 | 1,133,877,712 | 1,178,497,511 | 1,167,405,066 | 1,184,369,145 |
| Restricted | 141,299,673 | 166,467,980 | 169,488,840 | 180,192,369 | 166,163,640 |
| Unrestricted | (63,453,217) | 4,844,790 | (183,525,185) | (208,284,966) | (212,074,996) |
| Total Primary Government Net Position | <u>\$ 1,256,944,159</u> | <u>\$ 1,305,190,482</u> | <u>\$ 1,164,461,166</u> | <u>\$ 1,139,312,469</u> | <u>\$ 1,138,457,789</u> |

Source: Office of Financial Services, City of St. Paul

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 36,157,432 | \$ 38,193,787 | \$ 41,026,366 | \$ 45,904,559 | \$ 36,960,488 |
| Public Safety | 197,450,400 | 158,802,550 | 169,630,318 | 167,319,484 | 168,819,155 |
| Highways and Streets | 50,888,724 | 47,107,428 | 53,073,852 | 58,368,567 | 72,375,018 |
| Sanitation | 13,846,539 | 10,864,518 | 10,125,974 | 3,831,801 | 4,136,543 |
| Health | 3,961,737 | 3,504,354 | 3,596,107 | 3,847,123 | 3,651,735 |
| Culture and Recreation | 70,427,419 | 69,515,520 | 65,806,514 | 74,479,716 | 76,468,821 |
| Housing and Economic Development | 32,844,847 | 41,293,685 | 63,429,009 | 50,411,057 | 55,918,173 |
| Interest and Fiscal Charges | 25,792,065 | 22,431,008 | 22,796,044 | 23,901,340 | 25,994,941 |
| Total Governmental Activities Expenses | <u>431,369,163</u> | <u>391,712,850</u> | <u>429,484,184</u> | <u>428,063,647</u> | <u>444,324,874</u> |
| Business-Type Activities: | | | | | |
| HRA Penfield & Lofts | - | - | - | - | - |
| Sewer | 31,034,846 | 33,419,811 | 33,125,516 | 38,205,270 | 50,450,819 |
| Development Loan Programs | 6,538,769 | 5,275,603 | 1,211,512 | 4,071,255 | 2,728,591 |
| Parking Operations | 12,593,446 | 11,822,002 | 11,550,265 | 11,566,905 | 11,055,407 |
| Parks, Recreation and Athletics | 4,688,262 | 4,653,217 | 4,448,793 | 4,731,832 | 4,985,210 |
| Impound Lot | 2,562,536 | 2,563,378 | 3,276,206 | 2,716,930 | 2,519,161 |
| Printing | 1,457,730 | 1,462,918 | 1,347,600 | 1,435,476 | 1,394,357 |
| Total Business-Type Activities Expenses | <u>58,875,589</u> | <u>59,196,929</u> | <u>54,959,892</u> | <u>62,727,668</u> | <u>73,133,545</u> |
| Total Primary Government Expenses | <u>\$ 490,244,752</u> | <u>\$ 450,909,779</u> | <u>\$ 484,444,076</u> | <u>\$ 490,791,315</u> | <u>\$ 517,458,419</u> |
| Program Revenues (See Table 3) | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services | | | | | |
| General Government | \$ 15,684,712 | \$ 16,596,690 | \$ 12,618,406 | \$ 32,363,963 | \$ 7,900,534 |
| Public Safety | 35,630,084 | 34,535,278 | 41,807,497 | 36,874,281 | 42,997,003 |
| Highways and Streets | 38,104,316 | 43,363,311 | 37,934,352 | 26,740,937 | 40,924,292 |
| Sanitation | 2,949,035 | 3,654,476 | 1,427,354 | 4,590,556 | 5,381,382 |
| Health | 3,664,531 | 3,424,173 | 3,386,748 | 3,464,551 | 3,351,494 |
| Culture and Recreation | 6,234,474 | 5,861,240 | 6,605,978 | 9,152,639 | 10,956,097 |
| Housing and Economic Development | 4,287,747 | 5,231,153 | 9,220,024 | 2,786,648 | 9,745,681 |
| Operating Grants and Contributions | 73,826,231 | 43,760,775 | 76,491,106 | 52,035,818 | 51,948,542 |
| Capital Grants and Contributions | 21,441,852 | 19,467,064 | 10,580,782 | 20,347,127 | 31,947,548 |
| Total Governmental Activities Program Revenues | <u>201,822,982</u> | <u>175,894,160</u> | <u>200,072,247</u> | <u>188,356,520</u> | <u>205,152,573</u> |
| Business-Type Activities: | | | | | |
| Charges for Services | | | | | |
| HRA Penfield & Lofts | - | - | - | - | - |
| Sewer | 43,337,781 | 46,480,240 | 46,972,750 | 45,856,581 | 51,185,513 |
| Development Loan Programs | 1,164,671 | 1,748,389 | 504,285 | 2,478,443 | 919,137 |
| Parking Operations | 11,779,690 | 11,204,743 | 11,394,497 | 12,140,085 | 12,186,953 |
| Parks, Recreation and Athletics | 3,723,000 | 3,772,730 | 3,990,156 | 3,710,174 | 4,179,835 |
| Impound Lot | 2,541,781 | 3,062,620 | 3,305,857 | 2,668,342 | 2,456,393 |
| Printing | 1,312,867 | 1,314,185 | 1,286,696 | 1,392,178 | 1,210,644 |
| Operating Grants and Contributions | 3,843,369 | 427,828 | 294,329 | 519,025 | 142,559 |
| Capital Grants and Contributions | - | 74,666 | - | 1,592,481 | 1,076,050 |
| Total Business-Type Activities Program Revenues | <u>67,703,159</u> | <u>68,085,401</u> | <u>67,748,570</u> | <u>70,357,309</u> | <u>73,357,084</u> |
| Total Primary Government Program Revenues | <u>\$ 269,526,141</u> | <u>\$ 243,979,561</u> | <u>\$ 267,820,817</u> | <u>\$ 258,713,829</u> | <u>\$ 278,509,657</u> |

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 45,897,421 | \$ 69,578,614 | \$ 64,463,362 | \$ 70,544,027 | \$ 73,149,603 |
| Public Safety | 180,335,655 | 179,068,144 | 206,496,430 | 248,226,223 | 208,246,596 |
| Highways and Streets | 73,112,752 | 95,671,488 | 93,282,628 | 97,130,188 | 94,871,504 |
| Sanitation | 4,418,516 | 5,435,630 | 5,660,400 | 5,766,000 | 5,636,364 |
| Health | 3,281,326 | 3,965,489 | 1,688,139 | 3,090,856 | 2,977,570 |
| Culture and Recreation | 78,240,164 | 69,348,669 | 67,959,225 | 71,749,233 | 78,143,487 |
| Housing and Economic Development | 54,376,822 | 42,338,140 | 43,674,221 | 39,460,130 | 52,013,923 |
| Interest and Fiscal Charges | 21,170,331 | 28,296,493 | 21,543,991 | 21,514,665 | 19,754,218 |
| Total Governmental Activities Expenses | <u>460,832,987</u> | <u>493,702,667</u> | <u>504,768,396</u> | <u>557,481,322</u> | <u>534,793,265</u> |
| Business-Type Activities: | | | | | |
| HRA Penfield & Lofts | - | 4,899,679 | 5,755,516 | 3,687,863 | 3,608 |
| Sewer | 41,534,100 | 43,802,699 | 45,645,402 | 47,796,953 | 47,624,241 |
| Development Loan Programs | 2,112,059 | 1,051,049 | 3,614,698 | 3,650,448 | 889,342 |
| Parking Operations | 11,639,747 | 11,903,949 | 12,021,087 | 12,340,066 | 12,705,422 |
| Parks, Recreation and Athletics | 4,739,628 | 4,191,870 | 2,773,375 | 3,120,301 | 2,843,261 |
| Impound Lot | 3,241,403 | 3,150,863 | 2,501,746 | 2,833,098 | 2,317,587 |
| Printing | 1,404,767 | 1,434,043 | 1,346,592 | 1,132,149 | 1,076,736 |
| Total Business-Type Activities Expenses | <u>64,671,704</u> | <u>70,434,152</u> | <u>73,658,416</u> | <u>74,560,878</u> | <u>67,460,197</u> |
| Total Primary Government Expenses | <u>\$ 525,504,691</u> | <u>\$ 564,136,819</u> | <u>\$ 578,426,812</u> | <u>\$ 632,042,200</u> | <u>\$ 602,253,462</u> |
| Program Revenues (See Table 3) | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services | | | | | |
| General Government | \$ 4,468,536 | \$ 51,972,789 | \$ 39,340,223 | \$ 32,068,901 | \$ 42,214,723 |
| Public Safety | 48,557,047 | 34,658,084 | 39,434,149 | 40,835,147 | 44,217,631 |
| Highways and Streets | 57,350,782 | 56,098,206 | 65,113,129 | 73,265,083 | 48,554,728 |
| Sanitation | 2,030,145 | 9,339,524 | 5,551,335 | 6,093,628 | 8,027,575 |
| Health | 3,248,970 | 3,207,916 | 3,270,783 | 2,914,508 | 2,769,502 |
| Culture and Recreation | 11,095,412 | 10,134,984 | 10,159,326 | 10,237,135 | 10,031,501 |
| Housing and Economic Development | 552,943 | 9,884,795 | 10,117,094 | 9,907,531 | 10,664,668 |
| Operating Grants and Contributions | 65,382,318 | 60,142,195 | 57,404,503 | 44,135,137 | 50,836,196 |
| Capital Grants and Contributions | 18,553,919 | 20,042,432 | 25,635,971 | 19,189,003 | 16,717,693 |
| Total Governmental Activities Program Revenues | <u>211,240,072</u> | <u>255,480,925</u> | <u>256,026,513</u> | <u>238,646,073</u> | <u>234,034,217</u> |
| Business-Type Activities: | | | | | |
| Charges for Services | | | | | |
| HRA Penfield & Lofts | - | 3,758,574 | 5,888,720 | 3,820,703 | - |
| Sewer | 48,918,611 | 49,640,483 | 52,033,538 | 54,250,478 | 57,670,729 |
| Development Loan Programs | 1,469,932 | 606,581 | 3,820,711 | 174,557 | 284,973 |
| Parking Operations | 13,485,208 | 13,669,640 | 14,856,306 | 15,828,064 | 16,654,305 |
| Parks, Recreation and Athletics | 4,162,394 | 2,333,934 | 2,598,576 | 2,752,536 | 2,786,697 |
| Impound Lot | 3,171,264 | 2,874,833 | 1,582,430 | 1,925,444 | 1,746,275 |
| Printing | 1,415,416 | 1,498,360 | 1,306,887 | 1,336,677 | 719,827 |
| Operating Grants and Contributions | - | - | - | - | - |
| Capital Grants and Contributions | 112,894 | - | - | - | - |
| Total Business-Type Activities Program Revenues | <u>72,735,719</u> | <u>74,382,405</u> | <u>82,087,168</u> | <u>80,088,459</u> | <u>79,862,806</u> |
| Total Primary Government Program Revenues | <u>\$ 283,975,791</u> | <u>\$ 329,863,330</u> | <u>\$ 338,113,681</u> | <u>\$ 318,734,532</u> | <u>\$ 313,897,023</u> |

| | Fiscal Year | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (229,546,181) | \$ (215,818,690) | \$ (229,411,937) | \$ (239,707,127) | \$ (239,172,301) |
| Business-Type Activities | 8,827,570 | 8,888,472 | 12,788,678 | 7,629,641 | 223,539 |
| Total Primary Government Net Expense | <u>\$ (220,718,611)</u> | <u>\$ (206,930,218)</u> | <u>\$ (216,623,259)</u> | <u>\$ (232,077,486)</u> | <u>\$ (238,948,762)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | \$ 76,684,086 | \$ 87,071,342 | \$ 91,851,462 | \$ 99,580,962 | \$ 103,894,752 |
| Property Taxes, Levied for Debt Service | 19,712,623 | 20,417,065 | 19,960,415 | 11,211,822 | 13,938,044 |
| City Sales Tax | 14,990,854 | 15,270,418 | 15,219,497 | 15,620,488 | 15,940,712 |
| Gross Earnings Franchise Fee | 24,224,292 | 24,184,936 | 24,716,144 | 25,184,336 | 24,645,673 |
| Other Taxes | 3,109,638 | 2,802,422 | 2,774,260 | 2,993,560 | 3,389,255 |
| Revenues Not Restricted to Specific Programs | | | | | |
| Local Government Aid | 51,092,991 | 57,666,283 | 50,423,110 | 54,474,965 | 53,744,220 |
| Grants and Contributions | 13,117,193 | 13,272,492 | 4,508,611 | 3,090,739 | 511,381 |
| Investment Income | | | | | |
| Interest Earned on Investments | 8,891,542 | 7,913,473 | 8,588,955 | 6,731,991 | 6,815,021 |
| Increase (Decrease) in Fair Value of Investments | 3,080,853 | 115,630 | (1,307,705) | 4,957,838 | (380,210) |
| Other Investment Income | 2,403,216 | 131 | 75,077 | 50,394 | 483,885 |
| Noncapital Contributions | - | - | - | - | 168,272 |
| Gain on Sale of Capital Assets | 18,967 | - | 41,519 | 120,589 | 90,794 |
| Miscellaneous | 1,732,985 | 4,351,022 | 4,755,056 | 7,358,546 | 9,165,237 |
| Transfers | 16,316,876 | 18,677,377 | 15,353,087 | 15,588,454 | 3,917,773 |
| Special Item - Capital Lease Termination Costs | - | - | - | (781,429) | - |
| Total Governmental Activities | <u>235,376,116</u> | <u>251,742,591</u> | <u>236,959,488</u> | <u>246,183,255</u> | <u>236,324,809</u> |
| Business-Type Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | 1,193,871 | 1,178,925 | 1,258,761 | 1,242,838 | 1,438,609 |
| Revenues Not Restricted to Specific Programs | | | | | |
| Grants and Contributions | - | 176,193 | 73,200 | 73,100 | 681,284 |
| Investment Income | | | | | |
| Interest Earned on Investments | 1,311,738 | 561,255 | 883,999 | 1,026,125 | 790,729 |
| Increase (Decrease) in Fair Value of Investments | 334,985 | (134,914) | (272,549) | 981,947 | (308,744) |
| Other Investment Income | - | - | - | - | - |
| Noncapital Contributions | - | - | - | - | 301,800 |
| Gain on Sale of Capital Assets | 1,339,360 | - | - | 481 | 4,229 |
| Miscellaneous | 140,396 | 283,673 | 652,266 | 128,762 | - |
| Transfers | (16,316,876) | (18,677,377) | (15,353,087) | (15,588,454) | (3,917,773) |
| Special Item - Sale of Lofts Apartments | - | - | - | - | - |
| Special Item - Sale of Penfield Apartments | - | - | - | - | - |
| Total Business-Type Activities | <u>(11,996,526)</u> | <u>(16,612,245)</u> | <u>(12,757,410)</u> | <u>(12,135,201)</u> | <u>(1,009,866)</u> |
| Total Primary Government | <u>\$ 223,379,590</u> | <u>\$ 235,130,346</u> | <u>\$ 224,202,078</u> | <u>\$ 234,048,054</u> | <u>\$ 235,314,943</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ 5,829,935 | \$ 35,923,901 | \$ 7,547,551 | \$ 6,476,128 | \$ (2,847,492) |
| Business-Type Activities | (3,168,956) | (7,723,773) | 31,268 | (4,505,560) | (786,327) |
| Total Primary Government | <u>\$ 2,660,979</u> | <u>\$ 28,200,128</u> | <u>\$ 7,578,819</u> | <u>\$ 1,970,568</u> | <u>\$ (3,633,819)</u> |

| | Fiscal Year | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (249,592,915) | \$ (238,221,742) | \$ (248,741,883) | \$ (318,835,249) | \$ (300,759,048) |
| Business-Type Activities | 8,064,015 | 3,948,253 | 8,428,752 | 5,527,581 | 12,402,609 |
| Total Primary Government Net Expense | <u>\$ (241,528,900)</u> | <u>\$ (234,273,489)</u> | <u>\$ (240,313,131)</u> | <u>\$ (313,307,668)</u> | <u>\$ (288,356,439)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | \$ 98,981,989 | \$ 102,333,637 | \$ 104,866,192 | \$ 110,577,084 | \$ 115,919,094 |
| Property Taxes, Levied for Debt Service | 21,361,771 | 22,474,817 | 18,775,067 | 19,448,709 | 18,767,103 |
| City Sales Tax | 17,034,422 | 18,314,992 | 18,022,671 | 18,823,311 | 18,911,281 |
| Gross Earnings Franchise Fee | 29,570,068 | 26,022,004 | 25,341,386 | 25,324,225 | 26,329,251 |
| Other Taxes | 2,962,513 | 3,794,188 | 3,990,771 | 4,385,376 | 4,393,095 |
| Revenues Not Restricted to Specific Programs | | | | | |
| Local Government Aid | 53,909,136 | 60,424,253 | 61,887,988 | 62,337,589 | 62,561,686 |
| Grants and Contributions | 1,067,620 | 2,172,748 | 5,593,771 | 6,745,610 | 6,999,822 |
| Investment Income | | | | | |
| Interest Earned on Investments | 5,284,518 | 4,795,857 | 4,691,136 | 5,015,342 | 5,620,565 |
| Increase (Decrease) in Fair Value of Investments | (9,426,616) | 3,897,685 | (1,107,392) | (2,242,493) | (419,396) |
| Other Investment Income | 160,732 | 385,371 | 524,720 | 711,069 | 748,361 |
| Noncapital Contributions | 96,719 | 16,153,683 | 20,003,877 | 20,027,594 | 21,584,321 |
| Gain on Sale of Capital Assets | 283,149 | 67,793 | 65,969 | 318,549 | 2,793,233 |
| Miscellaneous | 7,417,423 | 14,673,359 | 1,302,763 | 5,141,112 | 437,524 |
| Transfers | 10,331,230 | 8,197,576 | 10,901,599 | 20,451,196 | 10,263,505 |
| Special Item - Capital Lease Termination Costs | - | - | - | - | - |
| Total Governmental Activities | <u>239,034,674</u> | <u>283,707,963</u> | <u>274,860,518</u> | <u>297,064,273</u> | <u>294,909,445</u> |
| Business-Type Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | 1,738,167 | 1,753,095 | 1,780,580 | \$ 1,099,375 | \$ 1,103,567 |
| Revenues Not Restricted to Specific Programs | | | | | |
| Grants and Contributions | 1,245,094 | 2,521,342 | 656,977 | 692,821 | 288,414 |
| Investment Income | | | | | |
| Interest Earned on Investments | 624,323 | 415,038 | 499,090 | 299,230 | 319,923 |
| Increase (Decrease) in Fair Value of Investments | (986,276) | 407,941 | (91,078) | (190,122) | 88,790 |
| Other Investment Income | - | 54,203 | 95,624 | 298,792 | 259,186 |
| Noncapital Contributions | - | - | - | - | 761,141 |
| Gain on Sale of Capital Assets | 1,777 | - | - | 300 | 34,798 |
| Miscellaneous | 6,322 | 25,858 | 20 | - | - |
| Transfers | (10,331,230) | (8,197,576) | (10,901,599) | (20,451,196) | (10,263,505) |
| Special Item - Sale of Lofts Apartments | - | - | 3,564,115 | - | - |
| Special Item - Sale of Penfield Apartments | - | - | - | 9,345,498 | - |
| Total Business-Type Activities | <u>(7,701,823)</u> | <u>(3,020,099)</u> | <u>(4,396,271)</u> | <u>(8,905,302)</u> | <u>(7,407,686)</u> |
| Total Primary Government | <u>\$ 231,332,851</u> | <u>\$ 280,687,864</u> | <u>\$ 270,464,247</u> | <u>\$ 288,158,971</u> | <u>\$ 287,501,759</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ (10,558,241) | \$ 45,486,221 | \$ 26,118,635 | \$ (21,770,976) | \$ (5,849,603) |
| Business-Type Activities | 362,192 | 928,154 | 4,032,481 | (3,377,721) | 4,994,923 |
| Total Primary Government | <u>\$ (10,196,049)</u> | <u>\$ 46,414,375</u> | <u>\$ 30,151,116</u> | <u>\$ (25,148,697)</u> | <u>\$ (854,680)</u> |

Source: Office of Financial Services, City of St. Paul

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 | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities: | | | | | |
| General Government | \$ 20,020,285 | \$ 20,991,904 | \$ 20,038,070 | \$ 40,162,225 | \$ 8,337,985 |
| Public Safety | 80,914,434 | 39,316,096 | 53,284,221 | 47,001,067 | 57,491,668 |
| Highways and Streets | 49,945,497 | 51,943,438 | 51,725,595 | 35,787,549 | 55,701,661 |
| Sanitation | 3,536,602 | 6,430,358 | 2,025,104 | 5,246,720 | 5,981,765 |
| Health | 3,664,531 | 3,424,173 | 3,386,748 | 3,464,551 | 3,556,637 |
| Culture and Recreation | 22,100,295 | 26,575,821 | 19,612,945 | 26,367,244 | 31,493,135 |
| Housing and Economic Development | 21,641,338 | 27,212,370 | 49,999,564 | 30,327,164 | 42,589,722 |
| Total Governmental Activities | 201,822,982 | 175,894,160 | 200,072,247 | 188,356,520 | 205,152,573 |
| Business-Type Activities: | | | | | |
| HRA Penfield & Lofts | - | - | - | - | - |
| Sewer | 43,415,342 | 46,480,240 | 46,972,750 | 45,856,581 | 51,328,072 |
| Development Loan Programs | 4,930,479 | 2,176,217 | 798,614 | 4,483,449 | 1,995,187 |
| Parking Operations | 11,779,690 | 11,204,743 | 11,394,497 | 12,246,585 | 12,186,953 |
| Parks, Recreation and Athletics | 3,723,000 | 3,847,396 | 3,990,156 | 3,710,174 | 4,179,835 |
| Impound Lot | 2,541,781 | 3,062,620 | 3,305,857 | 2,668,342 | 2,456,393 |
| Printing | 1,312,867 | 1,314,185 | 1,286,696 | 1,392,178 | 1,210,644 |
| Total Business-Type Activities | 67,703,159 | 68,085,401 | 67,748,570 | 70,357,309 | 73,357,084 |
| Total Primary Government | \$ 269,526,141 | \$ 243,979,561 | \$ 267,820,817 | \$ 258,713,829 | \$ 278,509,657 |

| Function/Program | Fiscal Year | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | | |
| General Government | \$ 5,024,416 | \$ 89,661,722 | \$ 65,919,815 | \$ 46,510,400 | \$ 57,866,836 |
| Public Safety | 62,528,797 | 38,684,379 | 45,677,270 | 47,757,722 | 50,711,316 |
| Highways and Streets | 72,297,353 | 70,915,454 | 92,097,985 | 92,187,165 | 66,140,377 |
| Sanitation | 2,720,237 | 9,390,004 | 5,551,335 | 6,093,628 | 8,027,575 |
| Health | 3,248,970 | 3,207,916 | 3,270,783 | 2,914,508 | 2,769,502 |
| Culture and Recreation | 27,304,739 | 19,366,799 | 15,945,959 | 19,703,111 | 19,121,938 |
| Housing and Economic Development | 38,115,560 | 24,254,651 | 27,563,366 | 23,479,539 | 29,396,673 |
| Total Governmental Activities | 211,240,072 | 255,480,925 | 256,026,513 | 238,646,073 | 234,034,217 |
| Business-Type Activities: | | | | | |
| HRA Penfield & Lofts | - | 3,758,574 | 5,888,720 | 3,820,703 | - |
| Sewer | 48,918,611 | 49,640,483 | 52,033,538 | 54,250,478 | 57,670,729 |
| Development Loan Programs | 1,469,932 | 606,581 | 3,820,711 | 174,557 | 284,973 |
| Parking Operations | 13,503,179 | 13,669,640 | 14,856,306 | 15,828,064 | 16,654,305 |
| Parks, Recreation and Athletics | 4,257,317 | 2,333,934 | 2,598,576 | 2,752,536 | 2,786,697 |
| Impound Lot | 3,171,264 | 2,874,833 | 1,582,430 | 1,925,444 | 1,746,275 |
| Printing | 1,415,416 | 1,498,360 | 1,306,887 | 1,336,677 | 719,827 |
| Total Business-Type Activities | 72,735,719 | 74,382,405 | 82,087,168 | 80,088,459 | 79,862,806 |
| Total Primary Government | \$ 283,975,791 | \$ 329,863,330 | \$ 338,113,681 | \$ 318,734,532 | \$ 313,897,023 |

Source: Office of Financial Services, City of St. Paul

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2009 | 2010 | 2011 (1) | 2012 |
| General Fund | | | | | |
| Reserved | \$ 2,673,912 | \$ 2,515,994 | \$ 2,739,382 | \$ - | \$ - |
| Unreserved | 29,328,210 | 33,079,546 | 33,453,451 | - | - |
| Nonspendable | - | - | - | 759,560 | 568,200 |
| Restricted | - | - | - | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | 1,453,846 | 2,259,144 |
| Unassigned | - | - | - | 41,314,963 | 47,466,130 |
| Total General Fund | \$ 32,002,122 | \$ 35,595,540 | \$ 36,192,833 | \$ 43,528,369 | \$ 50,293,474 |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 27,472,142 | \$ 19,643,937 | \$ 29,954,346 | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special Revenue Funds | 32,828,181 | 31,555,241 | 31,311,035 | - | - |
| Debt Service Funds | 55,882,505 | 58,331,902 | 61,760,843 | - | - |
| Capital Projects Funds | 47,565,285 | 82,993,995 | 73,681,454 | - | - |
| Permanent Funds | 36,663 | 39,249 | 41,267 | - | - |
| Nonspendable | - | - | - | 35,000 | 35,000 |
| Restricted | - | - | - | 125,204,623 | 106,007,546 |
| Committed | - | - | - | 24,193,863 | 25,860,714 |
| Assigned | - | - | - | 29,867,351 | 29,923,607 |
| Unassigned | - | - | - | (3,434,266) | (3,572,604) |
| Total All Other Governmental Funds | \$ 163,784,776 | \$ 192,564,324 | \$ 196,748,945 | \$ 175,866,571 | \$ 158,254,263 |

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - | - |
| Nonspendable | 376,840 | 185,480 | - | - | - |
| Restricted | - | - | - | - | - |
| Committed | - | 251,841 | 67,362 | 268,433 | - |
| Assigned | 2,559,942 | - | - | - | - |
| Unassigned | 43,980,447 | 49,003,530 | 49,413,299 | 48,676,820 | 52,668,693 |
| Total General Fund | \$ 46,917,229 | \$ 49,440,851 | \$ 49,480,661 | \$ 48,945,253 | \$ 52,668,693 |
| All Other Governmental Funds | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special Revenue Funds | - | - | - | - | - |
| Debt Service Funds | - | - | - | - | - |
| Capital Projects Funds | - | - | - | - | - |
| Permanent Funds | - | - | - | - | - |
| Nonspendable | 35,000 | 3,774,128 | 3,693,385 | 35,000 | 35,000 |
| Restricted | 125,300,043 | 178,473,653 | 152,674,015 | 169,978,764 | 151,974,014 |
| Committed | 19,259,312 | 19,689,301 | 20,067,323 | 29,588,041 | 35,275,147 |
| Assigned | 25,357,298 | 27,446,600 | 28,066,516 | 26,514,738 | 23,439,139 |
| Unassigned | (13,452,569) | (20,116,141) | (12,333,221) | (18,905,813) | (16,049,502) |
| Total All Other Governmental Funds | \$ 156,499,084 | \$ 209,267,541 | \$ 192,168,018 | \$ 207,210,730 | \$ 194,673,798 |

(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

City of Saint Paul, Minnesota
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 5
 (Page 1 of 2)
 Unaudited

| | Fiscal Year | | | | |
|--|-----------------------|----------------------|---------------------|------------------------|------------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Revenues | | | | | |
| Taxes | \$ 138,151,522 | \$ 148,006,818 | \$ 154,749,009 | \$ 155,904,709 | \$ 166,679,717 |
| Licenses and Permits | 9,432,700 | 9,820,436 | 10,690,706 | 11,630,697 | 10,945,603 |
| Intergovernmental Revenue | 154,481,148 | 121,877,844 | 126,986,093 | 121,972,894 | 128,192,020 |
| Fees, Sales and Services | 51,379,607 | 50,370,090 | 52,499,448 | 54,242,682 | 65,468,681 |
| Assessment Financing | 31,813,576 | 35,393,640 | 36,951,903 | 33,955,433 | 34,839,487 |
| Investment Income | 14,512,236 | 8,088,868 | 7,270,592 | 12,763,669 | 6,652,759 |
| Interest Earned - Other | 697,780 | 744,872 | 503,822 | 332,235 | 417,351 |
| Miscellaneous Revenue | 14,800,180 | 19,584,028 | 20,859,269 | 15,730,330 | 19,361,393 |
| Total Revenues | 415,268,749 | 393,886,596 | 410,510,842 | 406,532,649 | 432,557,011 |
| Expenditures | | | | | |
| General Government | 31,536,943 | 32,724,318 | 33,322,425 | 35,359,739 | 33,829,113 |
| Public Safety | 194,237,619 | 153,510,163 | 161,774,703 | 159,037,189 | 161,201,134 |
| Highways and Streets | 25,381,589 | 27,495,408 | 29,774,560 | 36,912,967 | 43,528,634 |
| Sanitation | 13,835,451 | 10,869,636 | 10,144,564 | 3,728,012 | 4,139,070 |
| Health | 3,664,531 | 3,424,173 | 3,386,748 | 3,464,551 | 3,351,494 |
| Culture and Recreation | 53,969,320 | 53,031,415 | 52,589,177 | 55,670,636 | 58,722,984 |
| Housing and Economic Development | 32,476,088 | 39,619,296 | 65,867,835 | 51,503,460 | 54,721,178 |
| Miscellaneous | 5,922,691 | 5,788,930 | 6,250,287 | 6,873,589 | 7,059,195 |
| Capital Outlay | 50,080,872 | 45,564,338 | 40,466,027 | 53,848,689 | 47,772,365 |
| Debt Service | | | | | |
| Principal | 34,301,336 | 31,030,720 | 36,220,861 | 35,581,153 | 57,322,161 |
| Interest | 26,360,048 | 23,150,305 | 22,916,286 | 24,350,688 | 22,472,959 |
| Bond Issuance Costs | 596,800 | 3,162,165 | 886,344 | 645,714 | 584,985 |
| Total Expenditures | 472,363,288 | 429,370,867 | 463,599,817 | 466,976,387 | 494,705,272 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (57,094,539) | (35,484,271) | (53,088,975) | (60,443,738) | (62,148,261) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 103,169,441 | 114,903,508 | 113,868,958 | 108,588,719 | 91,419,407 |
| Transfers Out | (88,802,295) | (99,806,393) | (99,791,988) | (92,808,494) | (86,690,610) |
| Bonds Issued | 36,070,000 | 101,820,000 | 49,655,000 | 54,075,000 | 30,815,000 |
| Refunded Bonds | - | (68,030,000) | (8,285,000) | (18,655,000) | - |
| Capital Lease Refunded | - | - | - | (7,709,500) | - |
| Premium on Bonds Issued | 1,176,969 | 1,379,176 | 298,900 | 1,511,657 | 2,253,341 |
| Discount on Bonds Issued | (68,326) | - | - | - | - |
| Notes Issued | - | 17,307,525 | - | - | 7,575,000 |
| Premium on Notes Issued | - | 236,322 | - | - | 428,119 |
| Capital Lease | 4,391,000 | - | 2,083,500 | - | 3,329,543 |
| Capital Contribution | - | - | - | - | - |
| Sale of Capital Assets | 15,448 | 47,100 | 41,519 | 515,944 | 2,171,258 |
| Total Other Financing Sources (Uses) | 55,952,237 | 67,857,238 | 57,870,889 | 45,518,326 | 51,301,058 |
| Special Items | | | | | |
| Sale of Public Safety Building | - | - | - | 2,160,000 | - |
| Capital Lease Termination Costs | - | - | - | (781,429) | - |
| Net Change in Fund Balance | \$ (1,142,302) | \$ 32,372,967 | \$ 4,781,914 | \$ (13,546,841) | \$ (10,847,203) |
| Debt Service as a percentage of noncapital expenditures: | 14.4% | 14.1% | 14.0% | 14.5% | 17.9% |

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

| | Fiscal Year | | | | |
|--|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Revenues | | | | | |
| Taxes | \$ 171,761,215 | \$ 171,788,361 | \$ 171,122,657 | \$ 178,438,410 | \$ 184,255,321 |
| Licenses and Permits | 11,226,879 | 11,171,898 | 14,381,813 | 12,646,883 | 15,360,179 |
| Intergovernmental Revenue | 131,773,775 | 130,227,939 | 147,159,299 | 125,848,954 | 127,837,192 |
| Fees, Sales and Services | 68,460,049 | 74,947,716 | 69,066,583 | 76,915,946 | 78,369,871 |
| Assessments | 37,148,634 | 44,945,207 | 45,937,589 | 49,388,104 | 25,021,882 |
| Investment Income | (4,215,087) | 8,489,511 | 3,482,832 | 2,762,384 | 5,127,922 |
| Interest Earned - Other | 227,468 | 270,884 | 529,624 | 709,303 | 747,518 |
| Miscellaneous Revenue | 25,972,217 | 31,006,485 | 19,492,768 | 16,772,220 | 17,982,438 |
| Total Revenues | 442,355,150 | 472,848,001 | 471,173,165 | 463,482,204 | 454,702,323 |
| Expenditures | | | | | |
| General Government | 40,279,958 | 50,668,606 | 50,262,400 | 52,067,778 | 56,203,406 |
| Public Safety | 165,727,089 | 169,075,431 | 174,918,933 | 182,908,673 | 185,664,631 |
| Highways and Streets | 43,456,783 | 52,602,415 | 54,560,202 | 56,402,461 | 50,593,266 |
| Sanitation | 4,369,645 | 5,438,602 | 5,650,985 | 5,591,091 | 5,449,642 |
| Health | 3,248,970 | 3,355,469 | 3,123,230 | 2,914,508 | 2,769,500 |
| Culture and Recreation | 59,597,651 | 58,780,083 | 56,291,423 | 57,509,987 | 59,378,865 |
| Housing and Economic Development | 53,487,498 | 32,616,371 | 34,651,722 | 29,498,524 | 42,168,174 |
| Miscellaneous | 6,319,286 | - | - | - | - |
| Capital Outlay | 59,357,927 | 93,896,664 | 81,275,491 | 65,035,976 | 72,290,783 |
| Debt Service | | | | | |
| Principal | 33,648,646 | 81,282,526 | 58,281,943 | 58,916,816 | 35,393,366 |
| Interest | 20,837,062 | 22,717,904 | 21,740,207 | 21,428,920 | 20,896,910 |
| Bond Issuance Costs | 412,747 | 3,031,029 | 538,524 | 1,848,828 | 639,144 |
| Total Expenditures | 490,743,262 | 573,465,100 | 541,295,060 | 534,123,562 | 531,447,687 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (48,388,112) | (100,617,099) | (70,121,895) | (70,641,358) | (76,745,364) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 113,458,962 | 135,630,924 | 71,823,631 | 106,010,305 | 95,150,988 |
| Transfers Out | (99,425,956) | (124,549,538) | (57,673,061) | (83,011,735) | (79,996,984) |
| Bonds Issued | 26,625,000 | 96,120,000 | 34,300,000 | 58,955,000 | 43,735,000 |
| Refunded Bonds | - | - | - | - | - |
| Capital Lease Refunded | - | - | - | - | - |
| Premium on Bonds Issued | - | - | 1,030,594 | 3,146,907 | 2,341,792 |
| Discount on Bonds Issued | - | - | - | - | - |
| Notes Issued | - | 33,720,000 | 1,500,000 | - | 1,525,000 |
| Premium on Notes Issued | 669,673 | 10,111,266 | - | - | - |
| Capital Lease | 1,604,500 | 2,295,600 | 2,040,377 | - | - |
| Capital Contribution | 283,149 | - | - | - | - |
| Sale of Capital Assets | 41,359 | 447,238 | 40,641 | 48,185 | 3,033,222 |
| Total Other Financing Sources (Uses) | 43,256,687 | 153,775,490 | 53,062,182 | 85,148,662 | 65,789,018 |
| Special Items | | | | | |
| Sale of Public Safety Building | - | - | - | - | - |
| Capital Lease Termination Costs | - | - | - | - | - |
| Net Change in Fund Balance | \$ (5,131,425) | \$ 53,158,391 | \$ (17,059,713) | \$ 14,507,304 | \$ (10,956,346) |

Debt Service as a percentage of noncapital expenditures: 12.6% 21.7% 17.4% 17.1% 12.3%

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 |
|-------------|----------------------------|-------------------------|------------------------------|----------------|-----------------|-----------------|----------------|
| 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 |
| 2017 | 114,522,011 | 20,099,683 | 26,329,251 | 18,911,281 | 4,179,191 | 213,904 | 184,255,321 |

(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.

Note: 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 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Estimated Market Value | | | | | | | | | | |
| Residential | \$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 | \$13,136,233,200 |
| Multiple Dwelling | 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 | 4,587,325,500 |
| Commercial & Industrial | 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 | 3,959,112,000 |
| Agricultural | 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 | 1,162,500 |
| Personal Property | 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 | 380,477,800 |
| Total Estimated Market Value | \$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 | \$22,064,311,000 |
| Taxable Market Value | | | | | | | | | | |
| Residential | \$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 | \$12,090,255,600 |
| Multiple Dwelling | 3,117,013,200 | 3,120,576,047 | 2,963,483,753 | 3,397,551,861 | 3,265,355,000 | 3,202,891,000 | 3,332,922,400 | 3,610,388,500 | 3,872,408,400 | 4,532,062,500 |
| Commercial & Industrial | 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 | 3,931,905,400 |
| Agricultural | 1,642,400 | 1,937,700 | 740,000 | 727,799 | 1,749,000 | 2,047,700 | 765,100 | 1,005,600 | 156,800 | 271,400 |
| Personal Property | 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 | 380,477,800 |
| Total Taxable Market Value | \$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 | \$20,934,972,700 |
| Net Tax Capacity | | | | | | | | | | |
| Residential | \$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 | \$108,909,050 |
| Multiple Dwelling | 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 | 65,249,594 |
| Commercial & Industrial | 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 | 76,925,417 |
| Agricultural | 16,424 | 12,114 | 7,400 | 7,283 | 17,490 | 20,477 | 7,651 | 10,056 | 1,568 | 2,714 |
| Personal Property | 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 | 7,574,675 |
| | 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 | 258,661,450 |
| Less: Tax Increment District Captured Net Tax Capacity | (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) | (20,845,546) |
| Fiscal Disparity | | | | | | | | | | |
| Contribution from Saint Paul | (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) | (25,323,352) |
| Distribution to Saint Paul | 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 | 55,452,568 |
| Total Net Tax Capacity | \$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 | \$267,945,120 |
| Direct Tax Rate | | | | | | | | | | |
| General Revenue | 21.111% | 21.839% | 25.361% | 26.201% | 34.068% | 34.745% | 33.261% | 31.709% | 30.133% | 30.157% |
| Bonded Debt | 3.006% | 3.942% | 3.762% | 3.948% | 4.366% | 4.711% | 5.439% | 5.415% | 5.017% | 5.095% |
| Library Revenue | 5.502% | 5.834% | 6.522% | 7.059% | 6.405% | 7.978% | 7.367% | 7.311% | 6.866% | 6.614% |
| Total Direct Tax Rate | 29.619% | 31.615% | 35.645% | 37.208% | 44.839% | 47.434% | 46.067% | 44.436% | 42.016% | 41.866% |
| Total Net Tax Capacity as a Percentage of Total Estimated Market Value | 1.15% | 1.22% | 1.23% | 1.24% | 1.18% | 1.18% | 1.19% | 1.19% | 1.20% | 1.21% |

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 | | Port Authority | Ramsey County | Special Districts | Total |
|--|--------------------|---------------------|-------------------------------------|--------------|----------------|----------------|-------------------|----------------|
| | | | | | | | | |
| TAX CAPACITY RATES (PER \$100 OF ADJUSTED TAX CAPACITY VALUE) | | | | | | | | |
| 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 |
| 2017 | 41.963 | 40.684 | (1) | 1.327 | 1.366 | 51.034 | 8.669 (2) | 145.043 |
| TAX LEVIES | | | | | | | | |
| 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 |
| 2017 | 112,178,553 | 110,211,036 | (1) | 3,546,597 | 5,029,800 | 292,507,660 | 46,081,522 (2) | 569,555,168 |

- (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 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. The 2017 market based tax rate and levy were 0.13670% and \$37,858,620.

- (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 | |
| 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 |
| 2017 | 145.043 | 148.856 | 25,820,957 |

City of Saint Paul, Minnesota
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Table 9
 (Page 1 of 1)
 Unaudited

| Taxpayer | 2017 | | | 2008 | | |
|--|------------------------|------|---|------------------------|------|---|
| | Taxable Capacity Value | Rank | Percentage of Total City Capacity Value | Taxable Capacity Value | Rank | Percentage of Total City Capacity Value |
| Xcel Energy | \$ 7,144,122 | 1 | 2.66% | \$ 4,940,299 | 1 | 1.79% |
| Minnesota Mutual Life Insurance | 2,118,600 | 2 | 0.79% | 2,784,210 | 2 | 1.01% |
| St. Paul Tower LP (World Trade Center) | 1,531,084 | 3 | 0.57% | 1,839,250 | 4 | 0.67% |
| BNSF Railway Co. | 1,350,166 | 4 | 0.50% | 827,410 | 9 | 0.30% |
| U.S. Bank Corp. Property & U.S. Bancorp | 1,081,642 | 5 | 0.40% | 1,712,968 | 5 | 0.62% |
| Lawson Commons LLC | 968,146 | 6 | 0.36% | 1,239,250 | 7 | 0.45% |
| Ecolab | 877,000 | 7 | 0.33% | | | |
| Ford Motor Company ¹⁾ | 692,090 | 8 | 0.26% | 1,947,330 | 3 | 0.71% |
| Court International LLC | 685,194 | 9 | 0.26% | | | |
| US REIF Upper Landing MN LLC | 657,308 | 10 | 0.25% | | | |
| St. Paul Fire & Marine Insurance Company | | | | 1,559,180 | 6 | 0.57% |
| CSM Corporation & Investors | | | | 976,710 | 8 | 0.35% |
| Griffin Capital LLC | | | | 805,250 | 10 | 0.29% |
| | <u>\$ 17,105,352</u> | | <u>6.38%</u> | <u>\$ 18,631,857</u> | | <u>6.76%</u> |

1) 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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Total Taxes Levied for Current Fiscal Year | \$ 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 | \$ 112,178,553 |
| Collection of Current Year Tax Levy | | | | | | | | | | |
| From Taxpayers | 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 | 85,670,584 |
| Fiscal Disparity Aid | 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 | 24,289,281 |
| State Credits and Aids | 2,944,498 | 3,090,322 | 3,776 | 4,889 | - | 2,236 | 115 | - | - | - |
| Total Collection of Current Levy | 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 | 109,959,865 |
| Unallotted MVHC | - | - | 3,480,043 | 3,438,536 | - | - | - | - | - | - |
| Percentage of Current Year Levy Collected in the Fiscal Year of Levy | 97.11% | 96.22% | 96.80% (1) | 97.36% (1) | 101.09% | 97.64% | 99.27% | 97.83% | 98.06% | 98.02% |
| Delinquent Taxes Collected in subsequent years | | | | | | | | | | |
| 1st Year Delinquent | 1,222,665 | 1,575,214 | 1,018,896 | 495,017 | 597,870 | 363,911 | 412,252 | 1,060,969 | 968,303 | - |
| 2nd Year Delinquent | 22,832 | 198,907 | (242,622) | (129,720) | (168,892) | (198,279) | (48,762) | (154,213) | - | - |
| 3rd Year Delinquent | 140,646 | (23,436) | (49,370) | (108,274) | (131,644) | (23,285) | (49,693) | - | - | - |
| 4th Year Delinquent | 19,272 | 9,675 | 31,609 | (84,167) | 48,658 | 49,780 | - | - | - | - |
| 5th Year Delinquent | 23,363 | 38,439 | (53,344) | 26,596 | 35,197 | - | - | - | - | - |
| 6th Year & Prior Delinquent | 32,820 | (408,859) | 57,840 | 206,432 | - | - | - | - | - | - |
| Total Delinquent Collections | 1,461,598 | 1,389,940 | 763,009 | 405,884 | 381,189 | 192,126 | 313,797 | 906,756 | 968,303 | - |
| Total Tax Collections as of 12/31/17 | \$ 79,664,458 | \$ 85,239,297 | \$ 86,823,449 | \$ 87,021,614 | \$ 99,258,872 | \$ 97,242,098 | \$ 98,985,321 | \$ 100,521,285 | \$ 102,747,593 | \$ 109,959,865 |
| Percentage of Levy Collected as of 12/31/17 | 98.92% | 97.82% | 97.63% | 97.80% | 101.48% | 97.83% | 99.59% | 98.72% | 98.99% | 98.02% |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|--------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Total Taxes Levied for Current Fiscal Year | \$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 | \$3,546,597 |
| Collection of Current Year Tax Levy | | | | | | | | | | |
| From Taxpayers | \$ 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 | \$ 2,776,822 |
| Fiscal Disparity Aid | 183,574 | 223,759 | 493,367 | 693,746 | 633,373 | 662,508 | 696,821 | 725,135 | 723,429 | 719,336 |
| State Credits and Aids | 44,437 | 87,974 | 115,779 | 108,652 | - | 70 | - | - | 166 | - |
| Closed TIF District Adj. | - | - | 194,065 | - | - | - | - | - | - | - |
| Total Collection of Current Year Tax Levy | \$1,181,689 | \$2,186,562 | \$3,062,976 | \$3,272,667 | \$3,109,958 | \$3,126,670 | \$3,129,461 | \$3,206,666 | \$3,229,546 | \$3,496,158 |
| | | | (1) | | | | | | | |
| Collection Percent of Current Year Levy | 97.19% | 95.98% | 96.38% | 102.97% | 97.85% | 98.38% | 98.47% | 97.82% | 98.52% | 98.58% |
| Collection of Delinquent Taxes for Subsequent Years | | | | | | | | | | |
| 1st Year Delinquent | \$ 28,026 | \$ 41,495 | \$ 14,489 | \$ 21,851 | \$ (40,292) | \$ 75,700 | \$ 18,489 | \$ 17,114 | \$ 11,543 | \$ - |
| 2nd Year Delinquent | 2,991 | 9,941 | (8,660) | (4,284) | (5,424) | (6,309) | (3,895) | (4,511) | - | - |
| 3rd Year Delinquent | (4,334) | (654) | (1,867) | (3,642) | (4,229) | (949) | (1,394) | - | - | - |
| 4th Year Delinquent | 349 | 276 | 1,259 | (2,854) | 1,604 | 1,543 | - | - | - | - |
| 5th Year Delinquent | 353 | 1,095 | (1,904) | 932 | 1,100 | - | - | - | - | - |
| 6th Year & Prior Delinquent | 492 | (8,768) | 1,692 | 1,902 | - | - | - | - | - | - |
| Total Collection of Delinquent Taxes | \$ 27,877 | \$ 43,385 | \$ 5,009 | \$ 13,905 | \$ (47,241) | \$ 69,985 | \$ 13,200 | \$ 12,603 | \$ 11,543 | \$ - |
| Total Tax Collections | \$1,209,566 | \$2,229,947 | \$3,067,985 | \$3,286,572 | \$3,062,717 | \$3,196,655 | \$3,142,661 | \$3,219,269 | \$3,241,089 | \$3,496,158 |
| Total Percent of Levy Collected | 99.48% | 97.88% | 96.53% | 103.41% | 96.37% | 100.58% | 98.88% | 98.20% | 98.87% | 98.58% |

(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 | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 162,340,000 | \$ 169,845,000 | \$ 182,800,000 | \$ 206,065,000 | \$ 194,755,000 |
| Revenue Bonds | 189,451,560 | 187,729,669 | 187,446,305 | 170,311,657 | 161,298,862 |
| Revenue Notes | 51,124,864 | 77,427,232 | 71,896,669 | 67,740,670 | 71,130,920 |
| Capital Leases | 23,239,158 | 22,299,122 | 22,029,755 | 11,608,850 | 12,835,277 |
| Total - Governmental Activities | 426,155,582 | 457,301,023 | 464,172,729 | 455,726,177 | 440,020,059 |
| Business-Type Activities | | | | | |
| General Obligation Bonds | 34,530,000 | 29,350,000 | 28,055,000 | 26,480,000 | 24,875,000 |
| Limited Tax Bonds | - | - | 7,855,000.00 | 7,855,000 | 7,855,000 |
| Revenue Bonds | 96,825,000 | 100,595,000 | 99,840,000 | 104,310,000 | 108,115,000 |
| Revenue Notes | 14,071,786 | 14,558,630 | 12,701,769 | 11,424,620 | 10,302,158 |
| Capital Leases | - | - | - | - | - |
| Total - Business-Type Activities | 145,426,786 | 144,503,630 | 148,451,769 | 150,069,620 | 151,147,158 |
| Total Primary Government | \$ 571,582,368 | \$ 601,804,653 | \$ 612,624,498 | \$ 605,795,797 | \$ 591,167,217 |
| Per Capita (1) | \$ 1,984.28 | \$ 2,092.94 | \$ 2,149.05 | \$ 2,125.09 | \$ 2,064.37 |
| Percentage of Personal Income (2) | 7.84% | 8.66% | 8.82% | 8.48% | 8.32% |
| | Fiscal Year | | | | |
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 201,925,000 | \$ 234,692,349 | \$ 224,871,494 | \$ 249,319,556 | \$ 273,563,257 |
| Revenue Bonds | 153,890,000 | 159,550,555 | 151,833,008 | 136,873,878 | 128,142,006 |
| Revenue Notes | 67,164,715 | 90,629,942 | 83,580,257 | 74,255,900 | 66,248,479 |
| Capital Leases | 12,622,008 | 13,285,662 | 15,661,255 | 11,997,645 | 8,594,691 |
| Total - Governmental Activities | 435,601,723 | 498,158,508 | 475,946,014 | 472,446,979 | 476,548,433 |
| Business-Type Activities | | | | | |
| General Obligation Bonds | 23,235,000 | 21,600,438 | 19,946,059 | 18,584,271 | 16,735,108 |
| Limited Tax Bonds | 7,855,000 | 7,755,000 | 7,170,000 | - | - |
| Revenue Bonds | 109,725,000 | 114,010,281 | 116,003,919 | 110,963,023 | 111,645,255 |
| Revenue Notes | 9,142,769 | 7,946,082 | 6,773,949 | 7,906,050 | 6,735,909 |
| Capital Leases | - | - | - | - | - |
| Total - Business-Type Activities | 149,957,769 | 151,311,801 | 149,893,927 | 137,453,344 | 135,116,272 |
| Total Primary Government | \$ 585,559,492 | \$ 649,470,309 | \$ 625,839,941 | \$ 609,900,323 | \$ 611,664,705 |
| Per Capita (1) | \$ 2,024.27 | \$ 2,182.07 | \$ 2,083.68 | \$ 2,027.25 | \$ 1,978.34 |
| Percentage of Personal Income (2) | 8.17% | 8.31% | 8.14% | 7.69% | 7.36% |

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 | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Population (1) | 288,055 | 287,501 | 285,068 | 285,068 | 286,367 |
| Total Estimated Market Value of Taxable Property | \$ 23,949,433,800 | \$ 22,974,364,200 | \$ 21,626,927,100 | \$ 20,194,616,199 | \$ 19,439,998,300 |
| Governmental General Obligation Bonds: | | | | | |
| Property Tax Supported | 99,440,000 | 134,718,582 | 150,751,047 | 164,099,811 | 159,476,620 |
| Special Assessment Debt with Governmental Commitment | 50,195,000 | 23,896,418 | 23,588,953 | 23,340,189 | 19,208,380 |
| HRA Tax Increment | 12,705,000 | 11,230,000 | 8,460,000 | 18,625,000 | 16,070,000 |
| Total Governmental General Obligation Bonds | 162,340,000 | 169,845,000 | 182,800,000 | 206,065,000 | 194,755,000 |
| Less Debt Service Fund | (17,962,901) | (18,021,164) | (19,216,786) | (17,920,364) | (17,193,224) |
| Less G.O. Special Assessment - Streets Debt Service Fund - property taxes portion (2) | - | - | (6,588,074) | (10,249,606) | (6,607,586) |
| Net General Bonded Debt | \$ 144,377,099 | \$ 151,823,836 | \$ 156,995,140 | \$ 177,895,030 | \$ 170,954,190 |
| Percentage of Net General Bonded Debt to Total Estimated Market Value of Taxable Property | 0.60% | 0.66% | 0.73% | 0.88% | 0.88% |
| Net General Bonded Debt per Capita | \$ 501.21 | \$ 528.08 | \$ 550.73 | \$ 624.04 | \$ 596.98 |
| | | | | | |
| | Fiscal Year | | | | |
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Population (1) | 289,270 | 294,873 | 300,353 | 304,442 | 309,180 |
| Total Estimated Market Value of Taxable Property | \$ 18,389,127,700 | \$ 18,425,451,200 | \$ 19,709,362,700 | \$ 20,536,791,000 | \$ 22,064,311,000 |
| Governmental General Obligation Bonds: | | | | | |
| Property Tax Supported | 166,137,942 | 185,842,075 | 181,150,353 | 200,845,945 | 224,430,964 |
| Special Assessment Debt with Governmental Commitment | 21,022,058 | 26,092,925 | 22,234,647 | 25,929,055 | 26,669,036 |
| HRA Tax Increment | 14,765,000 | 13,880,000 | 12,330,000 | 10,990,000 | 9,635,000 |
| Total Governmental General Obligation Bonds | 201,925,000 | 225,815,000 | 215,715,000 | 237,765,000 | 260,735,000 |
| Less Debt Service Fund | (31,531,582) | (65,002,218) | (50,159,162) | (62,078,179) | (57,023,905) |
| Less G.O. Special Assessment - Streets Debt Service Fund - property taxes portion (2) | (6,904,331) | - | - | - | - |
| Net General Bonded Debt | \$ 163,489,087 | \$ 160,812,782 | \$ 165,555,838 | \$ 175,686,821 | \$ 203,711,095 |
| Percentage of Net General Bonded Debt to Total Estimated Market Value of Taxable Property | 0.89% | 0.87% | 0.84% | 0.86% | 0.92% |
| Net General Bonded Debt per Capita | \$ 565.18 | \$ 545.36 | \$ 551.20 | \$ 577.08 | \$ 658.88 |

(1) 2008-2009, 2011-2013, and 2016-2017 data is based on Metropolitan Council estimates. 2010 and 2014-2015 data is based on U.S. Census Bureau information.

(2) 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 and Saint Paul HRA | \$ 476,548,433 | 100.00% | \$ 476,548,433 |
| Overlapping Debt | | | |
| County of Ramsey | 193,602,000 | 49.46% | 95,755,549 |
| Metropolitan Council | 1,484,038,432 | 7.25% | 107,592,786 |
| | <u>1,677,640,432</u> | | <u>203,348,335</u> |
| Total Direct and Overlapping Debt | <u>\$ 2,154,188,865</u> | | <u>\$ 679,896,768</u> |
| Underlying Debt | | | |
| Port Authority of Saint Paul | \$ 110,235,711 | 100.00% | \$ 110,235,711 |
| Independent School District #625 | 392,765,000 | 100.00% | 392,765,000 |
| | <u>503,000,711</u> | | <u>503,000,711</u> |
| Total Direct, Overlapping and Underlying Debt | <u>\$ 2,657,189,576</u> | | <u>\$ 1,182,897,479</u> |

Overlapping authorities - Ramsey County and Metropolitan Council - are those with the geographic boundaries of which the City represents a portion.

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 overlapping and underlying debt for the City of Saint Paul and HRA. Many of these obligations are secured by and/or paid from other supporting revenues than the property tax for which the tax base overlaps or underlies.

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 | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Taxable Market Values | | | | | |
| Real Property Value | \$ 22,772,080,700 | \$ 22,455,951,200 | \$ 21,160,809,300 | \$ 19,711,076,801 | \$ 17,855,295,300 |
| Personal Property Value | 354,217,700 | 346,961,800 | 348,817,500 | 378,983,400 | 306,810,900 |
| Taxable Market Values for Debt Limit Computation | 23,126,298,400 | 22,802,913,000 | 21,509,626,800 | 20,090,060,201 | 18,162,106,200 |
| Debt limit (3 1/3% of assessed market value) | 770,876,613 | 760,097,100 | 716,987,561 | 669,668,673 | 605,403,540 |
| Debt applicable to limit | | | | | |
| General Obligation Bonds | 196,870,000 | 199,195,000 | 210,855,000 | 232,545,000 | 219,630,001 |
| Limited Tax Bonds | - | - | 7,855,000 | 7,855,000 | 7,855,000 |
| Revenue Bonds | 286,276,560 | 288,324,669 | 287,286,305 | 274,621,656 | 270,903,021 |
| Revenue Notes | 16,601,903 | 29,221,233 | 27,621,516 | 24,729,260 | 29,355,571 |
| Capital Leases | 16,118,250 | 15,922,362 | 16,453,228 | 6,427,999 | 12,835,276 |
| Less: Amount allowable under MSA 475.53 Subd. 3 and City Charter Section 10.14 | (425,463,603) | (424,840,914) | (433,866,176) | (440,047,455) | (426,462,033) |
| Total net debt applicable to limit | 90,403,110 | 107,822,350 | 113,204,873 | 106,131,461 | 114,116,836 |
| Legal debt margin | \$ 680,473,503 | \$ 652,274,750 | \$ 603,782,688 | \$ 563,537,212 | \$ 491,286,704 |
| Total net debt applicable to the limit as a percentage of debt limit | 11.73% | 14.19% | 15.79% | 15.85% | 18.85% |

| | Fiscal Year | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Taxable Market Values | | | | | |
| Real Property Value | \$ 16,748,885,200 | \$ 16,808,292,200 | \$ 18,166,672,900 | \$ 19,030,760,300 | \$ 20,554,494,900 |
| Personal Property Value | 345,717,700 | 353,557,800 | 363,783,400 | 352,949,100 | 380,477,800 |
| Taxable Market Values for Debt Limit Computation | 17,094,602,900 | 17,161,850,000 | 18,530,456,300 | 19,383,709,400 | 20,934,972,700 |
| Debt limit (3 1/3% of assessed market value) | 569,820,091 | 572,061,667 | 617,681,877 | 646,123,647 | 697,832,423 |
| Debt applicable to limit | | | | | |
| General Obligation Bonds | 225,160,000 | 247,340,000 | 235,590,000 | 255,915,000 | 277,085,000 |
| Limited Tax Bonds | 7,855,000 | 7,755,000 | 7,170,000 | - | - |
| Revenue Bonds | 279,325,000 | 264,180,000 | 259,004,000 | 237,994,000 | 229,029,000 |
| Revenue Notes | 25,715,330 | 55,649,367 | 90,054,522 | 81,905,078 | 72,770,328 |
| Capital Leases | 12,622,238 | 13,285,662 | 15,751,161 | 12,062,750 | 8,634,994 |
| Less: Amount allowable under MSA 475.53 Subd. 3 and City Charter Section 10.14 | (429,041,992) | (423,705,487) | (443,888,738) | (414,356,637) | (385,960,668) |
| Total net debt applicable to limit | 121,635,576 | 164,504,542 | 163,680,945 | 173,520,191 | 201,558,654 |
| Legal debt margin | \$ 448,184,515 | \$ 407,557,125 | \$ 454,000,932 | \$ 472,603,456 | \$ 496,273,769 |
| Total net debt applicable to the limit as a percentage of debt limit | 21.35% | 28.76% | 26.50% | 26.86% | 28.88% |

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) | |
| 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 | 129,342 | 3,500,000 | 5,020,397 | - | 27,573,242 | 4,945,000 | 5,332,869 | - (2) | 2.68 |
| 2017 | 18,911,281 | 37,883 | 3,500,000 | 5,061,417 | - | 27,510,581 | 5,465,000 | 4,153,140 | - | 2.86 |

(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, 2004E, 2006C, 2008D, 2009C, 2009I, 2010D, 2011C, 2012C, 2013D, 2014E, 2015B, 2016B, 2016D and 2017C | | | | | | | | | | |
|--|-------------------|------------------------|-----------------------|---------------|-----------------------|--------------|-----------|------|----------|--|
| Fiscal Year | Operating Revenue | Operating Expenses (1) | Non Operating Rev/Exp | Transfers (2) | Net Available Revenue | Debt Service | | | Coverage | |
| | | | | | | Principal | Interest | (1) | | |
| 2008 | 43,409,971 | (22,619,093) | (1,041,194) | (709,928) | 19,039,756 | 4,720,000 | 1,309,892 | 3.16 | (2) | |
| 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) | |
| 2017 | 57,670,729 | (39,400,855) | (2,255,754) | (804,573) | 15,209,547 | 5,480,000 | 2,594,863 | 1.88 | | |

(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 | |
| 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) |
| 2017 | - | - | - | - | - | - | - | - | - |

(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 | |
| 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 | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - |

| 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 | |
| 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 |
| 2017 | - | - | - | 670,000 | 4,188 | N/A |

| 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 | |
| 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* | - | - | - | - | - | - |
| 2017* | - | - | - | - | - | - |

(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 | Revenues Available for Debt Service | Debt Service | | Coverage |
| | | | | | | | Principal | Interest | |
| 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 | - | - | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - | - | - |

| 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 | |
| 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 |
| 2017 | 583,885 | 21,028 | 604,913 | 440,000 | 155,638 | 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 | |
| 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 | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - |

| 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 | |
| 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 |
| 2017 | 1,339,734 | - | 1,339,734 | 580,000 | 276,144 | 1.56 |

| 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 | |
| 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 |
| 2017 | 288,215 | (1,052) | 287,163 | 94,000 | 183,190 | 1.04 |

| 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 | | |
| 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 |
| 2017 | 2,436,541 | - | 4,509 | 2,441,050 | 650,000 | 679,750 | 1.84 |

| Drake Marble Tax Increment Bonds, Series 2002 | | | | | | | |
|---|----------------|---------------------|----------------------------|-----------|--------------|------|----------|
| Fiscal Year | Tax Increments | Investment Earnings | Revenues | | Debt Service | | Coverage |
| | | | Available for Debt Service | Principal | Interest | | |
| | | | | | | | |
| 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 | |
| 2017 | 204,663 | (2,495) | 202,168 | 173,000 | 62,674 | 0.86 | |

| 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 | | |
| | | | | | | | | |
| 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 | |
| 2017 | 776,297 | - | (1,639) | 774,658 | 105,000 | 66,431 | 4.52 | |

| 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 | |
| 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 |
| 2017 | 343,914 | 9,317 | (610) | 352,621 | 153,000 | 172,156 | 1.08 |

| Neighborhood Scattered Site Tax Increment Bonds, Series 2005 | | | | | | | |
|--|----------------|---------------|---------------------|-------------------------------------|--------------|----------|----------|
| Fiscal Year | Tax Increments | Reserve Funds | Investment Earnings | Revenues Available for Debt Service | Debt Service | | Coverage |
| | | | | | Principal | Interest | |
| 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 |
| 2017 | - | 1,084,809 | 221 | 1,085,030 | 1,110,000 | 30,248 | 0.95 |

| 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 |
| 2017 | - | - | - | - | - | - |

(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 |
| 2017 | 686,816 | 1,123 | 687,939 | 260,000 | 324,144 | 1.18 |

(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 | |
| | | | | | | |
| 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 | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - |

| 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 | |
| 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 |
| 2017 | 4,026,595 | 2,969,537 | 3,874 | 7,000,006 | 715,000 | 1,551,845 | 3.09 |

| Parking Revenue Bonds, Series 1997A | | | | | | | |
|-------------------------------------|---------------------|------------------------|---------------------|-------------------------------------|--------------|----------|----------|
| Fiscal Year | Ramp Lease Revenues | Capital Repair Reserve | Investment Earnings | Revenues Available for Debt Service | Debt Service | | Coverage |
| | | | | | Principal | Interest | |
| 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 |
| 2017 | 903,815 | 193,959 | 674 | 1,098,448 | 1,005,000 | 67,838 | 1.02 |

| 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 | |
| 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 |
| 2017 | 1,103,567 | - | 2,097,249 | 370 | 3,201,186 | 1,800,000 | 593,581 | 1.34 |

| 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 | - | |
| 2017 | - | - | - | - | - | - | - | |

(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 | |
| 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 |
| 2017 | 917,970 | 30,463 | 2,038 | 950,471 | 385,000 | 565,471 | 1.00 |

| Fiscal Year | Population (1) | Per Capita Personal Income | Personal Income (2) | Labor Force (3) | Unemployment Rate (3) |
|-------------|----------------|----------------------------|---------------------|-----------------|-----------------------|
| 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% |
| 2017 | 309,180 | 26,896 | 8,315,693,459 | 153,216 | 2.8% |

Sources:

- (1) 2008-2009, 2011-2013, and 2016-2017 data is based on Metropolitan Council estimates. 2010 and 2014-2015 data is based on U.S. Census Bureau information.
- (2) 2008-2015 data provided by U.S. Census Bureau's Annual American Community Survey. 2016-2017 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> | 2017 | | | 2008 | | |
|---------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|
| | <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 ¹⁾ | 18,000 | 1 | 11.41% | | | |
| State of Minnesota ¹⁾ | 14,173 | 2 | 8.99% | 13,200 | 1 | 7.29% |
| 3M Company | 10,500 | 3 | 6.66% | | | |
| Health East ^{1) 2)} | 7,500 | 4 | 4.76% | 3,078 | 7 | 1.70% |
| Saint Paul Public Schools | 5,966 | 5 | 3.78% | 5,737 | 2 | 3.17% |
| Regions Hospital ¹⁾ | 5,309 | 6 | 3.37% | 4,554 | 4 | 2.52% |
| Ramsey County | 4,427 | 7 | 2.81% | 2,686 | 9 | 1.48% |
| United Hospital ¹⁾ | 3,600 | 8 | 2.28% | 3,791 | 6 | 2.09% |
| City of Saint Paul ¹⁾ | 2,913 | 9 | 1.85% | 3,010 | 8 | 1.68% |
| Securian Financial Group | 2,750 | 10 | 1.74% | | | |
| U.S. Bancorp | | | | 4,700 | 3 | 2.60% |
| United States Federal Government | | | | 4,184 | 5 | 2.31% |
| St. Paul Traveler's Insurance | | | | 2,550 | 10 | 1.40% |
| Total | <u>75,138</u> | | <u>47.65%</u> | <u>47,490</u> | | <u>26.24%</u> |

¹⁾ Includes full- and part-time employees.

²⁾ Includes all home care clinics in its network

Sources: Minnesota DEED City Capital Partnership for 2008 data; 2017 data compiled by Springsted Inc. based on February 2018 telephone survey of individual employers

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| City Attorney | 67.8 | 68.8 | 64.3 | 63.5 | 63.5 | 64.3 | 64.3 | 64.3 | 66.3 | 67.7 |
| City Clerk | 2.0 | - | - | - | - | - | - | - | - | - |
| City Council | 26.7 | 29.1 | 29.1 | 29.5 | 28.5 | 28.5 | 28.5 | 28.5 | 28.5 | 28.5 |
| Debt Service Fund | 2.1 | 2.8 | 3.1 | 3.3 | 3.5 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 |
| Emergency Management | 1.1 | 2.0 | 2.0 | 6.1 | 5.8 | 7.4 | 8.0 | 8.0 | 8.0 | 8.0 |
| Financial Services (1) (2) | 45.0 | 42.7 | 38.9 | 40.6 | 38.4 | 48.0 | 45.1 | 45.1 | 46.1 | 45.9 |
| General Government Accounts | 2.1 | 2.1 | 2.1 | 2.2 | 2.2 | 2.2 | 0.2 | - | - | - |
| Human Resources | 31.3 | 31.3 | 27.4 | 29.4 | 28.7 | 27.9 | 36.8 | 37.8 | 37.8 | 39.0 |
| Human Rights and Equal Economic Opportunity (1) | 7.5 | 34.6 | 35.2 | 32.5 | 32.5 | 33.1 | 29.0 | 29.0 | 26.5 | 29.5 |
| Mayor's Office | 16.2 | 17.0 | 16.0 | 16.0 | 15.0 | 14.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| Office of Technology | 80.6 | 83.4 | 80.7 | 81.7 | 80.7 | 72.7 | 74.5 | 75.5 | 75.5 | 75.5 |
| PUBLIC SAFETY | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Firefighters and Officers | 421.0 | 411.0 | 417.6 | 433.0 | 415.0 | 421.0 | 405.0 | 404.0 | 413.0 | 405.0 |
| Civilians | 42.7 | 64.0 | 41.8 | 39.0 | 71.3 | 53.0 | 51.0 | 48.0 | 51.0 | 51.0 |
| Police | | | | | | | | | | |
| Officers | 595.7 | 584.0 | 583.3 | 609.0 | 586.0 | 578.0 | 566.0 | 586.0 | 617.0 | 585.0 |
| Civilians | 183.7 | 232.4 | 182.9 | 172.0 | 235.0 | 163.0 | 201.0 | 159.0 | 139.0 | 183.0 |
| Safety and Inspections | | | | | | | | | | |
| Health | 166.1 | 164.4 | 143.9 | 144.3 | 137.6 | 141.6 | 136.0 | 143.0 | 145.0 | 148.0 |
| Health | 53.8 | 49.2 | 43.6 | 41.2 | 40.3 | 38.4 | 38.4 | 38.4 | 32.6 | 30.6 |
| HIGHWAYS AND STREETS | | | | | | | | | | |
| Public Works (2) | 431.1 | 396.8 | 387.6 | 389.9 | 385.4 | 385.4 | 383.9 | 383.9 | 385.4 | 389.4 |
| CULTURE AND RECREATION | | | | | | | | | | |
| Libraries | 179.6 | 187.9 | 168.8 | 169.4 | 164.1 | 166.0 | 167.0 | 175.1 | 174.5 | 175.9 |
| Parks | 569.8 | 580.7 | 556.1 | 571.0 | 553.4 | 569.7 | 577.7 | 554.5 | 555.0 | 557.8 |
| PLANNING AND ECONOMIC DEVELOPMENT | | | | | | | | | | |
| | 83.6 | 79.8 | 75.2 | 72.2 | 68.3 | 68.2 | 70.1 | 72.1 | 74.1 | 75.3 |
| TOTAL | 3,009.5 | 3,064.0 | 2,899.6 | 2,945.8 | 2,955.2 | 2,884.3 | 2,900.4 | 2,870.2 | 2,893.3 | 2,913.0 |

(1) 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.

(2) 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 | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| <u>Police</u> | | | | | |
| Number of Calls for Service | 220,129 | 223,645 | 219,049 | 240,390 | 272,624 |
| <u>Fire</u> | | | | | |
| Number of Structure Fires | 799 | 886 | 799 | 794 | 826 |
| Number of EMS Incidents | 27,064 | 24,977 | 24,707 | 26,437 | 27,878 |
| <u>Department of Safety and Inspections</u> | | | | | |
| Number of Building Permits Issued | 8,498 | 8,138 | 9,887 | 11,649 | 8,582 |
| Valuation of Building Permits Issued | \$335,663,606 | \$330,135,432 | \$366,589,782 | \$521,098,690 | \$474,073,321 |
| <u>Public Works</u> | | | | | |
| Miles of Streets Reconstructed | 9.4 | 8.2 | 8.2 | 7.4 | 7.1 |
| Number of Snow Emergencies | 1 | 5 | 7 | 3 | 2 |
| <u>Parks and Recreation</u> | | | | | |
| Picnic Permits Issued | 1,900 | 2,000 | 2,060 | 2,093 | 2,167 |
| Number of Golf Rounds Played | 123,093 | 122,315 | 117,304 | 105,676 | 112,862 |
| <u>Libraries</u> | | | | | |
| Circulation | 3,321,165 | 3,442,777 | 3,153,093 | 2,958,656 | 2,866,183 |
| Number of Titles in Collection | 463,876 | 454,032 | 458,800 | 464,750 | 481,175 |
| <u>Economic Development</u> | | | | | |
| New and Substantially Rehabilitated Housing Units | 10 | 100 | 96 | 100 | 106 |

| Function/Program | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| <u>Police</u> | | | | | |
| Number of Calls for Service | 243,598 | 236,506 | 246,086 | 241,408 | 234,797 |
| <u>Fire</u> | | | | | |
| Number of Structure Fires | 796 | 819 | 876 | 894 | 826 |
| Number of EMS Incidents | 29,578 | 30,731 | 32,632 | 34,618 | 36,117 |
| <u>Department of Safety and Inspections</u> | | | | | |
| Number of Building Permits Issued | 7,738 | 7,950 | 7,834 | 7,814 | 7,873 |
| Valuation of Building Permits Issued | \$453,448,341 | \$717,883,411 | \$747,684,819 | \$483,508,298 | \$952,649,958 |
| <u>Public Works</u> | | | | | |
| Miles of Streets Reconstructed | 5.8 | 8.6 | 3.7 | 5.0 | 3.4 |
| Number of Snow Emergencies | 6 | 6 | 1 | 3 | 1 |
| <u>Parks and Recreation</u> | | | | | |
| Picnic Permits Issued | 1,502 | 1,490 | 1,428 | 1,379 | 1,431 |
| Number of Golf Rounds Played | 97,877 | 46,336 | 48,752 | 48,715 | 48,738 |
| <u>Libraries</u> | | | | | |
| Circulation | 2,840,868 | 2,608,100 | 2,976,976 | 2,825,326 | 2,440,606 |
| Number of Titles in Collection | 481,086 | 489,078 | 513,348 | 536,592 | 562,796 |
| <u>Economic Development</u> | | | | | |
| *New and Substantially Rehabilitated Housing Units | 99 | 774 | 316 | 1,600 | 1,232 |

Source: Various City departments.

*The 2014 Rehabilitated housing number increased due to the large amount of multi-family housing projects

| Function/Program | Fiscal Year | | | | | | | | | |
|---------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Police | | | | | | | | | | |
| Number of Stations | 13 | 13 | 13 | 10 | 10 | 10 | 10 | 14 | 14 | 16 |
| Number of Vehicles | 580 | 540 | 520 | 518 | 500 | 495 | 500 | 519 | 512 | 558 |
| Fire | | | | | | | | | | |
| Number of Stations | 16 | 16 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Number of Vehicles | 105 | 106 | 98 | 102 | 102 | 102 | 105 | 106 | 105 | 103 |
| Public Works | | | | | | | | | | |
| Miles of Sanitary Sewers | 806 | 806 | 806 | 806 | 806 | 806 | 806 | 806 | 806 | 806 |
| Miles of Sidewalks | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 | 1,013 | 1,013 | 1,014 | 1,015 | 1,015 |
| Miles of Storm Sewers | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Miles of Streets | 863 | 863 | 863 | 863 | 863 | 871 | 865 | 865 | 865 | 865 |
| Number of Alleys | 2,311 | 2,311 | 2,311 | 2,311 | 2,311 | 2,311 | 2,311 | 2,311 | 2,309 | 2,309 |
| Number of Bridges | 60 | 60 | 60 | 57 | 57 | 56 | 57 | 61 | 63 | 65 |
| Number of Street Light Poles | 31,696 | 31,740 | 31,856 | 31,698 | 31,882 | 32,531 | 32,852 | 33,016 | 33,290 | 33,290 |
| Parks and Recreation | | | | | | | | | | |
| Acreage of Parks | 4,288 | 4,288 | 4,306 | 4,306 | 4,306 | 5,580 | 4,722 | 4,395 | 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 | 173 | 173 | 173 | 173 | 173 | 179 | 179 | 179 | 178 | 180 |
| Number of Recreation Centers | 33 | 33 | 25 | 25 | 25 | 24 | 26 | 26 | 33 | 35 |
| Number of Tennis Courts | 92 | 90 | 83 | 77 | 77 | 77 | 79 | 77 | 83 | 77 |
| Number of Zoos & Conservatories | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Libraries | | | | | | | | | | |
| 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 |
| Economic Development | | | | | | | | | | |
| Number of Parking Facilities | 17 | 17 | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 17 |
| Number of Skyways | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |

Source: Various City departments.

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CITY OF SAINT PAUL
2017 Comprehensive Annual Financial Report
CAFR Production

OFFICE OF FINANCIAL SERVICES

Chris Eitemiller, Accounting Manager
Kevin Mannetter, Senior Accountant (CAFR Lead)

Accounting Staff

Louis Biagi
Patty Germain
Chito Jovellana
Dolly Lee
Tanvir Noor
Nnenna Osuagwu
Andre Parenteau
Melissa Zellmer

CITYWIDE ACCOUNTING STAFF

Economic Development

Rhonda Gillquist
Michael Marmsoler
Penny McMahon
Sharon Peterson
Mayka Yang

Fire

Jill LaCasse

Library

Ka Xiong

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
Chia Vue

Safety and Inspection

Vicki Plaistow

Water

Solomon Alemu
Connie Garrahy
Judy Howard
Yvonne Hutter
Lori Lee
Barb Martin
Ruth O'Brien
Kim Stewart
Karen Sullivan